

## FORM OF STORE LEASE

*Agreement of Lease* (this "lease") made as of this 5th day of August, 2011, between

RANDALL CO. LLC, having an office at c/o Century Realty, Inc., 140 Fulton Street,

5<sup>th</sup> Floor, New York, New York 10038 party of the first part, hereinafter referred to as LANDLORD, and

JUNAMBE POTTERY INC. D/B/A LA MANO POTTERY, having an office at 237 W 18<sup>th</sup> St. party of the  
NY, NY 10011  
second part, hereinafter referred to as TENANT,

*Witnesseth*, Landlord hereby leases to Tenant and Tenant hereby hires from Landlord a portion of the ground floor (more fully shown on Exhibit A annexed hereto and made a part hereof) and basement thereunder as presently demised (more fully shown on Exhibit B annexed hereto and made a part hereof (hereinafter sometimes referred to collectively as "Premises", "premises", "Demised Premises", or "demised premises") in the building known as 110 West 26th Street, in the Borough of Manhattan, City and State of New York (hereinafter sometimes referred to as "Building" or "building"), for a term of ten (10) Lease Years (as hereinafter defined), or until such term shall sooner cease and expire as hereinafter provided, to commence on the Commencement Date (as hereinafter defined) and to end on the Expiration Date (as hereinafter defined), both dates inclusive,

at a base annual rental rate as set forth in Article 41 of the rider annexed hereto and made a part hereof ("Rider")

which Tenant agrees to pay in lawful money of the United States which shall be legal tender in payment of all debts and dues, public and private, at the time of payment, in equal monthly installments in advance on the first day of each month during said term, at the office of Landlord or such other place as Landlord may designate, without any setoff or deduction whatsoever, except that Tenant shall pay the first monthly installment(s) on the execution hereof (unless this lease be a renewal).

In the event that, at the commencement of the term of this lease, or thereafter, Tenant shall be in default in the payment of rent to Landlord pursuant to the terms of another lease with Landlord or with Landlord's predecessor in interest, Landlord may at Landlord's option and without notice to Tenant add the amount of such arrears to any monthly installment of rent payable hereunder and the same shall be payable to Landlord as additional rent.

The parties hereto, for themselves, their heirs, distributees, executors, administrators, legal representative, successors and assigns, hereby covenant as follows:

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|------------|---|
| Rent:      | 1. Tenant shall pay the rent as above and as hereinafter provided.  |
| Occupancy: | 2. Tenant shall use and occupy the premises as follows: ground floor - for the retail sale of pottery and for pottery classes basement - storage or any legal use |

and for no other purpose (the "Permitted Use"). Tenant shall at all times conduct Tenant's business in a first-class, high grade and reputable manner, shall not violate Article 37 hereof, and shall keep show windows and signs in a neat and clean condition.

### Alterations:

3. Tenant shall make no changes in or to the premises of any nature without Landlord's prior written consent. Subject to the prior written consent of Landlord, and to the provisions of this article, Tenant, at Tenant's sole cost and expense, may make alterations, installations, additions or improvements in or to the interior of the premises which are nonstructural and which do not affect utility services or plumbing and electrical lines, by using contractors or mechanics first approved in each instance by Landlord. Tenant shall, before making any alterations, additions, installations or improvements, at Tenant's sole cost and expense, obtain all permits, approvals and certificates required by any governmental or quasi-governmental bodies and (upon completion) certificates of final approval thereof, and shall deliver promptly duplicates of all such permits, approvals and certificates to Landlord, and Tenant agrees to carry, and shall cause Tenant's contractors and sub-contractors to carry, such worker's compensation, general liability, personal and property damage insurance as Landlord may require. If any mechanic's lien is filed against the premises or the building for work claimed to have been done for, or materials furnished to, Tenant, whether or not done pursuant to this article, the same shall be discharged by Tenant within thirty (30) days thereafter, at Tenant's sole cost and expense, by payment or filing a bond as permitted by law. All fixtures and all paneling, partitions, railings and like installations, installed in the premises at any time, either by Tenant or by Landlord on Tenant's behalf, shall, upon installation, become the property of Landlord and shall remain upon and be surrendered with the premises unless Landlord, by notice to Tenant given no later than twenty (20) days prior to the date fixed as the termination of this lease, elects to relinquish Landlord's rights thereto and to have them removed by Tenant, in which event, the same shall be removed from the premises by Tenant prior to the expiration of the lease, at Tenant's sole cost and expense. Nothing in this article shall

be construed to give Landlord title to, or to prevent Tenant's removal of, trade fixtures, moveable office furniture and equipment, but upon removal of same from the premises or upon removal of other installations as may be required by Landlord, Tenant shall immediately, at Tenant's sole cost and expense, repair and restore the premises to the condition existing prior to any such installations, and repair any damage to the premises or the building due to such removal. All property permitted or required to be removed by Tenant at the end of the term remaining in the premises after the expiration or sooner termination of this lease shall be deemed abandoned and may, at the election of Landlord, either be retained as Landlord's property or be removed from the premises by Landlord at Tenant's sole cost and expense.

### Repairs:

4. Landlord shall maintain and repair the public portions of the building, both exterior and interior, except that if Landlord allows Tenant to erect on the outside of the building a sign or signs, or a hoist, lift or sidewalk elevator for the exclusive use of Tenant, Tenant shall maintain such exterior installations in good appearance, shall cause the same to be operated in a good and workmanlike manner, shall make all repairs thereto necessary to keep same in good order and condition, at Tenant's sole cost and expense, and shall cause the same to be covered by the insurance provided for hereafter in Article 8. Tenant shall, throughout the term of the lease, take good care of the premises and the fixtures and appurtenances therein, and the sidewalks adjacent thereto and, at Tenant's sole cost and expense, make all non-structural repairs thereto as and when needed to preserve them in good working order and condition, reasonable wear and tear, obsolescence and damage from the elements, fire or other casualty, excepted. If the premises be or become infested with vermin, Tenant shall, at Tenant's sole cost and expense, cause the same to be

exterminated from time to time to the satisfaction of Landlord. Except as specifically provided in Article 9 or elsewhere in this lease, there shall be no allowance to Tenant for the diminution of rental value and no liability on the part of Landlord by reason of inconvenience, annoyance or injury to business arising from Landlord, Tenant or others, making or failing to make any repairs, alterations, additions or improvements in or to any portion of the building, including the erection or operation of any crane, derrick or sidewalk shed, or in or to the premises or the fixtures, appurtenances or equipment thereof. It is specifically agreed that Tenant shall not be entitled to any set off or reduction of rent by reason of any failure of Landlord to comply with the covenants of this or any other article of this lease. Tenant agrees that Tenant's sole remedy at law in such instance shall be by way of an action for damages for breach of contract. The provisions of this Article 4 with respect to the making of repairs shall not apply in the case of fire or other casualty, which are dealt with in Article 9 hereof.

**Window Cleaning:**

5. Tenant shall 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.

**Requirements of Law, Fire Insurance:**

6. Prior to the commencement of the lease term, if Tenant is then in possession, and at all times thereafter, Tenant, at Tenant's sole cost and expense, shall promptly comply with all present and future laws, orders and regulations of all state, federal, municipal and local governments, departments, commissions and boards and any direction of any public officer pursuant to law, and all orders, rules and regulations of the New York Board of Fire Underwriters or the Insurance Services Office, or any similar body which shall impose any violations, order or duty upon Landlord or Tenant with respect to the premises, and with respect to the portion of the sidewalk adjacent to the premises, if the premises are on the street level, whether or not arising out of Tenant's use or manner of use thereof, or with respect to the building, if arising out of Tenant's use or manner of use of the premises or the building (including the use permitted under the lease). Except as provided in Article 29 hereof, nothing herein shall require Tenant to make structural repairs or alterations unless Tenant has by Tenant's manner of use of the demised premises or method of operation therein, violated any such laws, ordinances, orders, rules, regulations or requirements with respect thereto. Tenant shall not do or permit any act or thing to be done in or to the premises which is contrary to law, or which will invalidate or be in conflict with public liability, fire or other policies of insurance at any time carried by or for the benefit of Landlord, and Tenant shall pay all costs, expenses, fines, penalties and damages which may be imposed upon Landlord by reason of Tenant's failure to comply with the provisions of this article. If the fire insurance rate shall, at the beginning of this lease, or at any time thereafter, be higher than it otherwise would be, then Tenant shall reimburse Landlord, as additional rent hereunder, for that portion of all fire insurance premiums thereafter paid by Landlord which shall have been charged because of such failure by Tenant to comply with the terms of this article. In any action or proceeding wherein Landlord and Tenant are parties, a schedule or "makeup" of rate for the building or the premises issued by a body making fire insurance rates applicable to said premises shall be conclusive evidence of the facts therein stated and of the several items and charges in the fire insurance rate than applicable to said premises.

**Subordination:**

7. This lease is subject and subordinate to all ground or underlying leases and to all mortgages which may now or hereafter affect such leases or the real property of which the premises are a part, and to all renewals, modifications, consolidations, replacements and extensions of any such underlying leases and mortgages. This clause shall be self operative and no further instrument of subordination shall be

required by any ground or underlying lessor or by any mortgagee, affecting any lease or the real property of which the premises are a part. In confirmation of such subordination, Tenant shall from time to time execute promptly any certificate that Landlord may request.

**Tenant's Liability Insurance**

**Property Loss, Damage, Indemnity:**

8. Landlord and Landlord Parties (as hereinafter defined) shall not be liable for any damage to property of Tenant or of others entrusted to employees of the building, nor for loss of, or damage to, any property of Tenant by theft or other wise, nor for any injury or damage to persons or property resulting from any cause of whatsoever nature, unless caused by or due to the negligence of Landlord or Landlord Parties. Landlord and Landlord Parties shall not be liable for any such damage caused by other tenants or persons at, in, upon or about the building, or caused by operations in construction of any private, public or quasi public work. Tenant agrees, at Tenant's sole cost and expense, to maintain commercial general liability insurance in standard form in favor of Landlord and Tenant against claims for bodily injury or death or property damage occurring in or upon the premises, effective from the date Tenant enters into possession of the premises and during the term of this lease. Such insurance shall be in an amount and with carriers acceptable to Landlord. Such policy or policies shall be delivered to Landlord. On Tenant's default in obtaining or delivering any such policy or policies or failure to pay the charges therefor, Landlord may secure or pay the charges for any such policy or policies and charge Tenant for same as additional rent hereunder. Tenant shall indemnify and hold Landlord and Landlord Parties harmless and from and against any and all liabilities, obligations, damages, penalties, claims, costs and expenses for which Landlord and Landlord Parties shall not be reimbursed by insurance (including, without limitation, reasonable attorneys' fees and disbursements), paid, suffered or incurred as a result of any breach by Tenant or Tenant Parties (as hereinafter defined) of any term, provision, covenant or condition of this lease or by the carelessness, negligence or improper conduct of Tenant or Tenant Parties. Tenant's liability under this lease extends to the acts and omissions of any subtenant, and any agent, contractor, employee, invitee or licensee of any subtenant. In case any action or proceeding is brought against Landlord or Landlord Parties by reason of any such claim, Tenant shall, upon written notice from Landlord, at Tenant's sole cost and expense, resist or defend such action or proceeding by counsel approved by Landlord in writing, such approval not to be unreasonably withheld.

**Destruction, Fire, and Other Casualty:**

9. (a) If the premises or any part thereof shall be damaged by fire or other casualty, Tenant shall give immediate notice thereof to Landlord and this lease shall continue in full force and effect except as hereinafter set forth. (b) If the premises are partially damaged or rendered partially unusable by fire or other casualty, the damages thereto shall be repaired by and at the expense of Landlord, and the base annual rent and other items of additional rent, until such repair shall be substantially completed, shall be apportioned from the day following the casualty according to the part of the premises which is usable. (c) If the premises are totally damaged or rendered wholly unusable by fire or other casualty, then the base annual rent and other items of additional rent as hereinafter expressly provided shall be proportionately paid up to the time of the casualty and thenceforth shall cease until the date when the premises shall have been repaired and restored by Landlord (or sooner reoccupied in part by the Tenant then rent shall be apportioned as provided in subsection (b) above), subject to Landlord's right to elect not to restore the same as hereinafter provided. (d) If the premises are rendered wholly unusable or (whether or not the premises are damaged in whole or in part) if the building shall be so damaged that Landlord shall decide to demolish it or to rebuild it, then, in any of such events, Landlord may elect to terminate this lease by written notice to

Tenant given within 90 days after such fire or casualty or 30 days after adjustment of the insurance claim for such fire or casualty, whichever is sooner, specifying a date for the expiration of the lease, which date shall not be more than 60 days after the giving of such notice, and upon the date specified in such notice the term of this lease shall expire as fully and completely as if such date were the date set forth above for the termination of this lease and Tenant shall forthwith quit, surrender and vacate the premises without prejudice however, to Landlord's rights and remedies against Tenant under the lease provisions in effect prior to such termination, and any rent owing shall be paid up to such date and any payments of rent made by Tenant which were on account of any period subsequent to such date shall be returned to Tenant. Unless Landlord shall serve a termination notice as provided for herein, Landlord shall make the repairs and restorations under the conditions of (b) and (c) hereof, with all reasonable expedition subject to delays due to adjustment of insurance claims, labor troubles and causes beyond Landlord's control. After any such casualty, Tenant shall cooperate with Landlord's restoration by removing from the premises as promptly as reasonably possible, all of Tenant's salvageable inventory and movable equipment, furniture, and other property. Tenant's liability for base annual rent and additional rent shall resume five (5) days after written notice from Landlord that the premises are substantially ready for Tenant's occupancy. (e) Nothing contained herein shall relieve Tenant from liability that may exist as a result of damage from fire or other casualty. Notwithstanding the foregoing, including Landlord's obligation to restore under subparagraph (b) hereof, each party shall look first to any insurance in its favor before making any claim against the other party for recovery for loss or damage resulting from fire or other casualty, and to the extent that such insurance is in force and collectible, and to the extent permitted by law, Landlord and Tenant each hereby releases and waives all right of recovery with respect to subparagraphs (b), (d) and (e) hereof, against the other, or anyone claiming through or under each of them by way of subrogation or otherwise. The release and waiver herein referred to shall be deemed to include any loss or damage to the premises and/or to any personal property, equipment, trade fixtures, goods and merchandise located therein. The foregoing release and waiver shall be in force only if both releasors' insurance policies contain a clause providing that such a release or waiver shall not invalidate the insurance. Tenant acknowledges that Landlord shall not carry insurance on Tenant's furniture and/or furnishings or any fixtures or equipment, improvements, or appurtenances removable by Tenant, and agrees that Landlord shall not be obligated to repair any damage thereto or replace the same. (f) Tenant hereby waives the provisions of Section 227 of the Real Property Law and agrees that the provisions of this article shall govern and control in lieu thereof.

#### **Eminent Domain:**

10. If the whole or any part of the premises shall be acquired or condemned by Eminent Domain for any public or quasi public use or purpose, then and in that event, the term of this lease shall cease and terminate from the date of title vesting in such proceeding, and Tenant shall have no claim for the value of any unexpired term of said lease. Tenant shall have the right to make an independent claim to the condemning authority for the value of Tenant's moving expenses and personal property, trade fixtures and equipment, provided Tenant is entitled pursuant to the terms of the lease to remove such property, trade fixtures and equipment at the end of the term, and provided further such claim does not reduce Landlord's award.

#### **Assignment, Mortgage, Etc.:**

11. Tenant, for itself, and Tenant's heirs, distributees, executors, administrators, legal representatives, successors and assigns, expressly covenants that Tenant shall not assign, mortgage or encumber this agreement, nor underlet, or suffer or permit the premises or any part thereof to be used by others, without the prior written consent of Landlord in each instance. Transfer of the majority of the stock of a corporate Tenant or the majority interest in any partnership or other legal entity which is Tenant shall be deemed an assignment. If this lease be

assigned, or if the premises or any part thereof be underlet or occupied by anybody other than Tenant, Landlord may, after default by Tenant, collect rent from the assignee, under-tenant or occupant, and apply the net amount collected to the rent herein reserved, but no such assignment, underletting occupancy or collection shall be deemed a waiver of the covenant, or the acceptance of the assignee, under-tenant or occupant as tenant, or a release of Tenant from the further performance by Tenant of covenants on the part of Tenant herein contained. The consent by Landlord to an assignment or underletting shall not in any way be construed to relieve Tenant from obtaining the express consent in writing of Landlord to any further assignment or underletting.

#### **Electric Current:**

12. Rates and conditions in respect to submetering or rent inclusion, as the case may be, to be added in RIDER attached hereto. Tenant covenants and agrees that at all times Tenant's use of electric current shall not exceed the capacity of existing feeders to the building or the risers or wiring installation, and Tenant may not use any electrical equipment which, in Landlord's opinion, reasonably exercised, will overload such installations or interfere with the use thereof by other tenants of the building. The change at any time of the character of electric service shall in no way make Landlord liable or responsible to Tenant for any losses, damages or expenses which Tenant may sustain.

#### **Access to Premises:**

13. Landlord and/or Landlord's agents, contractors and employees shall have the right (but shall not be obligated) to enter the premises in any emergency at any time, and, at other reasonable times, to examine the same and/or to make such repairs, replacements and improvements which Landlord (i) may deem necessary and/or reasonably desirable or (ii) may be required to perform to any portion of the building or the premises following Tenant's failure to make repairs or perform any work which Tenant is obligated to perform under this lease, or (iii) is obligated to perform for the purpose of complying with Law (as hereinafter defined) or the requirements of other tenants or occupants of the building. Tenant shall permit Landlord to erect, use, maintain, repair and replace pipes, ducts, cables, vents, wires, columns, risers and conduits in and through the premises provided they are concealed within the walls, floors or ceiling, as practicable. Landlord may, during the progress of any work in the premises, take all necessary materials and equipment into said premises without the same constituting an eviction, nor shall Tenant be entitled to any abatement of base annual rent or additional rent while such work is in progress, nor to any damages by reason of loss or interruption of business or otherwise. Throughout the term hereof, Landlord shall have the right to enter the premises at reasonable hours for the purpose of showing the same to prospective purchasers or mortgagees of the building, and during the last six months of the term for the purpose of showing the same to prospective tenants, and may, during said six months period, place upon the premises the usual notice "to Let" and "For Sale", which notices Tenant shall permit to remain thereon without molestation. If Tenant is not present to open and permit an entry into the premises, Landlord or Landlord's agents may enter the same whenever such entry may be necessary or permissible, by master key or forcibly, and provided reasonable care is exercised to safeguard Tenant's property, such entry shall not render Landlord or Landlord's agents, contractors or employees liable therefor, nor in any event shall the obligations of Tenant hereunder be affected. If during the last month of the term Tenant shall have removed all or substantially all of Tenant's property from the premises, Landlord may immediately enter, alter, renovate or redecorate the premises without limitation or abatement of base annual rent or additional rent, or incurring liability to Tenant for any compensation, and such act shall have no effect on this lease or Tenant's obligations hereunder. Landlord shall have the right at any time, without the same constituting an eviction and without incurring liability to Tenant therefor, to change the arrangement and/or location of public entrances,

passageways, doors, doorways, corridors, elevators, stairs, toilets or other public parts of the building, and to change the name, number or designation by which the building may be known.

**Vault, Vault Space, Area:**

14. 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 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 the amount of 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, nor shall such revocation, diminution or requisition be deemed constructive or actual eviction. Any tax, fee or charge of municipal authorities for such vault area shall be paid by Tenant.

**Occupancy:**

15. Tenant shall not at any time use or occupy the premises in violation of (i) Articles 2 or 37 hereof, and (ii) the certificate of occupancy issued for the Building (and for the Premises, if required). Tenant has inspected the premises and accepts them "as-is", subject to the riders annexed hereto with respect to Landlord's Work (as hereinafter defined), if any. In any event, Landlord makes no representations or warranties as to the condition of the premises or the building, and Tenant agrees to accept the same subject to violations, whether or not of record.

**Bankruptcy:**

16. (a) Anything elsewhere in this lease to the contrary notwithstanding, this lease may be cancelled by Landlord by the sending of a written notice to Tenant within a reasonable time after the happening of any one or more of the following events: (1) the commencement of a case in bankruptcy or under the laws of any state naming Tenant or (2) the making by Tenant of an assignment or any other arrangement for the benefit of creditors under any state statute. Neither Tenant nor any person claiming by, through or under Tenant, or by reason of any statute or order of court, shall thereafter be entitled to possession of the premises demised but shall forthwith quit and surrender the demised premises. If this lease shall be assigned in accordance with its terms, the provisions of this Article 16 shall be applicable only to the party then owning Tenant's interest in this lease.

(b) It is stipulated and agreed that in the event of the termination of this lease pursuant to Section 16(a) hereof, Landlord shall forthwith, notwithstanding any other provisions of this lease to the contrary, be entitled to recover from Tenant, as and for liquidated damages, an amount equal to the difference between the rent reserved hereunder for the unexpired portion of the term demised and the fair and reasonable rental value of the demised premises for the same period. In the computation of such damages the difference between any installment of rent becoming due hereunder after the date of termination and the fair and reasonable rental value of the demised premises for the period for which such installment was payable shall be discounted to the date of termination at the rate of four percent (4%) per annum. If the demised premises, or any part thereof, be relet by Landlord for the unexpired term of said lease, or any part thereof, before presentation of proof of such liquidated damages to any court, commission or tribunal, the amount of rent reserved upon such re-letting shall be deemed to be the fair and reasonable rental value for the part or the whole of the demised premises so relet during the term of the re-letting. Nothing herein contained shall limit or prejudice the right of the Landlord to prove for and obtain as liquidated damages, by reason of such termination, an amount equal to the maximum allowed by any statute or rule of law in effect at the time when, and governing the proceedings

in which, such damages are to be proved, whether or not such amount be greater, equal to, or less than the amount of the difference referred to above.

**Default:**

17. (1) If Tenant defaults in fulfilling any of the terms, provisions, covenants or conditions of this lease including, without limitation, the covenants for the payment of base annual rent or additional rent; or if the premises become vacant or deserted; or if any execution or attachment shall be issued against Tenant or any of Tenant's property, whereupon the premises shall be taken or occupied by someone other than Tenant; or if this lease be rejected under Section 365 of Title 11 of the U.S. Code (Bankruptcy Code); or if Tenant shall fail to move into or take possession of the premises within thirty (30) days after the commencement of the term of this lease, of which fact Landlord shall be the sole judge; then, in any one or more of such events, upon Landlord serving a written fifteen (15) day notice upon Tenant specifying the nature of said default, and upon the expiration of said fifteen (15) days, if Tenant shall have failed to comply with or remedy such default, or if the said default or omission complained of shall be of a nature that the same cannot be completely cured or remedied within said fifteen (15) day period, and if Tenant shall not have diligently commenced curing such default within such fifteen (15) day period, and shall not thereafter with reasonable diligence and in good faith proceed to remedy or cure such default, then Landlord may serve a written five (5) day notice of cancellation of this lease upon Tenant, and upon the expiration of said five (5) days, this lease and the term hereunder shall end and expire as fully and completely as if the expiration of such five (5) day period were the day herein definitively fixed for the end and expiration of this lease and the term hereof and Tenant shall then quit and surrender the premises to Landlord, but Tenant shall remain liable as hereinafter provided.

(2) If the notice provided for in (1) hereof shall have been given, and the term shall expire as aforesaid; then, and in any of such events, Landlord may without further notice, re-enter the premises either by force or otherwise, and dispossess Tenant and the legal representative of Tenant or other occupant of the premises, by summary proceedings or otherwise, and remove their effects and hold the premises as if this lease had not been made, and Tenant hereby waives the service of notice of intention to re-enter or to institute legal proceedings to that end.

**Remedies of Landlord and**

**Waiver of Redemption:**

18. In case of any such default, re-entry, expiration and/or dispossession by summary proceedings or otherwise, (a) the base annual rent and additional rent shall become due thereupon and be paid up to the time of such re-entry, dispossession and/or expiration, (b) Landlord may re-let the premises or any part or parts thereof, either in the name of Landlord or otherwise, for a term or terms, which may at Landlord's option be less than or exceed the period which would otherwise have constituted the balance of the term of this lease, and may grant concessions or free rent or charge a higher rental than that in this lease, and/or (c) Tenant or the legal representatives of Tenant shall also pay Landlord, as liquidated damages, for the failure of Tenant to observe and perform said Tenant's covenants herein contained, any deficiency between the rent hereby reserved and/or covenanted to be paid and the net amount, if any, of the rents collected on account of the subsequent lease or leases of the premises for each month of the period which would otherwise have constituted the balance of the term of this lease. The failure of Landlord to re-let the premises or any part or parts thereof shall not release or affect Tenant's liability for damages. In computing such liquidated damages there shall be added to the said deficiency such expenses as Landlord may incur in connection with re-letting, including, but not limited to, reasonable attorney's fees, brokerage fees, advertising fees, and expenses incurred in keeping the premises in good order, or for preparing the same for re-letting. Any such liquidated damages shall be paid in monthly installments by Tenant on the rent day specified in

this lease. Landlord, in putting the premises in good order or preparing the same for re-rental may, at Landlord's option, make such alterations, repairs, replacements, and/or decorations in the premises as Landlord, in Landlord's sole judgment, considers advisable and necessary for the purpose of re-letting the premises, and the making of such alterations, repairs, replacements, and/or decorations shall not operate or be construed to release Tenant from liability. Landlord shall in no event be liable, in any way whatsoever, for failure to re-let the premises, or in the event that the premises are re-let, for failure to collect the rent thereof under such reletting, and in no event shall Tenant be entitled to receive any excess, if any, of such net rent collected over the sums payable by Tenant to Landlord hereunder. In the event of a breach or threatened breach by Tenant of any of the terms, provisions, covenants or conditions hereof, Landlord shall have the right of injunction and the right to invoke any remedy allowed at law or in equity as if re-entry, summary proceedings and other remedies were not herein provided for. Mention in this lease of any particular remedy, shall not preclude Landlord from any other remedy, in law or in equity. Tenant hereby expressly waives any and all rights of redemption granted by or under any present or future laws.

#### **Fees and Expenses:**

19. If Tenant shall default in the observance or performance of any term, provision, covenant or condition on Tenant's part to be observed or performed under or by virtue of this lease, after notice if required, and upon expiration of any applicable grace period, if any (except in an emergency), then, unless otherwise provided elsewhere in this lease, Landlord may immediately, or at any time thereafter, and without further notice, perform the obligation of Tenant thereunder, and if Landlord, in connection therewith or in connection with any default by Tenant in the covenant to pay base annual rent or additional rent hereunder, makes any expenditures or incurs any obligations for the payment of money, including, but not limited to, reasonable attorney's fees and disbursements, in instituting, prosecuting or defending any actions or proceeding, such sums so paid or obligations incurred with interest and costs shall be deemed to be additional rent hereunder and shall be paid by Tenant to Landlord within ten (10) days of rendition of any bill or statement to Tenant therefor, and if Tenant's lease term shall have expired at the time of the making of such expenditures or the incurring of such obligations, then such sums shall be recoverable by Landlord as damages.

#### **No Representations by Landlord:**

20. Neither Landlord nor Landlord's agents have made any representations or promises with respect to the physical condition of the building, the land upon which it is erected or the premises, the rents, leases, expenses of operation, or any other matter or thing affecting or related to the premises, except as herein expressly set forth, and no rights, easements or licenses are acquired by Tenant by implication or otherwise, except as expressly set forth in the provisions of this lease. Tenant has inspected the building and the premises and is thoroughly acquainted with their condition, and agrees to take the same "as-is", and acknowledges that the taking of possession of the premises by Tenant shall be conclusive evidence that the said premises and the building were in good and satisfactory condition at the time such possession was so taken, except as to latent defects. All understandings and agreements heretofore made between the parties hereto are merged in this lease, which alone fully and completely expresses the agreement between Landlord and Tenant, and any executory agreement hereafter made shall be ineffective to change, modify, discharge or effect an abandonment of it in whole or in part, unless such executory agreement is in writing and signed by the party against whom enforcement of the change, modification, discharge or abandonment is sought.

#### **End of Term:**

21. Upon the expiration or other termination of the term of this lease, Tenant shall quit and surrender to Landlord the premises, "broom-clean", in good order and condition, ordinary wear excepted, and Tenant shall remove all its property. Tenant's obligation to observe or perform this covenant shall survive the

expiration or other termination of this lease. If the last day of the term of this lease or any renewal thereof, falls on Sunday, this lease shall expire at noon on the preceding Saturday, unless it be a legal holiday, in which case this lease shall expire at noon on the preceding business day.

#### **Quiet Enjoyment:**

22. Landlord covenants and agrees with Tenant that upon Tenant paying the base annual rent and additional rent and observing and performing all of the terms, provisions, covenants and conditions on Tenant's part to be observed and performed, Tenant may and quietly enjoy the premises subject, nevertheless, to the terms, provisions, covenants and conditions of this lease and to the ground leases, underlying leases and mortgages herein mentioned.

#### **Failure to**

##### **Give Possession:**

23. If Landlord is unable to give possession of the premises on the date of the commencement of the term hereof, because of the holding over or retention of possession of any tenant, under-tenant or occupants, or if the premises are located in a building being constructed, because such building has not been sufficiently completed to make the premises ready for occupancy, or because of the fact that a certificate of occupancy has not been procured, or for any other reason, Landlord shall not be subject to any liability for failure to give possession on said date and the validity of the lease shall not be impaired under such circumstances, nor shall the same be construed in any way to extend the term of this lease, but the rent payable hereunder shall be abated (provided Tenant is not responsible for the inability to obtain possession or complete construction) until after Landlord shall have given Tenant written notice that Landlord is able to deliver possession in the condition required by this lease. If permission is given to Tenant to enter into possession of the premises or to occupy premises other than the premises prior to the date specified as the commencement of the term of this lease, Tenant covenants and agrees that such possession and/or occupancy shall be deemed to be under all of the terms, provisions, covenants and conditions of this lease, except the obligation to pay the base annual rent set forth in this lease. The provisions of this article are intended to constitute "an express provision to the contrary" within the meaning of Section 223-a of the New York Real Property Law.

#### **No Waiver:**

24. The failure of Landlord to seek redress for violation of, or to insist upon the strict performance of any term, provision, covenant or condition of this lease or of any of the Rules or Regulations set forth or hereafter adopted by Landlord, shall not prevent a subsequent act which would have originally constituted a violation from having all the force and effect of an original violation. The receipt by Landlord of base annual rent and/or additional rent with knowledge of the breach of any term, provision, covenant or condition of this lease shall not be deemed a waiver of such breach, and no term, provision, covenant or condition of this lease shall be deemed to have been waived by Landlord unless such waiver be in a writing signed by Landlord. No payment by Tenant or receipt by Landlord of a lesser amount than the monthly rent herein stipulated shall be deemed to be other than on account of the earliest stipulated rent, nor shall any endorsement or statement of any check or any letter accompanying any check or payment as rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such rent or pursue any other remedy in this lease provided. No act or thing done by Landlord or Landlord's agents or employees during the term hereof shall be deemed an acceptance of a surrender of the premises and no agreement to accept such surrender shall be valid unless in a writing signed by Landlord. No employee or agent of Landlord shall have any power to accept the keys of the premises prior to the termination of the lease, and the delivery of keys to any such agent or employee shall not operate as a termination of the lease or a surrender of the premises.

**Waiver of Trial by Jury:**

25. It is mutually agreed by and between Landlord and Tenant that the respective parties hereto shall and they hereby do waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other (except for personal injury or property damage) on any matters whatsoever arising out of, or in any way connected with, this lease, the relationship of Landlord and Tenant, Tenant's use of or occupancy of the premises, and any emergency statutory or any other statutory remedy. It is further mutually agreed that in the event Landlord commences any proceeding or action for possession, including a summary proceeding for possession of the premises, Tenant will not interpose any counterclaim of whatever nature or description in any such proceeding, including a counterclaim under Article 4, except for statutory mandatory counterclaims.

**Inability to Perform:**

26. This lease and the obligation of Tenant to pay base annual rent and additional rent hereunder and to perform all of the other terms, provisions, covenants and conditions on the part of Tenant to be performed hereunder shall in no way be affected, impaired or excused because Landlord is unable to fulfill any of Landlord's obligations under this lease, or to supply, or is delayed in supplying, any service expressly or impliedly to be supplied, or is unable to make, or is delayed in making, any repair, additions, alterations or decorations, or is unable to supply, or is delayed in supplying, any equipment, fixtures or other materials, if Landlord is prevented or delayed from so doing by reason of strike or labor troubles, government preemption or restrictions, or by reason of any rule, order or regulation of any department or subdivision thereof of any government agency, or by reason of the conditions of which have been or are affected, either directly or indirectly, by war or other emergency, or when, in the judgment of Landlord, temporary interruption of such services is necessary by reason of accident, mechanical breakdown, or to make repairs, alterations or improvements.

**Bills and Notices:**

27. Except as otherwise in this lease provided, a bill, statement, notice or communication which Landlord may desire or be required to give to Tenant, shall be personally or sent by registered or certified mail addressed to Tenant at the residence address or business address of Tenant or left at any of the aforesaid premises addressed to Tenant, and the time of the rendition of such bill or statement and of the giving of such notice or communication shall be deemed to be the time when the same is delivered to Tenant, mailed, or left at the premises as herein provided. Any notice by Tenant to Landlord must be served by registered or certified mail addressed to Landlord at the address first hereinabove given or at such other address as Landlord shall designate by written notice.

**Water Charges:**

28. Tenant agrees to pay for water consumed in the premises in accordance with Section 48(G) of the Rider. Tenant covenants and agrees to pay the sewer rent, charge or any other tax, rent, levy or charge which now hereafter is assessed, imposed or a lien upon the premises or the Building pursuant to any Law made or issued in connection with the use, consumption, maintenance or supply of water, water system or sewage or sewage connection or system. The bill rendered by Landlord shall be payable by Tenant as additional rent with ten (10) days after demand therefor. Independently of, and in addition to, any of the remedies reserved to Landlord hereinabove or elsewhere in this lease, Landlord may sue for and collect any monies to be paid by Tenant or paid by Landlord for any of the reasons or purposes hereinabove or in Section 48(G) set forth.

**Sprinklers:**

29. Anything elsewhere in this lease to the contrary notwithstanding, 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 business, 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 insurance company, Tenant shall, at Tenant's sole cost and 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. Tenant shall pay to Landlord, as additional rent, the sum of \$50.00 on the first day of each month during the term of this lease, as Tenant's portion of the contract price for sprinkler supervisory service.

**Cleaning:**

30. Tenant shall, at Tenant's sole cost and expense, keep the premises clean and in order, to the satisfaction of Landlord, and if the premises are situated on the street floor, Tenant shall, at Tenant's sole cost and expense, make all repairs and replacements to the sidewalks and curbs adjacent thereto (but only to the extent the need for said repairs or replacements arises from the acts or omissions of Tenant and/or Tenant Parties), and keep said sidewalks and curbs free from snow, ice, dirt and rubbish (provided, however, that Landlord shall reimburse Tenant for fifty (50%) of all actual third party costs incurred by Tenant for snow removal based on invoices therefor). Tenant shall independently contract for the removal of rubbish and refuse. Under such circumstances, the removal of such refuse and rubbish by others shall be subject to such rules and regulations as, in the judgment of Landlord, are necessary for the proper operation of the building.

**Security:**

31. Subject to the provisions of section 92(D) hereby, Tenant has deposited with Landlord the sum of \$18,000.00 as security for the full and faithful performance and observance by Tenant of all of the terms, provisions, covenants and conditions of this lease; it is agreed that in the event Tenant defaults in respect of any of the terms, provisions, covenants or conditions of this lease, including, but not limited to, the payment of base annual rent and/or additional rent, Landlord may use, apply or retain the whole or any part of the security so deposited to the extent required for the payment of any base annual rent and/or additional rent, or any other sum as to which Tenant is in default, or for any sum which Landlord may expend or may be required to expend by reason of Tenant's default in respect of any of the terms, provisions, covenants or conditions of this lease, including, but not limited to, any damages or deficiency in the reletting of the premises, whether such damages or deficiency accrued before or after summary proceedings or other re-entry by Landlord. In the event that Tenant shall fully and faithfully comply with all of the terms, provisions, covenants and conditions of this lease, any unapplied security shall be returned to Tenant after the date fixed as the end of this lease and after delivery of entire possession of the premises to Landlord in accordance with the terms, provisions, covenants and conditions hereof. In the event of a sale of the land and building or leasing of the building, Landlord shall have the right to transfer the security to the vendee or lessee and Landlord shall thereupon be released by Tenant from all liability for the return of such security, and Tenant agrees to look to the new Landlord solely for the return of said security; and it is agreed that the provisions hereof shall apply to every transfer or assignment made of the security to a new Landlord. Tenant further covenants that Tenant shall not assign or encumber or attempt to assign or encumber the monies deposited herein as security, and that neither Landlord nor Landlord's successors or assigns shall be bound by any such assignment, encumbrance, attempted assignment or attempted encumbrance.

**Captions:**

32. The Captions are inserted only as a matter of convenience and for reference and in no way define, limit or describe neither the scope of this lease nor the intent of any provision thereof.

**Definitions:**

33. The term "Landlord" as used in this lease means only the Landlord, or the mortgagee in possession, for the time being of the land and building (or the Landlord of a lease of the building or of the land and building) of which the demised premises form a part, so that in the event of any sale or sales of said land and building or of said lease, or in the event of a lease of said building, or of the land and building, the said Landlord shall be and hereby is entirely freed and relieved of all covenants and obligations of Landlord hereunder, and it shall be deemed and construed without further agreement between the parties or their successors in interest, or between the parties and the purchaser, at any such sale, or the said lessee of the building, or of the land and building, that the purchaser or the lessee of the building has assumed and agreed to carry out any and all covenants and obligations of Landlord hereunder. The words "re-enter" and "re-entry" as used in this lease are not restricted to their technical legal meaning. The term "business days" as used in this lease shall exclude Saturdays, Sundays and all days designated as holidays by the applicable building service union employees service contract or by the applicable Operating Engineers contract with respect to HVAC service.

**Adjacent**

**Excavation-Shoring:**

34. 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, a license to enter upon the premises for the purpose of doing such work, as said person shall deem necessary, to preserve the wall or 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.

**Rules and Regulations:**

35. Tenant and Tenant Parties shall observe faithfully, and comply strictly with, the Rules and Regulations and such other and further reasonable Rules and Regulations as Landlord or Landlord's agents may from time to time adopt. Notice of any additional rules or regulations shall be given in such manner as Landlord may elect. In case Tenant disputes the reasonableness of any additional Rule or Regulation hereafter made or adopted by Landlord or Landlord's agents, the parties hereto agree to submit the question of the reasonableness of such Rule or Regulation for decision to the New York office of the American Arbitration Association, whose determination shall be final and conclusive upon the parties hereto. Tenant's right to dispute the reasonableness of any additional Rule or Regulation shall be deemed waived unless the same shall be asserted by service of a notice, in writing, upon Landlord, within fifteen (15) days after the giving by Landlord of notice thereof. Nothing in this lease contained shall be construed to impose upon Landlord any duty or obligation to enforce the Rules and Regulations or terms, provisions, covenants or conditions in any other lease, as against any other tenant, and Landlord shall not be liable to Tenant for violation of the same by any other tenant, or such tenant's servants, employees, agents, visitors or licensees.

**Glass:**

36. Tenant shall replace, at Tenant's sole cost and expense, any and all plate and other glass damaged or broken from any cause whatsoever in and/or about the premises. Landlord may (but shall not be obligated to) insure, and keep insured, at Tenant's sole cost and expense, all plate and other glass in the premises for and in the name of Landlord. Bills for the premiums therefor shall be rendered by Landlord to Tenant at such times as Landlord may elect, and shall be due from, and payable by,

Tenant when rendered, and the amount thereof shall be deemed to be, and be paid as, additional rent.

**Pornographic**

**Uses Prohibited:**

37. Tenant agrees that the value of the premises and the reputation of the Landlord shall be seriously injured if the premises are used for any obscene or pornographic purposes or any sort of commercial sex establishment. Tenant agrees that Tenant shall not bring or permit any obscene or pornographic material on the premises, and shall not permit or conduct any obscene, nude, or semi-nude live performances on the premises, nor permit use of the premises for nude modeling, rap sessions, or as a so called rubber goods shop, or as a sex club of any sort, or as a "massage parlor." Tenant agrees further that Tenant shall not permit any of these uses by any sublessee or assignee of the premises. This Article shall directly bind any successors in interest to Tenant. Tenant agrees that if at any time Tenant violates any of the provisions of this Article, such violation shall be deemed a breach of a substantial obligation of the terms of this lease and objectionable conduct. Pornographic material is defined for purposes of this Article as any written or pictorial matter with prurient appeal, or any objects of instrument that are primarily concerned with lewd or prurient sexual activity. Obscene material is defined here as it is in Penal Law §235.00.

**Estoppel**

**Certificate:**

38. Tenant, at any time, and from time to time, upon at least ten (10) days' prior notice by Landlord, shall execute, acknowledge and deliver to Landlord, and/or to any other person, firm or entity specified by Landlord, a statement 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), stating the amount of the monthly and/or base annual rent and additional rent then being paid by Tenant, stating the dates through which the base annual rent and additional rent have been paid, stating whether or not there exists any defaults by Landlord under this lease, and, if so, specifying each such default, and such other information as shall be required of Tenant.

**Successors**

**and Assigns:**

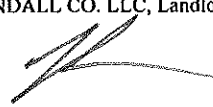
39. The covenants, conditions and agreements contained in this lease shall bind and inure to the benefit of Landlord and Tenant and their respective heirs, distributees, executors, administrators, successors, and except as otherwise provided in this lease, their assigns. Tenant shall look only to Landlord's estate and interest in the land and building for the satisfaction of Tenant's remedies for the collection of a judgment (or other judicial process) against Landlord in the event of any default by Landlord hereunder, and no other property or assets of such Landlord (or any partner, member, officer or director thereof, disclosed or undisclosed), shall be subject to levy, execution or other enforcement procedure for the satisfaction of Tenant's remedies under, or with respect to, this lease, the relationship of Landlord and Tenant hereunder, or Tenant's use and occupancy of the premises.

**SEE RIDER ANNEXED HERETO AND MADE  
A PART HEREOF**

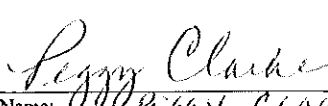
**[SIGNATURES APPEAR ON THE NEXT  
PAGE]**

*In Witness Whereof*, Landlord and Tenant have respectively signed this lease as of the day and year first above written.

RANDALL CO. LLC, Landlord

By:   
Kenneth Dubow, Authorized Signatory

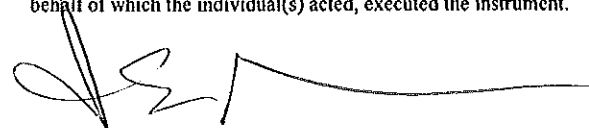
JUNAMBE POTTERY INC. D/B/A  
LA MANO POTTERY, Tenant

By:   
Name: Peggy Clarke  
Title: PRESIDENT

#### TENANT'S ACKNOWLEDGEMENT

STATE OF NEW YORK )  
COUNTY OF Westchester )SS.:

On the 3rd day of August in the year 2011, before me, the undersigned, a Notary Public in and for said State, personally appeared PEGGY CLARKE, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

  
NOTARY PUBLIC

Eric S. Dorfner  
Notary Public State of NY  
ID # 00000000000  
Greenville Westchester Cty  
Commission Expires June 20 2015



## IMPORTANT-PLEASE READ

### **RULES AND REGULATIONS ATTACHED TO AND MADE A PART OF THIS LEASE IN ACCORDANCE WITH ARTICLE 35**

1. The sidewalks, entrances, driveways, passages, courts, elevators, vestibules, stairways, corridors or halls shall not be obstructed or encumbered by Tenant or used for any purpose other than for ingress to and egress from the premises and for delivery of merchandise and equipment in a prompt and efficient manner using elevators and passageways designated for such delivery by Landlord. There shall not be used in any space, or in the public hall of the building, either by any tenant or by jobbers, or others in the delivery or receipt of merchandise, any hand trucks except those equipped with rubber tires and safeguards.

2. If the premises are situated on the ground floor of the building, Tenant thereof shall further, at Tenant's sole cost and expense, keep the sidewalks and curb in front of said premises clean and free from ice, snow, etc.

3. The water and wash closets and plumbing fixtures shall not be used for any purposes other than those for which they were designed or constructed.

4. Tenant shall not use, keep or permit to be used or kept, any foul or noxious gas or substance in the premises, or permit or suffer the premises to be occupied or used in a manner offensive or objectionable to Landlord or other occupants of the building by reason of noise, odors and/or vibrations, or interfere in any way with other tenants or those having business therein.

5. Subject to the terms of Article 57 hereof, no sign, advertisement, notice or other lettering shall be exhibited, inscribed, painted or fixed by Tenant on any part of the outside of the premises or the building, or on the inside of the premises if the same is visible from the outside of the premises, without the prior written consent of Landlord, except that the name of Tenant may appear on the entrance door of the premises. In the event of the violation of the foregoing by Tenant, Landlord may remove same without any liability to Tenant and may charge the expense incurred by such removal to Tenant as additional rent hereunder. Signs on interior doors and directory tablet shall be inscribed, painted or affixed for Tenant by Landlord at the expense of Tenant, and shall be of a size, color and style reasonably acceptable to Landlord.

6. Tenant shall not mark, paint, drill into (except for signage), or in any way deface any part of the Premises or the building of which they form a part. No boring, cutting or stringing of wires shall be permitted, except with the prior written consent of Landlord, and as Landlord may direct. Tenant shall not lay linoleum, or other similar floor covering, so that the same shall come in direct contact with the floor of the Premises, and, if linoleum or other similar floor covering is desired to be used, an interlining of builder's deadening felt shall be first affixed to the floor, by a paste or other

material, soluble in water, the use of cement or other similar adhesive material being expressly prohibited.

7. Freight, furniture, business equipment, merchandise and bulky matter of any description shall be delivered to and removed from the premises only on the freight elevators and through the service entrances and corridors, and only during hours and in a manner approved by Landlord. Landlord reserves the right to inspect all freight to be brought into the building and to exclude from the building all freight which violates any of these Rules and Regulations or the lease of which these Rules and Regulations are a part.

8. Landlord reserves the right to exclude from the building between the hours of 6 P.M. and 8 A.M. and at all hours on Sundays and holidays all persons who do not present a pass to the building signed by Landlord. Landlord shall furnish passes to persons for whom Tenant requests same in writing. Tenant shall be responsible for all persons for whom it requests such pass, and shall be liable to Landlord for all acts of such person.

9. Landlord shall have the right to prohibit any advertising by Tenant which, in Landlord's opinion, tends to impair the reputation of Landlord or the building's desirability as a building for stores or offices, and upon written notice from Landlord, Tenant shall refrain from or discontinue such advertising.

10. Tenant shall not cause or permit any odors of cooking or other processes, or any unusual or other objectionable odors, to permeate in or emanate from the premises.

11. Tenant shall not place a load on any floor of the premises exceeding the floor load per square foot area which such floor was designated to carry and which is allowed by law. Landlord reserves the right to prescribe the weight and position of all safes, business machines and mechanical equipment. Such installations shall be placed and maintained by Tenant, at Tenant's sole cost and expense, in such setting sufficient in Landlord's judgment to absorb and prevent vibration, noise and annoyance.

12. Tenant covenants and agrees, at Tenant's sole cost and expense, to comply with all present and future laws, orders, rules, regulations and ordinances of all state, federal, municipal and local governments, departments, commissions and boards regarding the collection, sorting, separation and recycling of waste products, garbage, refuse and trash. Tenant shall pay all costs, expenses, fines, penalties or damages that may be imposed on Landlord or Tenant by reason of Tenant's failure to comply with the provisions of this Building Rule 12, and, at Tenant's sole cost and expense, shall indemnify, defend and hold Landlord harmless from and against any and all actions, claims, suits, and costs (including, without limitation, reasonable legal fees and expenses) arising or resulting from such non-compliance, utilizing counsel reasonably satisfactory to Landlord.

**[SEE ADDITIONAL RULES AND REGULATIONS WHICH APPEAR AFTER RIDER]**

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EXHIBIT A GROUND FLOOR

EXHIBIT B BASEMENT

RIDER TO LEASE

LANDLORD: RANDALL CO. LLC

TENANT: JUNAMBE POTTERY INC. D/B/A LA MANO POTTERY

PREMISES: PORTION OF GROUND FLOOR AND BASEMENT THEREUNDER AS PRESENTLY DEMISED AND MORE FULLY SHOWN ON EXHIBIT A ANNEXED HERETO AND MADE A PART HEREOF IN THE BUILDING KNOWN AS 110 WEST 26<sup>TH</sup> STREET, NEW YORK, NEW YORK

40. RIDER CONTROLS. This rider is annexed to and made a part of the printed portion of this lease to which it is attached and in each instance in which the terms, provisions, covenants or conditions of this rider shall contradict or be inconsistent with the terms, provisions, covenants or conditions of the printed portion of this lease, as constituted without this rider, the terms, provisions, covenants and conditions of this rider shall prevail and govern and the contradicted or inconsistent terms, provisions, covenants or conditions of the printed portion of this lease shall be deemed amended accordingly.

41. BASE ANNUAL RENT.

(A) Tenant shall pay to Landlord, without notice or demand and without any abatement, deduction or setoff whatsoever, except as expressly set forth herein, monthly in advance on the first day of each month (with the first installment of base annual rent to be paid upon execution of this lease), in lawful money of the United States of America, by check drawn on a bank or trust company which is a member of the New York Clearing House Association (or successor thereto) at Landlord's office as set forth in this lease or such other place as Landlord may designate, base annual rent for each Lease Year (as hereinafter defined), as follows:

- (i) \$72,000.00 during the first (1<sup>st</sup>) Lease Year (\$6,000.00 per month);
- (ii) \$72,000.00 during the second (2<sup>nd</sup>) Lease Year (\$6,000.00 per month);
- (iii) \$75,600.00 during the third (3<sup>rd</sup>) Lease Year (\$6,300.00 per month);
- (iv) \$75,600.00 during the fourth (4<sup>th</sup>) Lease Year (\$6,300.00 per month);
- (v) \$79,380.00 during the fifth (5<sup>th</sup>) Lease Year (\$6,615.00 per month);
- (vi) \$79,380.00 during the sixth (6<sup>th</sup>) Lease Year (\$6,615.00 per month);
- (vii) \$83,349.00 during the seventh (7<sup>th</sup>) Lease Year (\$6,945.75 per month);
- (viii) \$83,349.00 during the eighth (8<sup>th</sup>) Lease Year (\$6,945.75 per month);
- (ix) \$85,849.47 during the ninth (9<sup>th</sup>) Lease Year (\$7,154.13 per month); and
- (x) \$85,849.47 during the tenth (10<sup>th</sup>) Lease Year (\$7,154.13 per month).

(B) The term "Lease Year" as used in this lease shall mean for the first Lease Year the period commencing on the Commencement Date and ending on the last day of the month of the following year which immediately precedes the month in which the Commencement Date occurs; and for any subsequent Lease Year, each successive twelve (12) month period occurring thereafter. If the Commencement Date occurs on a day other than the first day of a calendar month, the base annual rent and additional rent payable for such month shall be prorated on a per diem basis based upon the actual number of days in such month.

(C) If the Commencement Date occurs on a day other than the first day of a calendar month, the balance of the first month's base annual rent theretofore paid shall be credited against the next month's installment of base annual rent.

(D) Provided Tenant shall not be in default under the terms, provisions, covenants and conditions to be performed or observed by Tenant under this lease, Tenant's obligation to pay base annual rent shall commence on the Rent Commencement Date (as hereinafter defined) (such concession of base annual rent is hereinafter referred to as the "Allowance"). For purposes hereof, the Rent Commencement Date shall mean either: (x) the date occurring one hundred twenty (120) days from the Commencement Date in the event Tenant expends \$60,000.00 (the "Minimum Expenditure") in hard costs with respect to Tenant's Initial Work (as hereinafter defined); (y) the date occurring one hundred fifty (150) days from the Commencement Date in the

event Tenant expends \$75,000.00 in hard costs with respect to Tenant's Initial Work or (z) the date occurring one hundred eighty (180) days from the Commencement Date in the event Tenant expends \$90,000.00 in hard costs with respect to Tenant's Initial Work. The determination of the length of the Allowance shall be based on paid invoices for hard costs of Tenant's Initial Work submitted to Landlord not later than January 31, 2012 (the "Submission Period"), time being of the essence ("Acceptable Invoices"). Any invoices not submitted to Landlord within the Submission Period shall not constitute Acceptable Invoices for the purpose of determining the Allowance. There shall be no Allowance given if Tenant fails to expend the Minimum Expenditure.

(E) Notwithstanding anything to the contrary contained herein, from and after the Commencement Date, Tenant shall be responsible for payment of all additional rent payable under this lease.

42. "AS-IS" CONDITION. Tenant acknowledges that Tenant has inspected and examined the Demised Premises and the Building and is thoroughly familiar and satisfied with the condition and value thereof including, without limitation, to the extent presently located at the Demised Premises and the Building, the foundation, sidewalks, staircases, vaults, structural beams and supports, retaining walls, building walls, roof, cornices, ornamental projections, windows, fire escapes, heating equipment, air-conditioning equipment, pipes, conduits, electrical equipment and wiring and other equipment used in the operation and maintenance of the Demised Premises and the Building or appurtenant thereto and the subsurface conditions beneath the Demised Premises and the Building. Tenant further acknowledges that (i) no representations or warranties have been made to Tenant, (ii) Landlord is unwilling to make any representations and has held out no inducements to Tenant, except as specifically set forth herein, (iii) Tenant shall accept the Demised Premises and the Building in its "as-is" condition as of the Commencement Date, and (iv) Landlord shall not be required to perform any work at, in, to or upon the Building or the Demised Premises in order to effectuate delivery of possession of the Demised Premises to Tenant.

43. MAINTENANCE OBLIGATIONS OF TENANT.

(A) Tenant shall, at Tenant's sole cost and expense, and subject to receipt of Landlord's consent and approval for any alterations requiring consent or approval in accordance with the terms, provisions, covenants and conditions of this lease, take good care of the Demised Premises and maintain same in a safe condition. Tenant shall neither commit nor permit any waste or injury to the Demised Premises or the Building, and shall, at Tenant's sole cost and expense, promptly make all needed non-structural (and structural if caused by the manner of use, acts, omissions or negligence of Tenant and/or Tenant Parties [as hereinafter defined]) repairs, restorations and replacements, interior and exterior, ordinary and extraordinary, foreseen and unforeseen, in and to the Demised Premises, equipment and fixtures now or hereafter erected or installed in or on the Demised Premises, including, but not limited to, walls and finishes, staircases, foundations, mechanical, plumbing, electrical, sanitary, drainage, sprinkler, life safety and alarm systems, water, sewer and gas connections, meters, pipes and mains, and all other fixtures and equipment, now or hereafter belonging to, adjoining or connected with the Demised Premises or used in its operation. All repairs, restorations and replacements shall be of first-class quality sufficient for the proper maintenance and operation of the Demised Premises, and at least equivalent in quality to the original work of the property replaced and shall be constructed and installed in compliance with all Laws (as hereinafter defined). Landlord shall not be required to make any repairs or improvements of any kind upon the Demised Premises except for necessary structural repairs, not caused by the acts, omissions or negligence of Tenant and/or Tenant Parties. For purposes of this Article, structural repairs shall be limited to repairs to the structural steel, roof, roof membrane, roof covering, concrete slab, footings, and structural beams. Repairs to equipment and systems are not considered structural within the contemplation of this Article.

(B) Tenant shall, at Tenant's sole cost and expense, maintain the Demised Premises in a clean and orderly fashion. In the event that Tenant does not conform to this provision, Landlord reserves the right, at Tenant's sole cost and expense, to reenter the Demised Premises and rectify the condition and restore the Demised Premises to the condition, use and appearance as determined by Landlord, in Landlord's sole and absolute discretion. Any costs and expenses incurred by Landlord in connection therewith shall be paid by Tenant to Landlord, as additional rent, within ten (10) days after demand therefor.

(C) Tenant shall, at Tenant's sole cost and expense, promptly pay and discharge all liens, penalties, violations and fines (including, but not limited to, Environmental Control Board liens) against the Demised Premises. If Landlord shall incur any expense to pay or discharge any lien, penalty, violation or fine, Tenant shall pay same to Landlord as additional rent, within ten (10) days after demand therefor, which payment shall include reasonable attorneys' fees and disbursements incurred by Landlord in connection with the payment or discharge of such lien, penalty, violation or fine.

(D) Tenant shall not permit the accumulation (unless in sealed metal or plastic containers) of any rubbish or garbage at, in, on or about any part of the Demised Premises, except in those areas designated by Landlord for, and only at the time of, garbage pickup. Tenant shall not encumber or obstruct, or permit to be encumbered or obstructed, the street and sidewalk adjacent to or abutting upon the Demised Premises. Tenant shall comply with all applicable requirements, if any, of the Departments of Health and Sanitation of the City of New York relating to the treatment of such rubbish prior to its placement for disposal.

(E) Tenant shall independently contract, at Tenant's sole cost and expense, for the removal of all snow and ice from the sidewalk adjacent to the Demised Premises. The removal of such snow and ice shall be subject to such rules and regulations as, in the reasonable judgment of Landlord, are necessary for the proper operation of the Building.

(F) Tenant shall, at Tenant's sole cost and expense, cause the Demised Premises to be free at all times of all vermin and insects and shall take whatever reasonable precautions that are reasonably necessary to prevent any such vermin or insects from existing in the Demised Premises, including the hiring by Tenant of an exterminator to provide regular monthly service to the Demised Premises. Tenant, at Tenant's sole cost and expense, shall contract for pest extermination services covering the Demised Premises, to be rendered as reasonably required, but in no event less than once per month. Tenant shall keep said contract in force for the Term and supply Landlord with evidence of said contract upon request.

(G) Tenant shall pay to Landlord, as additional rent, any fines or costs which are assessed against Landlord due to Tenant's failure to fulfill Tenant's obligations under this Article 43, within thirty (30) days after being billed therefor.

44. TAXES. Tenant covenants and agrees to pay to Landlord as additional rent, sums computed in accordance with the following provisions:

(A) The term "Taxes" shall mean the aggregate of the real estate taxes, general and special assessments, sewer rents, rates and charges and all costs and charges for installing, repairing, or replacing water meters, and other governmental charges and levies, general and special, ordinary and extraordinary, foreseen and unforeseen, of any kind or nature whatsoever (including, without limitation, assessments for public improvements or benefits and interest on unpaid installments thereof which become due and payable during the Term), which may be levied, assessed or imposed or become liens upon or arise out of the use, occupancy or possession of the Building from time to time, and on the land on which the Building is located. The term Taxes shall not, however, include any income, inheritance, estate, succession, transfer, gift, franchise or profit tax imposed upon Landlord provided, however, that if any time during the Term the methods of taxation prevailing at the commencement of the Term shall be altered so that in addition to, in lieu of, or as a substitute for the whole or any part of the Taxes now levied, assessed or imposed on real estate as such there shall be levied, assessed or imposed (i) a tax on the rents received from the Building; (ii) a license fee measured by the rents received by the Landlord from the Building; or (iii) a tax or license fee imposed on the Landlord which is otherwise measured by or based in whole or in part upon the Building or any portion thereof, then such tax or the fee shall be included in the computation of Taxes, computed as if the amount of such tax or fee so payable for that part due if the Building were the only property of Landlord subject thereto.

(B) The term "Tax Year" shall mean each period of twelve (12) consecutive months commencing July 1, of any calendar year, or such other period as may hereafter be duly adopted as the fiscal year for real estate tax purposes by the City of New York.

(C) "Tenant's Proportionate Share" shall be deemed to be fifteen (15%) percent.

(D) "Basic Tax" shall mean the Taxes for the Tax Year commencing July 1, 2011, and ending June 30, 2012. If the Basic Tax shall subsequently be adjusted, corrected or reduced, whether as the result of protest, by means of agreement or as the result of legal proceedings or any Tax Incentive Program (as hereinafter defined), the Basic Tax for the purpose of computing any additional rent payable pursuant to this Article shall be the Basic Tax as so adjusted, corrected or reduced. Until the Basic Tax is so adjusted, corrected or reduced, if ever, Tenant shall pay additional rent hereunder based upon unadjusted, uncorrected or unreduced Basic Tax. Upon any such adjustment, correction or reduction occurring, any additional rent paid by Tenant prior to the date of such occurrence shall be recomputed and Tenant shall pay to Landlord any additional rent found due by such recomputation within ten (10) days after being billed therefor (which bill shall set forth in reasonable detail the pertinent data causing and comprising such recomputation).

(E) If the Taxes for any Tax Year shall be greater than the Basic Tax, Tenant shall pay to Landlord, as additional rent, during each Tax Year of the Term, an amount equal to Tenant's Proportionate Share of such increase over the Basic Tax. If the Term shall expire or be terminated during any Tax Year, such amount shall be pro-rated. Landlord shall bill Tenant for any additional rent payable by Tenant pursuant to this Article, such bill to set forth in reasonable detail the computation of additional rent hereunder which shall be payable by Tenant to Landlord in installments in the same manner that such Taxes are payable by Landlord pursuant to Law commencing on July 1, 2012. Said installments shall be paid by Tenant not later than thirty (30) days prior to the due date for the payment of said installments by Landlord. Notwithstanding the provisions of the previous sentence, Landlord shall have the option to require Tenant to deposit with Landlord on the first day of each and every month of the Term one-twelfth (1/12) of the annual Taxes to be paid by Tenant pursuant to the provisions of this Article, to that end that on the dates when such Taxes become due and payable, without penalty, to the taxing authorities, Landlord shall have received an amount sufficient to pay Tenant's Proportionate Share of Taxes. In the event the deposits so made by Tenant are not sufficient to pay Tenant's Proportionate Share of Taxes as and when due, Tenant covenants and agrees upon demand by Landlord to pay such additional amounts as shall be required to pay Tenant's Proportionate Share of Taxes as and when due.

(F) If Landlord shall incur any expenses including, but not limited to, reasonable attorneys' fees and disbursements in connection with Landlord's endeavor to reduce or prevent any increase in the assessed valuation, or to reduce Taxes, Tenant shall be obligated to pay, as additional rent, Tenant's Proportionate Share of such reasonable expenses within ten (10) days after demand therefor by Landlord.

(G) If the Taxes for any Tax Year for which Tenant shall have paid additional rent pursuant to this Article shall be adjusted, corrected or reduced whether as the result of protest of any tentative assessment, or by means of agreement, or as the result of legal proceedings or any Tax Incentive Program, the additional rent becoming due in said Tax Year pursuant to this Article shall be determined on the basis of said corrected, adjusted or reduced Taxes. If Tenant shall have paid any additional rent pursuant to this Article for such Tax Year prior to any said adjustment, Landlord shall credit or refund to Tenant any excess amount thus paid as reflected by said adjusted Taxes, less Tenant's Proportionate Share of any cost, expense or fees (including experts' and attorneys' fees and disbursements) incurred by Landlord in obtaining said tax adjustment. Any payments, credits or refunds due hereunder for any period of less than a full Tax Year at the commencement or end of the Term, shall be equitably pro-rated to reflect such event.

(H) If the fiscal tax year or the method of tax payment shall hereafter be changed, appropriate adjustment of the foregoing provisions shall be made accordingly to reflect any such changes.

(I) Tenant shall pay to Landlord any occupancy tax, rent tax and any other tax of similar nature or intent now in effect or hereafter enacted, if the taxing authority shall enact law making same payable by Landlord in the first instance. Such tax shall be paid by Tenant to Landlord, as additional rent, within ten (10) days after demand therefor.

(J) Tenant agrees, at no additional cost to Tenant, to cooperate with the filing by Landlord (or Landlord's designee), in the name of Landlord, prior to Tenant's receipt of any permits for Tenant's Initial Work at the Demised Premises or at any other time requested by Landlord, of an application for the Industrial Commercial Abatement Program or any other tax incentive program that may be in effect (each, a "Tax Incentive Program") requesting an abatement of Taxes on the basis of the improvements made by Tenant at the Demised Premises. Any refund in Taxes attributable to any such Tax Incentive Program shall be the sole property of Landlord, unless such refund is attributable to Taxes previously paid by Tenant, in which event Tenant shall be entitled to such portion of the refund attributable to such Taxes paid by Tenant. Tenant acknowledges that the provisions of this Section 44(J) are independent of any other provisions of this lease; that no assurances are being granted to Tenant that any application for abatement of Taxes shall be granted and that any denial of such abatement in Taxes shall not affect Tenant's obligations to pay Taxes as set forth in this lease.

45. **BID TAX.** During the Term, Tenant shall pay to Landlord, as additional rent, an amount equal to Tenant's Proportionate Share of any so-called business improvement development tax or the like ("BID Tax"), if any, which is levied, assessed or imposed against the Building by the City of New York, or any other governmental authority. Upon demand of Landlord, Tenant shall pay such BID Tax not later than thirty (30) days prior to the date that said tax is due by Landlord to the taxing authorities, whether or not such payments are required on a monthly, quarterly or annual basis. Notwithstanding the provisions of the previous sentence, Landlord shall have the option to require Tenant to deposit with Landlord on the first day of each and every month of the Term one-twelfth (1/12) of the annual BID Tax to be paid by Tenant pursuant to the terms and provisions of this Article, so that on the dates when such BID Tax becomes due and payable, without penalty, to the tax authorities, Landlord shall have received an amount sufficient to pay Tenant's Proportionate Share thereof. In the event the deposits so made by Tenant are not sufficient to pay such BID Tax as and when due, Tenant covenants and agrees upon written demand by Landlord to pay such additional amounts as shall be required to pay Tenant's Proportionate Share of such BID Tax. A copy of the tax bill shall be sufficient evidence of the amounts due under this Article 45.

46. **INDEMNIFICATION.**

(A) Tenant shall defend, pay, indemnify and hold Landlord and Landlord Parties (as hereinafter defined) harmless from and against any and all claims, demands, liabilities, fines, suits, actions, proceedings, orders, decrees and judgments of any kind or nature by or in favor of anyone whomsoever and from and against any and all costs and expenses, including, without limitation, reasonable attorneys' fees and disbursements, resulting from or in connection with loss of life, bodily or personal injury or damage to property arising, directly or indirectly, out of or from or on account of any occurrence in, at, upon, or from the Demised Premises or occasioned wholly or in part through the use and occupancy of the Demised Premises or any improvements therein or appurtenances thereto, or by any act, omission or negligence of Tenant or any subtenant, concessionaire or licensee of Tenant, or their respective affiliates, subsidiaries, employees, agents, invitees, customers or contractors (collectively, "Tenant Parties") in, upon, at or from the Demised Premises or its appurtenances or by any default by Tenant or any Tenant Parties under this lease, including any failure by Tenant to comply with any Laws or to bond or discharge any lien.

(B) Tenant and all those claiming by, through or under Tenant hereby release Landlord and Landlord Parties, to the full extent permitted by law, from all claims of every kind, including loss of life, bodily or personal injury, damage to merchandise, equipment, fixtures or other property, or damage to business or for business interruption, arising directly or indirectly out of or from or on account of such occupancy and use or resulting from any present or future condition or state of repair thereof.

(C) Landlord shall not be responsible or liable for damages at any time for any defects, latent or otherwise, to any portion of the Demised Premises or any of the equipment, machinery, utilities, appliances or apparatus therein, nor shall Landlord or any of Landlord's agents, employees or contractors (collectively, "Landlord Parties") be responsible or liable for damages at any time for loss of life, or bodily or personal injury or damage to property, or for business interruption, to any person or to any property or business of Tenant, or those claiming



by, through or under Tenant caused by or resulting from the bursting, breaking, leaking, running, seeping, overflowing or backing up of water, steam, gas or sewage in any part of the Demised Premises or caused by or resulting from acts of God or the elements or resulting from any defect or negligence in the occupancy, construction, operation or use of the Demised Premises, or any of the equipment, fixtures, machinery, appliances or apparatus therein .

(D) If any action or proceeding shall be brought against Landlord or any Landlord Parties or if Landlord or any Landlord Parties shall be made a party to any action or proceeding (other than an action or proceeding between Landlord and Tenant) by reason of any act, omission or negligence of Tenant or any Tenant Parties, or anyone to whom Tenant or any Tenant Parties is liable, then, upon notice from Landlord, Tenant shall resist and defend such action or proceeding at Tenant's sole cost and expense by counsel chosen by Tenant or by Tenant's insurer. Tenant or Tenant's counsel shall keep Landlord fully apprised at all times of the status of such defense.

(E) Tenant shall reimburse and compensate Landlord, as additional rent, within thirty (30) days after rendition of a statement, for all expenditures, costs, fees, expenses, judgments, penalties, damages and fines sustained or incurred by Landlord (including, without limitation, reasonable counsel and other professional fees and disbursements incurred in connection with any action or proceeding) in connection with the enforcement of this Article by Landlord.

(F) The terms, provisions, covenants and conditions of this Article shall survive the expiration or earlier termination of this lease.

47. INSURANCE.

(A) Tenant shall obtain and provide, on or before the Commencement Date, and keep in force at all times thereafter, the following insurance coverages (or if any of such coverages is not being offered by the insurance industry at any time, such other similar coverage as is then being offered by the insurance industry) with respect to the Demised Premises:

(1) Commercial general liability and broad form property damage insurance, written on an occurrence basis, including machinery and contractual liability insurance, protecting and indemnifying Landlord, Landlord's managing agent, Tenant and others (including, without limitation, any ground lessors and mortgagees) having an insurable interest against any and all claims (including all costs and expenses of defending against same) for personal injury, disease or death and for damage or injury to or destruction of property (including loss of use) occurring on, in or about the Demised Premises, sidewalks, gutters, signs, curbs, vaults or vault spaces appurtenant to the Demised Premises, which insurance shall have a combined single limit of not less than Two Million (\$2,000,000.00) Dollars. The insurance carried pursuant to this Subsection 47(A)(1) shall include coverage for independent contractors' liability and completed product/operations liability with a personal injury endorsement covering claims arising out of arrest, false imprisonment, libel, slander, wrongful eviction and invasion of privacy.

(2) Cause of Loss-Special Form insurance in an amount adequate to cover the replacement value of all personal property, decorations, trade fixtures, and inventory, and all contents therein.

(3) Intentionally Omitted.

(3) At any time prior to undertaking and during the duration of any construction or alteration of any work on the Demised Premises, including the construction of the Initial Work (as hereinafter defined), Tenant shall provide Builder's Risk All Risk Non-Reporting Property insurance for the full replacement value of such alterations, work and construction, with Replacement Cost and Agreed Amount endorsements.

(4) Workers' Compensation Insurance covering all persons employed, directly or indirectly, in connection with any finished work performed by Tenant or any repair or alteration authorized by this lease or consented to by Landlord, and all employees and agents of Tenant with respect to whom death or bodily injury claims could be asserted against Landlord or

Tenant, as required by the law of the State where the Demised Premises are located.

(5) Such other insurance for the Demised Premises and in such amounts as may from time to time be reasonably required by Landlord against other insurable hazards which at the time are commonly required by other reasonably prudent landlords to be insured against by tenants in New York City in the case of premises similarly situated and used.

(B) Before undertaking any alterations, additions, improvements or construction, Tenant shall obtain, at Tenant's sole cost and expense, or require the contractor performing such alterations, additions, improvements or construction to obtain, a public liability insurance policy insuring Tenant and Landlord, as additional insured, and any designee of Landlord having an insurable interest in the Demised Premises as an additional insured, against any liability which may arise on account of such proposed alterations, additions, improvements or construction on an occurrence basis with minimum limit of at least Three Million (\$3,000,000.00) Dollars.

(C) Tenant agrees that the limits of insurance required by this Article may be increased at the request of Landlord in a manner in keeping with industry standards, and consistent with limits of coverage for properties similarly situated provided, however, that in no event shall the limits of insurance be reduced below the amounts of coverage in effect on the Commencement Date.

(D) Tenant acknowledges and agrees that Landlord shall not be responsible or liable to Tenant, or to those claiming by, through or under Tenant, for any loss or damage that may be occasioned by or through the acts or omissions of persons occupying adjoining premises or any part of the premises adjacent to or connecting with the Demised Premises, or otherwise, or for any loss or damage resulting to Tenant or those claiming by, through or under Tenant, or its or their property, from the breaking, bursting, stopping or leaking of electric cables and wires, and water, gas, sewer or steam pipes.

(E) Tenant covenants and agrees that Tenant shall not do or permit anything to be done in, at or upon the Premises, or bring in anything or keep anything therein, which shall increase the rate of insurance on the Demised Premises above the current rate on said Demised Premises; and Tenant further agrees that, in the event that Tenant shall do any of the foregoing, Tenant shall promptly pay to Landlord, on demand, any such increase resulting therefrom, which shall be due and payable as additional rent hereunder.

(F) All insurance provided for in this Article by Tenant shall be (i) effected under valid and enforceable policies issued by insurers of recognized responsibility which are licensed to do business in the state in which the Demised Premises are located; (ii) issued by insurers that at all times during the Term are in a financial category of not less than VII with a general policy holder's rating of not less than A, as rated in the most current rated Best's Insurance Reports, or if Best's Insurance Reports shall cease to be published, an equivalent rating with such other publication of a similar nature as shall be in current use and which shall be acceptable to Landlord; (iii) issued by insurers which shall have been approved in writing by Landlord and any mortgagees and ground lessors; and (iv) in such forms as may from time to time be satisfactory to Landlord. Any policies of insurance of the character described in this Article shall expressly provide that the adjustment of any losses thereunder shall be approved by Landlord. All such insurance except the Workers' Compensation Insurance shall name Landlord, Landlord's managing agent and all master and ground lessors and mortgagees and such other interested parties as Landlord shall designate as additional insureds. Each policy evidencing the insurance to be carried by Tenant under this lease shall contain a clause that such policy and the coverage evidenced thereby shall be primary with respect to any policies carried by Landlord, and that any coverage carried by Landlord, if any, shall be excess insurance. No insurance maintained by Tenant shall have a deductible in excess of Five Thousand (\$5,000.00) Dollars.

(G) Each party shall include in each of such party's insurance policies covering loss, damage or destruction by fire or other casualty (insuring the Building and Landlord's property therein and the rental value thereof, in the case of Landlord, and insuring Tenant's personal property and fixtures and business interruption insurance, in the case of Tenant) a waiver of the insurer's right of subrogation against the other party or, if such waiver should be

unobtainable or unenforceable, (i) an express agreement that such policy shall not be invalidated if the insured waives before the casualty the right of recovery against any party responsible for a casualty covered by such policies, or (ii) any other form of permission for the release of the other party. If such waiver, agreement or permission shall cease to be obtainable without additional charge, then if the other party shall so elect and shall pay the insurer's additional charge therefor, such waiver, agreement or permission shall be included in the policy; provided, however, that Tenant shall at no time be named a loss payee or additional insured under any of Landlord's insurance policies.

(H) In the event that Tenant fails to procure, maintain or pay for as specified in this Article, any insurance required by this Article or fails to carry insurance required by Law, Landlord may (but without obligation to do so) from time to time and with ten (10) days' prior written notice to Tenant, procure such insurance and pay the premiums therefor, in which event Tenant shall repay Landlord, as additional rent, all sums so paid by Landlord together with interest at the Default Rate (as hereinafter defined), and any costs or expenses incurred by Landlord in connection therewith. Such payment shall be made within ten (10) days following Landlord's written demand therefor without prejudice to any other rights and remedies of Landlord under this lease.

(I) Tenant agrees to deliver to Landlord, prior to the Commencement Date, and thereafter at least thirty (30) days prior to the expiration of any such policy, a duplicate original of all policies provided by Tenant in compliance with Tenant's obligations hereunder, together with evidence of payment thereof for at least one (1) year's premiums. Said policies shall include an endorsement which states that such insurance may not be canceled or change in any material way the nature or extent of the coverage provided by such policy except upon thirty (30) days' prior written notice to Landlord and any designees of Landlord. Landlord may at any time and from time to time, inspect and/or copy any and all insurance policies required to be procured by Tenant pursuant to this lease.

(J) Landlord shall, subject to reimbursement as provided herein, maintain, during the Term, fire with extended coverage insurance, liability insurance, rental loss insurance and any other insurance coverages covering the Building, in such amounts and in such form as Landlord may elect (collectively, "Landlord-Carried Insurance"). Tenant agrees to reimburse Landlord, as additional rent, for Tenant's Proportionate Share of the premiums incurred by Landlord for any Landlord-Carried Insurance, payment to be made within ten (10) days after demand therefor.

48. ELECTRICITY, HVAC AND OTHER UTILITIES AND SERVICES.

(A) Except as otherwise set forth to the contrary herein, Landlord shall not be obligated to supply, and nothing contained herein shall ever be deemed to place any responsibility on Landlord for the rendition of, any heat, ventilation, air conditioning, electricity, water or any other utilities or services (cleaning, garbage removal etc.) to Tenant or to the Demised Premises, nor to make any installations, repairs or perform any maintenance in connection with the Demised Premises including, but not limited to, the utility systems. Except as otherwise set forth to the contrary herein, Tenant shall arrange, at Tenant's sole cost and expense, (i) for the installation of utility meters at the Demised Premises to measure Tenant's consumption of electricity, gas, water and all other utilities consumed in the Demised Premises, and (ii) to the extent such meters are already existing, for any necessary repairs of same. All such work shall be performed pursuant to plans first approved by Landlord and otherwise in accordance with the provisions of this lease. Tenant shall, at Tenant's sole cost and expense, shall operate, maintain, supply, repair and keep in working order in accordance with all Laws, a heating, ventilation and air conditioning system in, at and for the Demised Premises. Landlord shall have no obligation or responsibility whatsoever with respect to the supply, repair or maintenance of the heating, ventilation and air-conditioning systems. Tenant shall be responsible for and shall pay and discharge all bills rendered by the applicable public utility company for any electricity, gas, water, heat, ventilation or air-conditioning which Tenant may require, and Tenant shall, at Tenant's sole cost and expense, make Tenant's own arrangements with the public utility company servicing the Demised Premises for the furnishing, installation and upgrades of all utilities consumed by Tenant at the Demised Premises. Tenant further acknowledges that Landlord has made no representation concerning the existence or functioning ability of any plumbing, heating, ventilation, air conditioning, mechanical, gas, electrical or any other equipment or systems, if any, existing in or around the

Demised Premises and/or the Building (collectively, "Utilities and Systems"), and Tenant accepts the Utilities and Systems in their "as is" condition as of the Commencement Date.

(B) Landlord shall not in any way be liable or responsible to Tenant for any loss, damage or expense which Tenant may sustain or incur if either the quality or character of electrical service is changed by the public utility company supplying electrical service to the Demised Premises or is no longer available or suitable for Tenant's requirements. Interruption or curtailment of any such services shall not constitute a constructive or partial eviction, nor entitle Tenant to any compensation or abatement of base annual rent and/or additional rent.

(C) Tenant covenants and agrees that at no time shall Tenant's use of electrical current exceed the capacity of existing feeders or wiring installations serving the Demised Premises. Tenant shall make no alterations or additions to the electrical equipment, conduits, feeders or risers without the prior written consent of Landlord in each instance, which consent shall not be unreasonably withheld or delayed. If Tenant shall request in writing that additional feeders or risers be installed to supply Tenant's electric requirements and if, in Landlord's reasonable judgment, Landlord determines that such additional feeders or risers shall not cause permanent damage or injury to the Demised Premises or cause or create a dangerous or hazardous condition, and if Tenant complies with the conditions set forth in this lease, Tenant shall, at Tenant's sole cost and expense, install such additional feeders or risers and all other equipment required in connection therewith.

(D) Landlord makes no warranty as to fitness for use or other warranties concerning the physical condition of the lines, feeders, cables, end boxes, distribution boxes, or the Utilities and Systems. If any repairs or replacements are required to be made to such items or the Utilities and Systems in order that electrical current, gas, plumbing, heating, ventilation or air-conditioning be supplied to the Demised Premises, then said repairs or replacements shall be made by Tenant, at Tenant's sole cost and expense (provided, however, that at Landlord's convenience, but at Tenant's sole cost and expense, Landlord may elect to perform same, and Tenant shall not be entitled to any set-off, allowance or claim for diminution of rental value and Landlord shall have no liability to Tenant for any inconvenience, annoyance, or injury to Tenant if such repairs or replacements are not performed timely).

(E) Any units or system installed by Tenant as an addition or replacement to the present air conditioning system or units, shall, at the expiration or sooner termination of this lease, become Landlord's property and shall not be removed by Tenant, but shall remain with the Demised Premises, unless Landlord directs Tenant otherwise. However, Tenant, not Landlord, shall maintain, repair and keep in working order said units or systems throughout the Term.

(F) Tenant shall, in Tenant's own name, contract and pay for a qualified service contractor to inspect, adjust, clean and repair the heating, ventilating and air conditioning equipment which services the Demised Premises, including changing filters on a quarterly basis. Tenant shall deliver to Landlord a copy of Tenant's current service contract from time to time during the Term. The service contract must include all services suggested by the equipment manufacturer within the operation/maintenance manual and must become effective (and a copy thereof delivered to Landlord) within thirty (30) days of the date Tenant takes possession of the Demised Premises. Tenant shall from time to time upon Landlord's request furnish proof reasonably satisfactory to Landlord that all such systems and equipment are being serviced in accordance with the maintenance/service contract. Within the thirty (30) day period preceding move out by Tenant, Tenant shall have the systems and equipment checked and serviced to ensure proper functioning and shall furnish Landlord satisfactory proof thereof upon request.

(G) Tenant agrees to pay 100% of all charges billed to any and all water meters measuring Tenant's consumption of water in the Demised Premises. Tenant acknowledges and agrees that if no water meter is present in the Demised Premises, then Tenant shall, as part of Tenant's Initial Work (as hereinafter defined), install a new water meter in the Demised Premises. Tenant shall, throughout the Term, at Tenant's sole cost and expense, keep the water meter and all related equipment in good working order and condition. Until such meter is installed and operational, Landlord shall have the right to estimate Tenant's water charges, and Tenant shall pay to Landlord within ten (10) days after demand therefor, as additional rent, a monthly sum which

Landlord estimates shall be sufficient to pay for the water charges payable by Tenant under this lease, and upon Landlord's receipt of the actual water charges, an adjustment shall be made by Landlord based on the payments Tenant has theretofore paid on account of such bill. Tenant shall initially pay to Landlord, on account of such water charges, beginning on the Commencement Date, the sum of \$100.00 per month, until adjusted as set forth in this Section 48(G).

(H) Tenant shall have the right, at Tenant's sole cost and expense, to increase the water service to the Demised Premises ("Increased Water Service") as part of Tenant's Initial Work (as hereinafter defined). Tenant's plumber shall have the right to access the adjoining commercial space (the "Adjacent Space") during the period that Tenant's Initial Work is being conducted (but not thereafter) solely for the purpose of making such alterations to the plumbing within the Demised Premises as is necessary to facilitate the Increased Water Service. Tenant shall be responsible for any damage caused to the Adjacent Space and shall return the Adjacent Space to Landlord in its as-is condition as of the date hereof.

49. **BROKER.** Tenant represents and warrants to Landlord that Tenant has had no dealings, negotiations or consultations with respect to the Demised Premises or this transaction with any broker or finder other than The Lawrence Group and Sinvin Real Estate (collectively, the "Broker"), and that no broker or finder other than the Broker called the Demised Premises to Tenant's attention for lease or took any part in any dealings, negotiations or consultations with respect to the Demised Premises or this lease. In the event that any broker or finder other than the Broker claims to have submitted the Demised Premises to Tenant, to have induced Tenant to lease the Demised Premises or to have taken part with or on behalf of Tenant in any dealings, negotiations or consultations with respect to the Demised Premises or this lease, Tenant shall be responsible for and shall indemnify and hold Landlord harmless from and against any and all costs, fees (including, without limitation, reasonable attorneys' fees and disbursements), expenses, liabilities and claims incurred or suffered by Landlord as a result thereof.

50. **ATTORNMENT.** In the event foreclosure proceedings are brought by the holder of any fee mortgage, Tenant shall attorn to such mortgagee or purchaser in foreclosure proceedings, as the case may be, and Tenant shall recognize such fee mortgagee or purchaser as the Tenant's landlord under this lease. The foregoing provisions shall inure to the benefit of any such owner or fee mortgagee and shall, in the event of any such election and demand, be self-operative without the necessity of the execution of any further instruments; but Tenant agrees that Tenant shall execute and deliver, at any time and from time to time, upon the request of the fee owner or of the holder of any such fee mortgage any instrument which may be necessary or appropriate to evidence such attornment. Tenant's failure to execute any such instrument shall be a material default under this lease.

51. **MORTGAGES AND LEASEHOLDS.**

(A) This lease is subject and subordinate in all respects to all ground leases and/or underlying leases and to all mortgages which may now or hereafter be placed on or affect such leases and/or the real property of which the Demised Premises form a part, or any part or parts of such real property, and/or Landlord's interest or estate therein, and to each advance made and/or hereafter to be made under any such mortgages, and to all renewals, modifications, consolidations, replacements and extensions thereof and all substitutions therefor. This Section 51(A) shall be self-operative and no further instrument of subordination shall be required. In confirmation of such subordination, Tenant shall, without charge, execute and deliver promptly any reasonable certificate that Landlord and/or any mortgagee and/or the lessor under any ground or underlying lease and/or their respective successors in interest may request.

(B) Tenant shall, without charge, at any time and from time to time, upon not less than ten (10) days' prior demand by Landlord, execute, acknowledge and deliver to Landlord a statement in writing 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 modification), the amount of monthly and/or annual base annual rent and additional rent then being paid by Tenant, and the dates through which the base annual rent, additional rent and other charges have been paid, and stating whether or not to the best knowledge of the signer of such certificate Landlord is in default in performance of any covenant, agreement, term, provision or condition contained in this lease and, if so, specifying each such default of which the signer may

have knowledge, and containing such other information as may be reasonably requested by Landlord or any lender or purchaser, it being intended that any such statement delivered pursuant hereto may be relied upon by any prospective purchaser or lessee of said real property or any interest or estate therein, and any mortgagee or prospective mortgagee thereof or any prospective assignee of any mortgagee thereof. If Tenant fails to comply with the terms of this Section 51(B) within the time period set forth herein, time being of the essence, Tenant's monthly base annual rent payment shall be increased by ten percent (10%) per month until such time as Tenant complies herewith.

(C) If, in connection with obtaining financing for the Building, a lender shall request, as a condition to such financing, reasonable modifications in this lease, Tenant shall not unreasonably withhold, delay or defer Tenant's consent thereto. It is hereby agreed by Tenant that the following modifications required by any lender, shall be deemed reasonable: (i) any change(s) to the notice provisions of this lease which require Tenant to give notice of any default by Landlord to the lender; or (ii) any changes to the default provisions of this lease which permit the lender to cure any defaults by Landlord together with the granting of such additional but reasonable time to cure as may be reasonably required by lender to obtain possession of the Building.

52. ASSIGNMENT AND SUBLETTING. Notwithstanding the provisions of Article 11, and in modification and amplification thereof:

(A) If Tenant's interest in this lease is assigned, whether or not in violation of the provisions of this lease, Landlord may collect rent from the assignee; if the Demised Premises or any part thereof are sublet to, or occupied by, or used by, any person other than Tenant, whether or not in violation of this lease, Landlord, after default by Tenant under this lease may collect rent from the subtenant, user or occupant. In either case, Landlord shall apply the net amount collected to the rents reserved in this lease, but neither any such assignment, subletting, occupancy, nor use, nor any such collection or application shall be deemed a waiver of any terms, covenant or condition of this lease or the acceptance by Landlord of such assignee, subtenant, occupant or user as a tenant. The consent by Landlord to any assignment, subletting, occupancy or use shall not relieve Tenant from Tenant's obligation to obtain the express prior written consent of Landlord to any further assignment, subletting, occupancy or use. The listing of any name other than Tenant's on any door of the Demised Premises, or on any directory, or on any elevator in the Building, or otherwise, shall not operate to vest in the party so named, any right or interest in this lease or in the Demised Premises, or be deemed to constitute, or serve as a substitute for, any prior written consent of Landlord required under this Article.

(B) Tenant covenants and agrees that Tenant shall not assign this lease nor sublet (which term, without limitation, shall include the granting of concessions, licenses, and the like) the whole or any part of the Demised Premises without Landlord's prior written consent, which consent shall not be unreasonably withheld or delayed. Tenant further agrees that Tenant shall not transfer in any other manner or hypothecate Tenant's interest in this lease, whether by way of leasehold mortgage, collateral assignment or any other security arrangement or otherwise without in each instance having first obtained the prior written consent of Landlord, which consent may be granted or withheld in Landlord's sole and absolute discretion.

(C) At the time that Tenant makes Tenant's request for Landlord's consent to any assignment or sublease, Tenant shall provide Landlord with (1) a conformed or photostatic copy of the assignment or sublease, the effective or commencement date of which shall be at least thirty (30) days after the submission thereof, (2) a statement setting forth in reasonable detail the identity of the proposed assignee or subtenant, and (3) current financial information with respect to the proposed assignee or subtenant, including, without limitation, its most recent financial statement. In addition, any assignment or subletting (i) as to which Landlord has consented; or (ii) which is required by reason of final nonappealable order of a court of competent jurisdiction; or (iii) which is made by reason of and in accordance with the provisions of any Law, including, without limitation, the laws governing bankruptcy, insolvency or receivership shall be subject to all of the terms, provisions, covenants and conditions of this lease, and shall not be effective or deemed valid unless, at the time of each such assignment or subletting:

(1) in Landlord's reasonable judgment, the proposed assignee or subtenant is engaged in a business and the Demised Premises, or the relevant part thereof, shall be used in a manner which (i) is in keeping with the then standards of the Building, (ii) is limited to the Permitted Use, (iii) shall not violate any negative covenant or restrictive covenant as contained in any other lease of space in the Building, and (iv) the proposed assignee's or sublessee's use shall not be disruptive to other tenants in the Building, and shall not increase Landlord's insurance premiums or increase the fire rating, and such proposed assignee or sublessee shall not be handling Hazardous Substances;

(2) in Landlord's reasonable judgment, the proposed assignee or subtenant, if an entity, is a reputable entity, with sufficient financial worth considering the responsibility involved, and is not a government or a government agency, or a charity or other organization dependent in whole or in part on charitable contributions and if a person, is a reputable person of good character with sufficient financial worth considering the responsibility involved;

(3) the proposed assignment or sublease, as applicable, shall be in form and substance reasonably satisfactory to Landlord;

(4) the proposed assignee or subtenant shall not be a person with whom Landlord is then negotiating to lease space in the Building (or with whom Landlord has negotiated the lease of space in the Building within the past six months);

(5) intentionally omitted;

(6) there shall not be more than one (1) occupant of the Demised Premises at any time;

(7) Tenant shall reimburse Landlord on demand for any and all reasonable costs that may be incurred by Landlord in connection with said assignment or sublease, including, without limitation, the reasonable costs of making investigations as to the acceptability of the proposed assignee or subtenant, and reasonable legal costs incurred in connection with the granting of any requested consent;

(8) each assignee or subtenant has deposited with Landlord, as additional security to be retained by Landlord in accordance with the provisions of Article 31 of this lease, an amount equal to three (3) times the then monthly base annual rent payable under this lease, to be paid to Landlord concurrently with Tenant's request for Landlord's consent to such proposed assignment or subletting, as the case may be;

(9) Tenant shall not advertise or publicize in any way the availability of the Demised Premises without the prior approval of Landlord; and

(10) Tenant shall not be in default under the terms, provisions, covenants and conditions of this lease, either as of the date of Tenant's request for Landlord's consent, or as of the effective date of the proposed assignment or subletting.

(D) If Tenant is a corporation the stock of which is not traded on any national securities exchange (as defined in the Securities Exchange Act of 1934, as amended), then the following shall constitute an assignment of this lease for all purposes of this Article: (i) the merger, consolidation or reorganization of Tenant; and/or (ii) the sale, issuance, or transfer, cumulatively or in one transaction, of any voting stock, by Tenant or the stockholders of record of Tenant as of the date of this lease, which results in a change in the voting control of Tenant, except any such transfer by inheritance or testamentary disposition. If Tenant is a joint venture, partnership or other association, then for all purposes of this Article, the sale, issuance or transfer, cumulatively or in one transaction, of either voting control or more than a forty-nine (49%) percent interest, or the termination of any joint venture, partnership or other association, shall constitute an assignment, except any transfers by inheritance or testamentary disposition.

(E) If Landlord shall decline to give Landlord's consent to any proposed

assignment or sublease, Tenant shall indemnify, defend and hold Landlord harmless from and against any and all losses, liabilities, damages, costs and expenses (including, without limitation, reasonable counsel fees and disbursements) resulting from any claims that may be made against Landlord by the proposed assignee or subtenant or by any brokers or other persons claiming a commission or similar compensation in connection with the proposed assignment or sublease.

(F) Notwithstanding anything to the contrary contained herein, in the event Tenant shall give Landlord notice of: (i) a desire to assign this lease; or (ii) a desire to sublet any part or all of the Demised Premises, then within the thirty (30) day period following Landlord's receipt of Tenant's request to assign this lease or sublet any portion or all of the Demised Premises, Landlord shall be entitled to cancel this lease on thirty (30) days' prior written notice thereof (the "End Date"), and this lease shall come to an end on the End Date with the same force and effect as if such End Date were the date herein specified as the Expiration Date, and all base annual rent and additional rent shall be apportioned and adjusted as of the End Date.

(G) No consent to any assignment or subletting shall be effective or valid for any purpose whatsoever unless and until a counterpart of the assignment or a counterpart or reproduced copy of the sublease shall have been first delivered to the Landlord, and, in the event of an assignment, Tenant shall deliver to Landlord a written agreement executed and acknowledged by Tenant and such assignee in recordable form wherein such assignee shall assume jointly and severally with Tenant the due performance of this lease on Tenant's part to be performed for the remaining Term and shall remain fully liable hereunder, notwithstanding any other or further assignment.

(H) Neither any assignment of Tenant's interest in this lease nor any subletting, occupancy or use of the Demised Premises or any part thereof by any person other than Tenant, nor any collection of base annual rent or additional rent by Landlord from any person other than Tenant as provided in Article 11 hereof, nor any application of any such base annual rent or additional rent as provided in said Article 11 nor any collection of any other rent by Landlord from any person other than Tenant as provided in this Article 52, nor any application of any such other rent as provided in this Article 52, shall, in any circumstances, relieve Tenant of Tenant's obligations to fully observe and perform all of the terms, provisions, covenants and conditions of this lease on Tenant's part to be observed and performed.

(I) With respect to each and every sublease or subletting entered into by Tenant or any subtenant with respect to the Demised Premises, it is further agreed as follows:

(1) Each subletting shall be for a term ending not later than one (1) day prior to the expiration date of this lease.

(2) Each sublease shall expressly provide that it is subject and subordinate to all of the terms, provisions, covenants and conditions of this lease and to the matters to which this lease is or shall be subordinate, and that in the event of any termination of this lease, for any reason whatsoever, re-entry or dispossession by Landlord under this lease, Landlord may, at its option, take over all the right, title and interest of Tenant, as sublessor under such sublease, and such subtenant shall, at Landlord's option, attorn to Landlord pursuant to the then executory provisions of such sublease, except that Landlord shall not (a) be liable for any previous act or omission of Tenant under such sublease, (b) be subject to any offset, not expressly provided in such sublease, which theretofore accrued to such subtenant against Tenant, or (c) be bound by any previous prepayment of more than one month's rent, or (d) be subject to the return of any security deposited by such subtenant, unless delivered to Landlord.

(3) From time to time and upon request of Landlord, Tenant agrees to provide Landlord with true and correct copies of all subleases, and modifications and amendments to each sublease, in effect, with respect to the Demised Premises.

(4) Without the written consent of Landlord, Tenant shall not collect rent in advance for more than one (1) month from any subtenant, except with respect to security deposits made by subtenants (and each sublease agreement shall contain a provision that at all times during the term of the sublease, the subtenant must deposit with Tenant at least two (2) times



the monthly base rent payable under such sublease).

(5) No sublease shall be made which in legal effect would constitute a total assignment of this lease.

(6) Upon the occurrence of any default by Tenant hereunder, Landlord, or Landlord's agents or representatives, may, at Landlord's option, without any action on Landlord's part being required, and without in any way waiving such default, and with or without taking possession of the Demised Premises, collect and receive all rents under each sublease in effect, notify the respective subtenant under the sublease or any other parties in possession of the Demised Premises, to pay all rents directly to Landlord, or Landlord's agent or representatives, and apply such rents to the payments due Landlord hereunder. Tenant agrees that all subleases hereafter entered into shall specifically provide for and make specific reference to the provisions set forth in this Subsection 52(I)(6).

(7) Each sublease shall contain a provision which provides that if for any reason this lease and the leasehold estate of the sublessor as Tenant hereunder is terminated for any reason whatsoever through foreclosure proceedings brought by the holder of any mortgage to which this lease is subject or subordinate, or otherwise, the subtenant shall attorn to Landlord hereunder or to such mortgagee or purchaser in foreclosure proceedings, as the case may be, and shall recognize such Landlord or such mortgagee or purchaser as the subtenant's landlord under the sublease. The subtenant shall execute and deliver, at any time and from time to time, upon the request of the sublessor or of Landlord hereunder or of the holder of any such mortgage any instrument which may be necessary or appropriate to evidence such attornment. Subtenant's failure to execute such instrument shall constitute a material default by Tenant under this lease.

(8) No right, estate or privilege of any subtenant shall exceed the rights, estate and privileges of Tenant hereunder. In the event of any termination of this lease, whether by expiration, forfeiture, cancellation, surrender or any other termination, any or all of the subleases shall, at the option of Landlord, terminate and any dispossession of Tenant shall, at the option of Landlord, automatically dispossess any or all subtenants. Landlord shall not be bound by any agreement, term, provision, covenant or condition contained in any sublease, irrespective of whether Landlord had notice thereof.

(9) Tenant shall perform each and every term, provision, covenant and condition to be performed or observed by Tenant, as sublessor, under all present and future subleases.

53. LANDLORD'S EXCULPATION. It is specifically understood and agreed that there shall be no personal liability on Landlord in respect of any of the terms, provisions, covenants or conditions of this lease; and if Landlord or a successor in interest is an individual (which term as used herein includes aggregates of individuals, such as joint ventures, general or limited partnerships, limited liability companies or associations), such individual shall be under no personal liability with respect to any of the terms, provisions, covenants or conditions of this lease, and if Landlord is in breach or default with respect to Landlord's obligations under this lease, Tenant shall look solely to the equity of Landlord in the Building and the proceeds thereof, for the satisfaction of Tenant's remedies and in no event shall Tenant attempt to secure any personal judgment against Landlord or against any partner, employee or agent of Landlord by reason of such default by Landlord.

54. TENANT'S WORK. Any work, installations, alterations, additions or improvements to be performed by Tenant in or to the Demised Premises (including, without limitation, the Initial Work [as hereinafter defined]) shall be undertaken by Tenant, at Tenant's sole cost and expense, subject to the following terms and conditions:

(A) That all such Tenant's work shall comply with all applicable provisions of this lease, including, but not limited to, Articles 3 and 6 of the printed portion of this lease, and all Laws (including, without limitation, the rules and regulations of any Board of Fire Underwriters or similar agency having jurisdiction over the Demised Premises);

(B) That Tenant shall first submit to Landlord for Landlord's approval the plans and specifications covering Tenant's work, all such plans to be in detail reasonably satisfactory to Landlord, but Landlord's approval thereof shall not constitute an acknowledgment that such plans and specifications are in compliance with all Laws. No Tenant's work shall be undertaken, started, or begun by Tenant or by Tenant's agents, employees, contractors, or anyone else acting for or on behalf of Tenant until Landlord has approved such plans and specifications. No material amendments or additions to such plans and specifications as approved shall be made without the prior written consent of Landlord;

(C) That Tenant and Tenant's contractors shall use only new, first quality materials and shall employ only competent workmanlike contractors and labor in the performance of Tenant's work;

(D) That Tenant and any contractor or contractors employed by Tenant to render services and furnish labor to the Demised Premises, shall be covered by all required insurance including, without limitation, Workmen's Compensation Insurance, and certificates thereof shall be furnished to Landlord before commencement of any work by any contractor, subcontractor, their agents, servants or employees;

(E) All of Tenant's work shall at all times comply with (a) all Laws and all insurance requirements, (b) the rules and regulations now or hereafter in existence for the Demised Premises, and (c) Tenant's plans and specifications approved by Landlord;

(F) That within a reasonable time following the completion of all of said Tenant's work, and as soon as reasonably feasible, Tenant shall, at Tenant's sole cost and expense and with due diligence, obtain and furnish to Landlord all appropriate certifications from all authorities (including, but not limited to, the N.Y.C. Building Department and Fire Department) having jurisdiction to the effect that all such Tenant's work has been performed and completed in accordance with the filed plans, if any, and with all Laws, including, but not limited to, Tenant's furnishing to Landlord any and all required sign-offs with respect to such work performed at the Demised Premises;

(G) Prior to the commencement of such work, Tenant, at Tenant's sole cost and expense, shall procure and deliver to Landlord each and every permit, license, franchise, or other authorization required for the performance of such Tenant's work;

(H) No Tenant's work shall be undertaken, started, or begun by Tenant or by Tenant's agents, employees, contractors, or anyone else acting for or on behalf of Tenant until Landlord has approved such plans and specifications, if required hereunder. No amendments or additions to such plans and specifications as approved shall be made without the prior written consent of Landlord;

(I) Notwithstanding anything to the contrary contained herein, in the event that any of Tenant's Work (including, without limitation, the Initial Work), requires any structural improvements and/or repairs to the Demised Premises of any kind whatsoever, including by way of example but not in limitation thereof, shoring up the foundation and perimeter walls of the Building and repairing and/or improving any existing electrical and water systems inside the walls of the Building, Tenant hereby agrees that Tenant shall, at Tenant's sole cost and expense, be solely responsible for making such structural improvements and/or repairs which in any event shall be subject to Landlord's approval (provided that Landlord shall have the right to perform same at Tenant's sole cost and expense);

(J) Tenant acknowledges and agrees that Landlord shall not be required to perform any work, supply any materials or incur any expense of any kind whatsoever in connection with any of Tenant's work, including, without limitation, the Initial Work; and

(K) Whenever Tenant shall request approval by Landlord of plans, drawings, specifications, or otherwise with respect to the remodeling of the Demised Premises thereof, installation of signs including subsequent changes thereof, or the like, and Landlord has such plans, drawings or the like reviewed by an outside consultant, Tenant specifically agrees promptly

to reimburse Landlord for all reasonable costs incurred by Landlord for all charges involved in the review (and re-review, if necessary) and approval or disapproval thereof whether or not approval shall ultimately be given.

55. INITIAL WORK.

(A) Not later than twenty (20) days following the execution of this lease, Tenant shall notify Landlord of the identity and mailing address of the licensed architect engaged by Tenant at Tenant's sole cost and expense ("Tenant's Architect") for the preparation of plans for all improvements and other work to be performed in the Demised Premises (the "Initial Work").

(B) Not later than thirty (30) days following the execution of this lease, Tenant shall cause Tenant's Architect to prepare and deliver to Landlord detailed architectural and engineering drawings and mechanical plans including, without limitation, all dimensions and specifications for the Initial Work (collectively, "Tenant's Plans"). For purposes of this lease, the term "Initial Work" shall mean, without limitation, all improvements, remodeling and redecoration of the Demised Premises, so that Tenant shall have completely remodeled the Demised Premises to the most recent first-class, high quality retail pottery store as is currently being constructed in the New York City metropolitan area. Tenant's Plans shall comply with all Laws. Tenant's Plans, together with the name of the contractor who shall perform the Initial Work and a true copy of the contract covering the Initial Work, shall be delivered to Landlord for approval, such approval not to be unreasonably withheld or delayed. If Tenant's Plans and Tenant's contractor have been approved by Landlord, they shall not be changed without Landlord's consent. Tenant acknowledges and agrees that any review or approval by Landlord of Tenant's Plans is solely for Landlord's benefit and without any representation or warranty whatsoever to Tenant with respect to the adequacy, correctness (including, without limitation, as to the accuracy of the dimensions or measurements of the Demised Premises as set forth thereon) or efficiency thereof or otherwise. Tenant covenants and agrees that Tenant shall, at Tenant's sole cost and expense, diligently prosecute the Initial Work to completion and shall use best efforts to complete the Initial Work within one hundred eighty (180) days following the Commencement Date (the "Initial Work Period"). Tenant acknowledges that a material inducement for Landlord entering into this lease has been the agreement and representation by Tenant that Tenant shall, at Tenant's sole cost and expense, fully and timely perform the Initial Work within the Initial Work Period, and Tenant agrees that a breach of this provision shall constitute a material default under this lease which shall entitle (but not obligate) Landlord to exercise any and/or all of Landlord's rights and remedies as set forth in this lease.

(C) Not later than thirty (30) days following Landlord's approval of Tenant's Plans, Tenant, at Tenant's sole cost and expense, shall cause Tenant's architect to prepare and deliver to Landlord for Landlord's approval two (2) sets of final plans and specifications for the Initial Work plus one (1) set.

(D) Landlord shall endeavor and make good faith efforts to review Tenant's Plans within ten (10) business days after receipt thereof and notify Tenant of the matters, if any, in which Tenant's Plans fail to meet with Landlord's approval. Tenant shall cause Tenant's Plans to be revised in such manner as to comply with Landlord's requirements within ten (10) days after Landlord's notice to Tenant and Tenant shall submit revised Tenant's Plans for Landlord's approval. When Landlord has approved Tenant's Plans, Landlord shall initial and return one (1) set of approved plans to Tenant showing the date of Landlord's approval. Tenant shall not commence any work within the Demised Premises until Landlord has given final written approval of Tenant's Plans. Notwithstanding anything to the contrary contained herein, Landlord's approval of any plans and specifications submitted by Tenant pursuant to this lease or otherwise is not intended and shall not be deemed to constitute a representation, warranty or assurance of any kind that such plans and specifications and the Initial Work shown thereon comply with all Laws or that the same are structurally sound or that the dimensions and measurements shown thereon are accurate and Tenant shall be solely responsible for causing such compliance, for the quality and structural integrity of any Initial Work and for the accuracy of such dimensions and measurements and Tenant acknowledges that Tenant is not relying on Landlord or any of Landlord's agents for the same. Nothing contained on any plan or specification (regardless of whether same has been approved by Landlord) delineated as Landlord Work or Landlord's obligation shall be valid unless specifically set forth in this lease as being part of Landlord's Work.

(E) Tenant shall, at Tenant's sole cost and expense, (i) cause Tenant's Plans to be filed with the appropriate governmental authorities or agencies having jurisdiction thereover, and (ii) promptly obtain all necessary certificates for the final approval of the Initial Work, including, without limitation, certificates of occupancy, both temporary and permanent, if necessary.

(F) No Initial Work shall be commenced unless all required municipal and other governmental permits, authorizations and approvals shall have been obtained by Tenant, at Tenant's sole cost and expense, and unless the originals thereof (or true copies thereof if such originals are required by any Law to be kept at the Demised Premises) shall have been delivered to Landlord. Landlord shall, upon the written request of Tenant, execute any documents necessary to be signed by Landlord to obtain any such permits, authorizations and approvals, provided and upon condition that same shall be without cost, liability or expense to Landlord.

(G) The Initial Work shall be performed in a first-class, workmanlike manner and in accordance with (i) all Laws, (ii) all insurance requirements, whether now or hereafter in force, (iii) Tenant's Plans, and (iv) all of the other terms, provisions, covenants and conditions of this lease.

(H) The Initial Work shall be commenced promptly after Tenant receives the required approvals and shall be performed with due diligence. In no event shall the Initial Work delay or interfere with the performance of work to be done by Landlord elsewhere in the Building or the business operations of any other tenant in the Building. If in Landlord's judgment such delay or interference shall exist, Tenant shall promptly discontinue the Initial Work until the work being done by Landlord which was delayed or interfered with shall have been completed.

(I) Tenant shall pay for all of the Initial Work promptly, in cash, so that the Demised Premises, the Building, and the interests therein of Landlord and Tenant shall at all times be free from any possible (a) liens for labor performed or claimed to have been performed or materials supplied or claimed to have been supplied, and (b) chattel mortgages, conditional sales, contracts, title retention agreements, security interests and agreements, financing agreements, financing statements and any similar agreements.

56. CONSTRUCTION. (A) It is understood and agreed that all contractors performing work on behalf of Tenant, and all contracts entered into by Tenant, shall provide the following:

All contractors shall perform any Tenant improvements and furnish the required materials on the sole credit of Tenant; that no lien for labor or materials shall be filed or claimed by any contractor or sub-contractor against the Demised Premises or the Building, and following the completion of the performance of all work at the Demised Premises, Tenant shall furnish to Landlord lien waivers from all contractors, subcontractors and materialmen who have performed work or supplied materials to the Demised Premises. In the event that a lien is filed, Tenant shall, at Tenant's sole cost and expense, immediately discharge any such lien filed or claimed by any suppliers, laborers or subcontractors, and Tenant and the contractor shall indemnify and hold Landlord harmless from and against any and all costs and expenses, including, without limitation, reasonable attorney's fees and disbursements, suffered or incurred as a result of any such lien that may be filed or claimed in connection with or arising out of work undertaken by said contractor.

(B) Tenant shall at all times enforce strict discipline and good order between Tenant's employees and contractors and their subcontractors and their respective employees hired or retained by Tenant to perform Tenant's work. Tenant's contractors and their subcontractors shall not employ persons who shall cause labor disputes or stoppages in Tenant's work or among other contractor's personnel performing work in the Building.

(C) Tenant agrees that if, during any period of construction in the Demised Premises, any of Tenant's employees strike or if picket lines or boycotts or other visible activities objectionable to Landlord are established or conducted or carried out against Tenant or Tenant's employees or any of them, on or about the Demised Premises or the Building, Tenant shall immediately close the Demised Premises to the public and remove all employees therefrom until the dispute giving rise to such strike, picket line, boycott or objectionable activity has been settled

to Landlord's satisfaction.

57. SIGNS.

(A) Tenant shall not place or install any sign on the roof or on any exterior wall or any other part of the Demised Premises nor install any sign on the exterior of the Demised Premises, until Tenant shall have: (i) received Landlord's prior written consent thereto, including, but not limited to, Landlord's designation as to the area where such sign may be installed as well as Landlord's approval of the design and size of such sign; and (ii) received all approvals and permits required by Law and delivered copies thereof to Landlord together with evidence of payment of any fees pertaining to Tenant's signs if such permit, approval or fees are required. All signs to be installed by Tenant shall be professionally made and neat in appearance.

(B) As used in this Article, the word "sign" shall be construed to include any light or other advertising symbol or object irrespective of whether same be temporary or permanent.

(C) In no event shall Tenant install any awning or canopy on the exterior of the Demised Premises or on any other portion of the Building.

58. SPECIFIC PERFORMANCE. With respect to any provision of this lease which provides, in effect, that Landlord shall not unreasonably withhold, or unreasonably delay any consent or any approval, Tenant, in no event, shall be entitled to make, nor shall Tenant make, any claim, and Tenant hereby knowingly, voluntarily, intentionally, unconditionally and irrevocably waives any claim, for money damages; nor shall Tenant claim any money damages by way of set-off, counterclaim or defense, based upon any claim or assertion by Tenant that Landlord has unreasonably withheld or unreasonably delayed any consent or approval; but Tenant's sole remedy shall be an action or proceeding to enforce any such provision, or for specific performance, injunction or declaratory judgment.

59. UNENFORCEABLE PROVISIONS. If any term, provision, covenant or condition of this lease or the application thereof to any person or circumstance shall, at any time, or to any extent, be invalid or unenforceable, then provided and on condition that all the absence of such term, provision, covenant or condition does not have a material adverse impact on either party the remainder of this lease or the application of such term, provision, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each other term, provision, covenant and condition of this lease shall be valid and enforceable to the fullest extent permitted by law.

60. NEW YORK LAW GOVERNS. This lease shall be governed by and construed in accordance with the laws of the State of New York without reference to principles of conflict of laws.

61. LATE CHARGES; INTEREST.

(A) In addition to, and not instead of, any and all rights and remedies of Landlord under this lease or the laws of the State of New York, if any monthly installment of base annual rent or additional rent shall not be paid within ten (10) days after the date that payment is due, then Tenant agrees to pay Landlord, as additional rent, a late charge equivalent to four (4%) percent of the amount not paid within such ten (10) day period. Tenant further agrees that the late charge imposed is fair and reasonable, complies with all Laws, and constitutes an agreement between Landlord and Tenant as to the estimated compensation for costs and administrative expenses incurred by Landlord due to the late payment of rent to Landlord by Tenant. Tenant further agrees that the late charge assessed pursuant to this Article is not interest, and the late charge assessed does not constitute a lender or borrower/creditor relationship between Landlord and Tenant.

(B) In addition to the payment set forth in Section 61(A) hereof, any base annual rent, additional rent or other amounts to be paid by Tenant which are not paid within thirty (30) days after the date such payment is due, shall bear interest from and after the expiration of such thirty (30) day period at a rate (the "Default Rate") of twelve (12%) percent per annum, but in no event greater than the maximum rate of interest permitted in the State of New York.

62. ADDITIONAL RENT. All costs, charges and expenses which Tenant assumes, agrees or is obligated to pay pursuant to this lease in addition to the base annual rent shall be deemed additional rent, and in the event of non-payment, Landlord shall have all of the rights and remedies with respect thereto as is herein provided for in the case of non-payment of base annual rent.

63. PERMITS.

(A) Tenant shall, at Tenant's sole cost and expense, obtain any and all permits, licenses (including, without limitation, any and all liquor licenses) and/or certificates (including, without limitation, certificates of occupancy), of whatsoever kind or nature, from any and all authorities having jurisdiction over the Demised Premises, necessary or required for the occupation and use of the Demised Premises as provided for in this lease and the operation of any equipment located therein, and Landlord agrees to cooperate with Tenant (without cost or expense to Landlord) in order to help Tenant obtain such permits, licenses and/or certificates (including, without limitation, certificates of occupancy). Tenant covenants that Tenant shall not use or suffer or permit any person to use the Demised Premises for any unlawful purpose and to obtain and maintain, at Tenant's sole cost and expense, all licenses, permits and certificates (including, without limitation, certificates of occupancy) from any and all governmental authorities having jurisdiction of the Demised Premises which may be necessary for the conduct of Tenant's business therein and the operation of any equipment located therein.

(B) Tenant shall indemnify and hold Landlord harmless from and against any and all costs, claims, penalties, losses, liability, damages or expenses (including, without limitation, reasonable attorneys' fees and disbursements) imposed by reason of a default under Section 63(A) hereof by Tenant and/or Tenant Parties.

64. HOLDOVER.

(A) Tenant acknowledges that possession of the Demised Premises must be surrendered to Landlord at the expiration or sooner termination of the Term, Tenant agrees to indemnify and hold Landlord harmless from and against any and all costs, claims, penalties, losses, liability, damages or expenses (including, without limitation, reasonable attorneys' fees and disbursements) resulting from delay by Tenant in so surrendering the Demised Premises, including, without limitation, any claims made by any succeeding tenant founded on such delay. The parties recognize and agree the damage to Landlord resulting from any failure by Tenant to timely surrender possession of the Demised Premises as aforesaid will be extremely substantial, will exceed the amount of the monthly base annual rent and additional rent theretofore payable hereunder, and will be impossible to accurately measure. Tenant therefore agrees that if possession of the Demised Premises is not surrendered to Landlord within twenty four (24) hours after the date of the expiration or sooner termination of the Term, then Tenant shall pay to Landlord for each month and for each portion of any month during which Tenant holds over in the Demised Premises after the expiration or sooner termination of the Term, a sum equal to three (3) times the aggregate of that portion of the base annual rent and additional rent which was payable under this lease during the last month of the Term. The provisions of this Article shall survive the expiration or said sooner termination of the Term.

(B) Tenant shall occupy the Demised Premises during the holdover period in its "as is" condition as of the expiration of the Term or prior termination of this lease and Landlord shall not be required to perform any work, furnish any materials or make any repairs within the Demised Premises during the holdover period. Nothing contained in this lease shall be construed as a consent by Landlord to the possession by Tenant of the Demised Premises beyond the expiration of the Term or prior termination of this lease, and Landlord, upon said expiration of the Term or prior termination of this lease, shall be entitled to the benefits of all legal remedies that may now be in force or may hereafter be enacted relating to speedy repossession of the Demised Premises by Landlord.

65. UNCOLLECTIBLE CHECKS. It is hereby understood and agreed by Tenant that in the event Landlord receives a check from Tenant for the payment of base annual rent, additional rent and/or any other charge(s) due under this lease, and such check is uncollectible by Landlord due to insufficient funds in Tenant's account or for any other reason, Tenant shall pay to Landlord a service charge in the sum of \$100.00 for Landlord's expense in processing such uncollectible check, as additional rent under this lease, together with Tenant's next monthly rent installment due

under this lease. The provisions of this Article shall not be deemed to limit Landlord from enforcing any other rights Landlord may have under this lease in the event of Landlord's receipt of any such uncollectible check and Landlord's right herein to collect a service charge, as provided above, shall be in addition to all other rights of Landlord contained in this lease.

66. LEGAL RENT RESTRICTIONS. If any of the rent payable under the terms of this lease shall be or become uncollectible, reduced or required to be refunded because of any applicable law, ordinance, order, rule, requirement or regulation, Tenant shall enter into such agreement(s) and take such other steps (without additional expense to Tenant) as Landlord may reasonably request and as may be legally permissible to permit Landlord to collect the maximum rents which from time to time during the continuance of such legal rent restriction may be legally permissible (and not in excess of the amounts reserved therefor under this lease). Upon the termination of such legal rent restriction during the Term, (a) the rents shall become and thereafter be payable in accordance with the amounts reserved herein for the periods following such termination and (b) Tenant shall pay to Landlord, to the maximum extent legally permissible, an amount equal to (i) the rents which would have been paid pursuant to this lease but for such legal rent restriction less (ii) the rents paid by Tenant during the period such legal rent restriction was in effect, which amount shall be payable in twelve (12) equal consecutive monthly installments.

67. PLUMBING. Supplementing the provisions of Article 4 of this lease, Tenant shall maintain the existing connections to all utility waste lines in the Demised Premises, and Tenant agrees not to use the plumbing for any purpose other than that for which it was constructed and agrees further not to permit any food, waste, or other foreign substance to be thrown or drawn into the pipes other than waste pipes. Tenant agrees, at Tenant's sole cost and expense, to maintain the plumbing in good repair and condition and to repair any damage resulting from any violation of this Article. Tenant further agrees to immediately unclog any drains or grease traps used by Tenant, at Tenant's sole cost and expense. Tenant shall, at Tenant's sole cost and expense, not less than once every six (6) months, have the sewer lines from the Demised Premises to the grease trap serving the Demised Premises, pressure washed and the grease trap pumped out, scraped clean and pressure washed. Tenant shall, at Tenant's sole cost and expense, contract for and keep in force during the Term a service agreement with an environmental services firm to treat Tenant's sewer lines and grease trap each month with bacteria eating enzymes to further aid in the control of odors and to keep the sewer lines in proper working order.

68. NO ACCORD. No payment by Tenant or receipt by Landlord of a lesser amount than any installment or payment of base annual rent or additional rent due shall be deemed to be other than on account of the amount due, and no endorsement or statement on any check or any letter accompanying any check or payment of rent shall be considered an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such installment or payment of rent or pursue any other remedies available to Landlord. No receipt of money by Landlord from Tenant after the termination of this lease or Tenant's right to possession of the Demised Premises shall reinstate, continue or extend the Term. Landlord may allocate payments received from Tenant to outstanding account balances of Tenant under this lease in the manner determined by Landlord and Landlord shall not be bound by any allocation such payments made by Tenant by notation or endorsement on checks or otherwise.

69. EXHAUST TO STREET. If Tenant's installation requires any exhaust to the street, the entire installation of such exhaust shall be paid for by Tenant and shall be subject to Landlord's prior written approval as to the location and aesthetics thereof, which approval shall not be unreasonably withheld or delayed. Tenant shall properly ventilate and insulate the Demised Premises so that the odors, noises and/or any other residues from the operation of Tenant's business shall not adversely affect the quiet and peaceful enjoyment of tenants or occupants in adjoining buildings.

70. HAZARDOUS SUBSTANCES.

(A) For purposes of this Article, "Hazardous Substance" means any pollutant, contaminant, toxic or hazardous waste, dangerous substance, potentially dangerous substance, noxious substance, toxic substance, flammable, explosive, radioactive material, urea formaldehyde foam insulation, mold, asbestos, ACM's (as hereinafter defined), PCBs, or any other substances the removal of which is required, or the manufacture, preparation, production, generation, use,

maintenance, treatment, storage, transfer, handling or ownership of which is restricted, prohibited, regulated or penalized by any and all federal, state, county, or municipal statutes or laws now or at any time hereafter in effect (collectively hereinafter referred to as "Requirements"), including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. §§ 9601 et seq.), the Hazardous Materials Transportation Act (49 U.S.C. §§ 1801 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. §§ 6901 et seq.), the Federal Water Pollution Control Act (33 U.S.C. §§ 1251 et seq.), the Clean Air Act (42 U.S.C. §§ 7401 et seq.), the Toxic Substances Control Act, as amended (15 U.S.C. §§ 2601 et seq.) and the Occupational Safety and Health Act (29 U.S.C. §§ 651 et seq.), as these laws have been amended or supplemented.

(B) Tenant agrees that no part of the Demised Premises will be used for, and Tenant shall not suffer or allow the treatment, generation, manufacture, use, refining, production, storage, disposal, burial, dispersal, release, or placement of any Hazardous Substance, and that Tenant shall not release, suffer or permit the release of any Hazardous Substance onto the Demised Premises or into the subsurface thereof or onto any property whatsoever, including without limitation, surface water and ground waters, unless in compliance with all applicable Law(s) permit(s), order(s), or other valid governmental approval(s), whether now in effect or hereafter enacted. Furthermore, Tenant shall not cause or permit to occur any violation of any Law related to environmental conditions in, at, on, under or about the Demised Premises, or arising from Tenant's use or occupancy of the Demised Premises, including, but not limited to, soil and ground water conditions. Tenant shall, at Tenant's sole cost and expense, comply with all Laws regulating the use, generation, storage, transportation or disposal of Hazardous Substances. Furthermore, Tenant shall, at Tenant's sole cost and expense, make all submissions to, provide all information required by, and comply with all requirements of all governmental authorities under all Laws. Tenant shall provide all information regarding the use, generation, storage or disposal of Hazardous Substances that is requested by Landlord. The provisions of this Section 70(B) shall survive the expiration or sooner termination of this lease.

(C) The failure of Tenant to abide by each and every of the foregoing obligations shall be a material default under this lease which if not cured within ten (10) days of Landlord's notice, or sooner if an emergency, dangerous, or hazardous condition exists in, at, on or upon, or about the Demised Premises, shall entitle Landlord to pursue all remedies available in law, at equity and/or under this lease. The provisions of this Section 70(C) shall survive the expiration or sooner termination of this lease.

(D) Tenant shall indemnify and hold Landlord, Landlord Parties and their respective officers, directors, shareholders and partners, harmless from and against any and all claims, obligations, liabilities, violations, penalties, fines, suits, governmental orders, causes of actions, judgments, damages, whether civil or criminal or both, of any and all kind or nature which result from or are in any way connected with a breach or default by Tenant or any Tenant Parties of the foregoing obligations and/or to which Landlord and/or Landlord Parties may be subject in connection with any Hazardous Substances resulting from or in connection with the discharge, despoiler, release or escape of smoke, vapors, soot fumes, acids, alkalis, toxic chemicals, liquids or gases, volatile organics, waste materials or other irritants, contaminants or pollutants or otherwise at the Demised Premises, caused by or resulting from the use and operation of the Demised Premises by Tenant and/or Tenant Parties, or by the introduction of any Hazardous Substance into the Demised Premises by any third party other than Landlord or Landlord Parties, and/or by reason of Tenant or Tenant Parties, in any case whether or not Tenant has complied with Tenant's obligations pursuant to this Article. This indemnification and hold harmless agreement shall also cover any and all liens for hazardous waste clean up expenses in favor of the United States, New York State, or any political subdivision thereof, and any governmental department, bureau, agency, board or commission of any of the foregoing. This indemnification shall include, but not be limited to, reasonable legal fees and disbursements and other charges to which Landlord and/or Landlord Parties may be put, including clean up costs, in defending against any proceeding in connection with the foregoing.

(E) (1) Landlord hereby notifies Tenant, in accordance with the Occupational Safety and Health Administration asbestos rule (1995), 59 Fed. Reg. 40964, 29 CFR 1910.1001, 1926.1101, clarification 60 Fed. Reg. 33974 ("OSHA Asbestos Rule"), of the possible presence



of asbestos containing materials ("ACMs") and/or presumed asbestos containing materials ("PACMs"), as such term is defined in the OSHA Asbestos Rule, in the Demised Premises.

(2) By the execution hereof, Tenant acknowledges receipt of such notification in Subsection 70 (E)(1) hereof and understands, after having consulted with Tenant's legal counsel, that the purpose of such notification is to make Tenant, and Tenant's agents, employees, and contractors aware of the presence of ACMs and/or PACMs in the Demised Premises in order to avoid or minimize any damage to or disturbance of such ACMs and/or PACMs.

(F) Tenant shall advise each of Tenant's contractors, agents and employees of the contents of the disclosure set forth in Subsection 70 (E)(1) hereof, prior to commencement of any of the following activities within or about the Demised Premises:

(1) Removal of thermal system insulation (TSI) and surfacing ACMs and PACMs (i.e., sprayed-on or troweled-on material, e.g., textured ceiling paint or fireproofing material);

(2) Removal of ACMs or PACMs that are not TSI or surfacing ACMs and PACMs;

(3) Repair and maintenance of operations that are likely to disturb ACMs or PACMs; and

(4) Custodial and housekeeping activities where even minimal contact with ACMs or PACMs may occur.

(G) Notwithstanding anything to the contrary contained herein, Landlord agrees that, if, at the time possession of the Demised Premises is made available to Tenant or in the course of Tenant's Initial Work, (i) it is determined that there exists at the Demised Premises any Hazardous Substances, and (ii) such Hazardous Substances were not brought into the Demised Premises by or on behalf of Tenant and/or Tenant Parties and were located in the Demised Premises as of the Commencement Date, and (iii) such Hazardous Substances are then required by Law to be removed, encapsulated or otherwise treated ("Remediated") in order for Tenant to complete Tenant's Initial Work, Landlord shall, at Landlord's sole cost and expense, cause the Hazardous Substances to be Remediated (a "Remediation"). If required by Law, Tenant shall vacate (and/or cause Tenant's contractors and subcontractors to vacate) the Demised Premises and remove all of Tenant's (and/or contractor's or subcontractor's) personal property prior to such Remediation by Landlord. Notwithstanding anything to the contrary contained herein, Landlord shall have the right to cause Tenant to perform such Remediation at Landlord's cost and expense provided Landlord shall have the right to approve the contractor which Tenant shall hire to perform the Remediation and the costs to be charged by said contractor.

(H) Landlord shall be responsible, at Landlord's sole cost and expense, for maintenance and repair of the existing oil tank in the basement.

(I) Landlord shall indemnify and hold Tenant, Tenant Parties and their respective officers, directors, shareholders and partners, harmless from and against any and all claims, obligations, liabilities, violations, penalties, fines, suits, governmental orders, causes of actions, judgments, damages, whether civil or criminal or both, of any and all kind or nature which result from or are in any way connected with a breach or default by Landlord of the obligations of Landlord set forth in Sections 70(G) and (H) hereof. This indemnification and hold harmless agreement shall also cover any and all liens for hazardous waste clean up expenses in favor of the United States, New York State, or any political subdivision thereof, and any governmental department, bureau, agency, board or commission of any of the foregoing. This indemnification shall include, but not be limited to, reasonable legal fees and disbursements and other charges to which Tenant and/or Tenant Parties may be put, including clean up costs, in defending against any proceeding in connection with the foregoing.

71. TENANT IMPROVEMENTS. Unless Landlord requires removal pursuant to

Article 3 hereof, all improvements upon the Demised Premises and any replacements therefor, including, but not limited to, all air-conditioning and heating systems, electrical and plumbing systems, drop ceiling, lighting systems, heating, ventilating and air conditioning system, alarm system, sprinklers, paneling, decorations, partitions, storefront, storefront gates, railings, affixed to the realty, except furniture or movable trade fixtures installed at the expense of Tenant, shall become the property of Landlord and shall remain upon, and be surrendered with, the Demised Premises as a part thereof at the termination of this lease, without compensation to Tenant.

72. COMPLIANCE WITH LAWS.

(A) Tenant shall comply with all zoning ordinances as well as all federal, state, county, town, village, municipal, or other governmental (including, without limitation, any bureaus, agencies, offices, departments, boards, authorities and commissions thereof) laws, ordinances, codes, licenses, permits, orders, approvals, rules and regulations, whether the same are in force on the date hereof or may in the future be passed or issued, affecting and/or applicable to the Demised Premises and/or the Building (including the elevators, if any, servicing the Demised Premises), Tenant's business, or any activity or condition at, in, on or about the Demised Premises and/or the Building, including, without limitation, The Americans With Disabilities Act ("ADA"), and all environmental laws and any other laws relating to the improvements at, in, on or under the Demised Premises and/or the Building or the air in and around the Demised Premises and/or the Building (collectively, "Laws"). Tenant acknowledges that neither Landlord nor any of Landlord's agents has made any representations or warranties with respect to any Laws and Tenant warrants and represents that Tenant's business and all activities to be conducted or performed at, in, on, or about the Demised Premises shall comply with all Laws. Tenant agrees to change, reduce, or stop any such activity, or install necessary equipment, safety devices, pollution control systems, or other installations at any time during the lease to so comply. If, during the Term, Landlord or Tenant is required to alter, convert, or replace the HVAC system serving the Demised Premises in order to comply with any Laws concerning indoor air pollution or quality, or in order to meet any applicable limitation on, standard for, or guideline relating to indoor air quality or the emission of any indoor air pollutant, including, without limitation, those adopted by the Occupational Safety and Health Administration, the American Society of Heating, Refrigeration, and Air Conditioning Engineers, or the Environmental Protection Agency, Tenant shall be responsible for paying the entire cost of any such conversion or replacement, including, without limitation, the purchase and installation of new equipment, and the alteration of existing HVAC equipment in the Demised Premises to accommodate any new equipment.

(B) Tenant hereby acknowledges and agrees that in the event the New York City Department of Environmental Protection (the "DEP") or any other governmental authority requires the installation of a backflow prevention device ("BFD") solely as a result of Tenant's use and/or occupancy of the Demised Premises (as opposed to a building wide requirement) Tenant shall, at Tenant's sole cost and expense, be responsible for the procurement and installation of said BFD as well as the procurement and installation of any additional BFD's required for other tenants of the Building as a result of Tenant's use. In addition, Tenant shall, at Tenant's sole cost and expense, arrange for (i) the annual testing of Tenant's BFD, (ii) the removal of any violations resulting from (x) Tenant's failure to install the BFD and/or (y) Tenant's failure to perform such testing, and (iii) any maintenance, repairs, and other costs and charges arising from or pertaining to Tenant's BFD.

(C) Tenant shall indemnify and hold Landlord harmless from and against any and all costs, claims, penalties, losses, liability, damages or expenses (including, without limitation, reasonable attorneys' fees and disbursements) imposed by reason of a default under Sections 72(A) or 72(B) hereof by Tenant and/or Tenant Parties.

73. DIAGRAM. Tenant acknowledges that Tenant has been informed by Landlord that any diagram or architectural plan, either attached to this lease or previously forwarded to Tenant or hereafter provided to Tenant by Landlord, or by Tenant to Landlord, is solely for the purpose of identifying the Demised Premises and Landlord has made no representation and is unwilling to make any representation and nothing in this lease shall be deemed or construed to be a representation or covenant as to the dimensions of and/or the square foot area contained in the Demised Premises (regardless of any dimensions or measurements that may be set forth on such diagram or architectural plan).

74. FREE OF LIENS.

(A) In no event shall any material or equipment be incorporated in or to the Demised Premises in connection with the construction of any work undertaken by Tenant, which is subject to any lien, encumbrance, chattel mortgage, security interest or charge of any kind whatsoever, or is subject to any conditional sale or other similar or dissimilar title retention agreement.

(B) Tenant shall not create or permit to be created any lien, encumbrance or charge (levied on account of any taxes of any mechanic's, laborer's or materialman's lien, conditional sale, title retention agreement or otherwise) upon the Demised Premises and/or the Building or any part of the income therefrom, and Tenant shall not suffer any other matter or thing whereby the estate, rights and interest of Landlord in the Demised Premises or any part thereof might be impaired. Tenant shall take all steps possible under all Laws to prevent the imposition of such a lien, encumbrance or charge on the Demised Premises and/or the Building.

(C) If any lien, encumbrance or charge referred to in this Article shall at any time be filed against the Demised Premises, the Building or any part thereof, then Tenant shall, at Tenant's sole cost and expense, within ten (10) days after Tenant's receipt of notice of the filing thereof, commence to cure and diligently prosecute to completion the discharge of record of such lien, encumbrance or charge by bonding against or making full payment within such ten (10) day period, so that such lien, encumbrance or charge is thereafter removed of record not later than thirty (30) days after receipt of notice of the filing thereof. Tenant shall furnish Landlord with written evidence satisfactory to Landlord of the payment or bonding and removal of record within the applicable ten (10) and thirty (30) day periods, respectively. Tenant shall indemnify and hold Landlord and Landlord Parties harmless from and against any and all costs and expenses, including, without limitation, reasonable attorneys' fees and disbursements, resulting from Tenant's failure to so bond and/or pay said lien, encumbrance or charge within such ten (10) day period and having same removed of record within such thirty (30) day period. If Tenant shall fail to bond or pay such lien within the aforesaid ten (10) day period and/or thereafter cause such lien to be discharged of record within the aforesaid thirty (30) day period, then, in addition to any other rights or remedies, Landlord may, but shall not be obligated to, discharge the same either by paying the amount claimed to be due or by procuring the discharge of such lien by deposit or by bonding proceedings, and in any such event Landlord shall be entitled, if Landlord so elects, to compel the prosecution of an action for the foreclosure of such lien, encumbrance or charge by the lienor and to pay the amount of the judgment in favor of the lienor with interest, costs and allowances. Any amount so paid by Landlord and all reasonable costs and expenses incurred by Landlord in connection therewith, together with interest thereon at the Default Rate, shall be payable by Tenant as additional rent within ten (10) days after demand therefor.

(D) Nothing contained in this lease shall be deemed or construed in any way as constituting the consent or request of Landlord, express or implied by inference or otherwise, to any contractor, subcontractor, laborer or materialman for the performance of any labor or the furnishing of labor or materials for the specific improvement, alteration to or repair of the Demised Premises or any part thereof. Notice is hereby given that Landlord shall not be liable for any work performed or to be performed at the Demised Premises for Tenant or any subtenant, or for any materials furnished or to be furnished at the Demised Premises for Tenant or any subtenant upon credit, and that no mechanic's or other lien for such work or materials shall attached to or affect the estate or interest of Landlord in and to the Demised Premises.

(E) Tenant shall have no power to do any act or make any contract which may create or be the foundation for any lien, mortgage or other encumbrance upon the reversion or other estate of Landlord or of any interest of Landlord in the Demised Premises.

75. NOTICES. All notices required to be sent under the provisions of this lease to Landlord and Tenant by one another shall be in writing and sent by U.S. mail, certified, return receipt requested, or recognized overnight courier, if to Tenant, to the Demised Premises, and if to Landlord, to the address set forth on the first page of this lease or such other address as may be designated by such party in the manner set forth herein. Notices may be sent by the attorneys for the respective parties. All notices shall be deemed given when received, or if delivery is refused, when delivery is attempted.

76. PAYMENT OF RENT. All charges, costs and sums required to be paid by Tenant under this lease shall be payable without demand, notice, offset or deduction. All charges, costs and sums required to be paid by Tenant under this lease shall be paid by checks payable to the order of Landlord, which checks shall be mailed or delivered to Landlord at the address hereinbefore set forth, or in such other manner or at such other place as Landlord may from time to time designate to Tenant in writing. Tenant's payment of base annual rent and additional rent shall be prorated for partial months or years within the term. Tenant's covenant to pay all charges, including base annual rent and additional rent, due under this lease shall be independent of every other covenant in this lease. Landlord's acceptance of base annual rent or additional rent from a party other than Tenant shall not be deemed to confer any rights on such other party with respect to this lease or otherwise and shall not be deemed a waiver of the covenant made by Tenant with respect to, or the release of Tenant from, the further performance by Tenant of all of Tenant's covenants and obligations contained in this lease.

77. CONDITIONAL LIMITATION. In the event that in any consecutive twelve (12) month period (A) a default of the kind set forth in Section 17(1) of this lease shall have occurred or (B) Tenant shall have defaulted in the payment of base annual rent or additional rent, or any part of either, and Landlord shall have commenced a summary proceeding to dispossess Tenant in each such instance, then, notwithstanding that such defaults may have been cured at any time after the commencement of such summary proceeding, any further default by Tenant within such twelve (12) month period shall be deemed to be a violation of a substantial obligation of this lease by Tenant and Landlord may serve a written three (3) day notice of termination of this lease upon Tenant and, upon the expiration of said three (3) day period, this lease and the Term shall end and expire as fully and completely as if the expiration of such three (3) day period were the day herein definitely fixed for the end and expiration of this lease and the Term and Tenant shall then quit and surrender the Demised Premises to Landlord, but Tenant shall remain liable as elsewhere provided in this lease.

78. AUTHORITY. Landlord and Tenant each represent and warrant that (i) such party has full power to enter into this lease and to consummate the transaction provided for herein, and (ii) the person executing this lease on such party's behalf has the authority to do so and the power to bind such party thereby.

79. CONSTRUCTION OF LEASE. This lease shall be construed without regard to any presumption or other rule requiring construction against the party causing this lease to be drafted. If any words or phrases in this lease shall have been stricken out or otherwise eliminated, whether or not any other words or phrases have been added, this lease shall be construed as if the words or phrase so stricken out or otherwise eliminated were never included in this lease and no implication or inference shall be drawn from the fact that said words or phrases were so stricken out or otherwise eliminated. All terms and words used in this lease, regardless of the number or gender in which they are used, shall be deemed to include any other number and any other gender as the context may require.

80. SECURITY AGREEMENTS.

(A) In the event that any of the machinery, fixtures, furniture and equipment installed by Tenant in the Demised Premises are purchased or acquired by Tenant subject to a chattel mortgage, conditional sale agreement or other title retention or security agreement, Tenant undertakes and agrees (i) that no such chattel mortgage, conditional sale agreement or other title retention or security agreement or Uniform Commercial Code filing statement shall be permitted to be filed as a lien against the Demised Premises or the Building and (ii) to cause to be inserted in any of the above described title retention, chattel mortgage or security agreements the following provision:

"Notwithstanding anything to the contrary herein, this chattel mortgage, conditional sale agreement, title retention agreement or security agreement shall not create or be filed as a lien against the land, building and improvements comprising the real property in which the goods, machinery, equipment, appliances or other personal property covered hereby are to be located or installed."

(B) If any such lien or UCC filing statement, based on an agreement as above

described, is filed against the Demised Premises and/or the Building, Tenant shall, upon at least thirty (30) days' prior written notice thereof from Landlord, cause such lien or notice to be removed or discharged at Tenant's sole cost and expense, and Tenant's failure to do so shall constitute a breach of a material provision of this lease.

81. ADDENDUM TO ARTICLE 16 - BANKRUPTCY.

(A) If Tenant assumes this lease and proposes to assign the same pursuant to the provisions of the Bankruptcy Code, 11 U.S.C. § 101 et. seq. (the "Bankruptcy Code") to any person or entity who shall have made a bona fide offer to accept an assignment of this lease on terms acceptable to Tenant, then notice of such proposed assignment, setting forth (i) the name and address of such person, (ii) all of the terms and conditions of such offer, and (iii) the adequate assurance to be provided Landlord to assure such person's future performance under the lease, including, without limitation, the assurance referred to in section 365(b)(3) of the Bankruptcy Code, shall be given to Landlord by Tenant not later than twenty (20) days after receipt by Tenant but in no event later than ten (10) days prior to the date that Tenant shall make application to a court of competent jurisdiction for authority and approval to enter into such assignment and assumption, and Landlord shall thereupon have the prior right and option, to be exercised by notice to Tenant given at any time prior to the effective date of such proposed assignment, to accept an assignment of this lease upon the same terms and conditions and for the same consideration, if any, as the bona fide offer made by such person, less any brokerage commissions which may be payable out of the consideration to be paid by such person for the assignment of this lease.

(B) If this lease is assigned to any person or entity pursuant to the provisions of the Bankruptcy Code, any and all monies or other considerations payable or otherwise delivered in connection with such assignment shall be paid or delivered to Landlord, shall be and remain the exclusive property of Landlord and shall not constitute property of Tenant or of the estate of Tenant within the meaning of the Bankruptcy Code. Any and all monies or other considerations constituting Landlord's Property under the preceding sentence not paid or delivered to Landlord shall be held in trust for the benefit of Landlord and shall be promptly paid to Landlord.

(C) Any person or entity to which this lease is assigned pursuant to the provisions of the Bankruptcy Code, shall be deemed without further act or deed to have assumed all of the obligations arising under this lease on and after the date of such assignment. Any such assignee shall upon demand execute and deliver to Landlord an instrument confirming such assumption.

(D) Nothing contained in this Article shall, in any way, constitute a waiver of the provisions of this lease relating to assignment. Tenant shall not, by virtue of this Article, have any further rights relating to assignment other than those granted in the Bankruptcy Code.

(E) Notwithstanding anything to the contrary contained in this lease, all amounts payable by Tenant to or on behalf of Landlord under this lease, whether or not expressly denominated as rent, shall constitute rent for the purposes of Section 502(b)(7) of the Bankruptcy Code.

(F) The term "Tenant" as used in this Article includes any trustee, debtor in possession, receiver, custodian or other similar officer.

82. USE AND OCCUPANCY.

(A) The use of the Demised Premises shall at all times be in compliance with any Certificate of Occupancy affecting the Demised Premises and all Laws. No Prohibited Use (as hereinafter defined) shall be permitted. Tenant shall not use or suffer or permit any person to use the Demised Premises for any unlawful purpose and shall obtain and maintain, at Tenant's sole cost and expense, all licenses, permits and certificates (including, without limitation, certificates of occupancy) from any and all governmental authorities having jurisdiction over the Demised Premises which may be necessary for the conduct of Tenant's business therein. Failure by Tenant to obtain a new certificate of occupancy, if required, or receive any other necessary licenses, permits or certificates shall have no effect on Tenant's obligation to make all payments of base annual rent and additional rent required under this lease.

(B) Tenant agrees to use, occupy, operate and maintain the Demised Premises throughout the Term in a dignified, first-class manner and only for the Permitted Use, unless otherwise approved by Landlord in writing.

(C) Tenant shall discontinue and remove immediately after demand by Landlord, and as often as such demand shall be made, any exhibition, display (window or otherwise), or advertisement in or with respect to the Demised Premises or any part thereof, of any article or material or the manner of exhibition, display or advertisement of same to which Landlord shall reasonably object (window or otherwise), but nothing contained herein shall be deemed to grant to Tenant any right to install or maintain any such sign, advertisement, poster, exhibit or display). Any matter or object visible from the street and/or exterior of the Demised Premises deemed reasonably objectionable by Landlord shall be corrected or removed by Tenant, as required by Landlord, to Landlord's satisfaction, at Tenant's sole cost and expense. All window and exterior elements of the Demised Premises shall be maintained (including, without limitation, frequent cleaning as directed by Landlord) by Tenant at Tenant's sole cost and expense.

(D) Tenant shall ensure the security and safety of the Demised Premises and the Building, in such manner as shall be determined by Landlord from time to time. Tenant shall take all necessary measures and institute all procedures as may be necessary to insure that Tenant's invitees and personnel do not loiter or congregate in or about the common areas of the Building, including, but not limited to, entrances and vestibules, or the streets and sidewalks adjacent to the Building. Tenant acknowledges that Tenant has no right to use any portion of such areas except in strict accordance with the Rules and Regulations set forth in this lease.

(E) Tenant acknowledges that Landlord's damages resulting from any breach of the provisions of this Article are difficult, if not impossible to ascertain and concedes that, among other remedies for such breach permitted by law or the provisions of this lease, Landlord shall be entitled to enjoin Tenant from any violation of said provisions.

(F) For purposes of this Article, the term "Prohibited Use" shall mean one or more of the following, irrespective of the portion of the Demised Premises in which such use exists and whether carried out by Tenant or any subtenant, assignee, licensee, occupant or concessionaire, however denominated:

- (i) a catering hall;
- (ii) an off-track betting, gambling, gaming or check cashing facility;
- (iii) a bar or restaurant;
- (iv) social club, theatre, or cabaret;
- (v) a discotheque, dance hall, or nightclub;
- (vi) an amusement arcade, game room, amusement center, carnival, banquet facility, or other entertainment facility including video game, virtual reality or laser tag or facility, or indoor children's recreational facility;
- (vii) a billiard parlor;
- (viii) a funeral parlor;
- (ix) a so-called "flea market" or swap meet, 99 cents store, pawn shop, or junk yard;
- (x) any business primarily engaged in the sale, distribution or exhibition of indecent literature or an adult bookstore;
- (xi) a so-called "head shop";
- (xii) a massage parlor, or an establishment providing "adult entertainment";
- (xiii) sale of firearms, or any other dangerous materials, including, but not limited to, fireworks, explosives, or the like;
- (xiv) supermarket or sale of food;
- (xv) pet store or animal raising or storage;
- (xvi) dry cleaner or laundromat;
- (xvii) any establishment or portion thereof that creates strong, unusual or offensive odors, fumes, dust, vapors or noise;

- (xviii) residential or industrial uses or services, dealerships, repair shops, or governmental offices (including, without limitation, any manufacturing or warehouse use, except if incidental to a retail operation);
- (xix) hair stylist;
- (xx) manicurist shop;
- (xxi) sale or display of pornographic material, which for the purposes of this lease shall mean any written or pictorial matter with prurient appeal or any objects or instruments that are primarily concerned with lewd or prurient sexual activity, or any obscene material as defined in §235 of the New York Penal Law, or any successor statute of similar import;
- (xxii) sale of carpets or floor coverings;
- (xxiii) liquor store;
- (xxiv) any use which conflicts with the then primary use permitted to be used by any other retail tenant or occupant in the Building or conflicts with any exclusive rights then conferred upon any other retail tenant or occupant in the Building [but this clause (xxiv) shall not be deemed to prohibit the uses expressly permitted under Article 2 of this lease];
- (xxv) health, exercise or racquet club or spa, gymnasium, bowling alley, skating ring, miniature golf or other sports or recreational facility;
- (xxvi) car wash, automobile repair work or automotive service or gas station, tire store, or automobile body shop;
- (xxvii) any facility related to the occult sciences, such as palm readers, astrologers, fortune tellers, tea leaf readers or prophets, frozen food locker or sales facility, milk distribution center, nursing home, old age center, or any auction, fire, bankruptcy or "going out of business" sales;
- (xxviii) any use which constitutes a criminal activity or a public or private nuisance;
- (xxvix) any non-retail use; and
- (xxx) any Restricted Uses (as hereinafter defined).

(G) Tenant shall indemnify and hold Landlord harmless from and against any and all claims, penalties, losses, liability, damages or expenses (including, without limitation, reasonable attorneys' fees and disbursements) imposed by reason of a violation of any of the terms, provisions, covenants or conditions of this Article 82.

83. **POSSESSION GUARANTY.** In order to induce Landlord to enter into this lease, DIANE WALLER, residing at 25 West 13th St. New York, NY 10011 and whose Social Security # is 262 64 9123, JULIE HADLEY, residing at 205 E 16th St. New York, NY 10003 whose Social Security # is 091-68-4482 and PEGGY CLARKE, residing at 215 40th St. New York, NY 10018 and whose Social Security # is 134 42 7967, jointly and severally (collectively, "Guarantor"), hereby make the following guaranty and agreement with and in favor of Landlord and Landlord's respective legal representatives, successors and assigns:

(A) Guarantor knowingly, voluntarily, intentionally, unconditionally and irrevocably guarantees that Guarantor shall pay to Landlord all base annual rent (including, without limitation, any unearned portion of the Allowance) and additional rent payable hereunder, and satisfy all liens affecting the Demised Premises, that have accrued or may accrue under the terms of this lease (hereinafter referred to as "Accrued Rent"), to the latest date that Tenant and Tenant's assigns, licensees and sublessees, if any, shall have completely performed all of the following:

- (i) Vacated and surrendered the Demised Premises to Landlord pursuant to the terms of this lease (except with respect to the stated expiration date in this lease);
- (ii) Delivered the keys to the Demised Premises to Landlord;

(iii) Paid to Landlord all Accrued Rent to and including the date which is the later of (a) the actual receipt by Landlord of said Accrued Rent, (b) the surrender of the Demised Premises, or (c) receipt by Landlord of the keys to the Demised Premises; and

(iv) The date which is one hundred twenty (120) days after the date Tenant advises Landlord, in writing, that Tenant is vacating the Demised Premises.

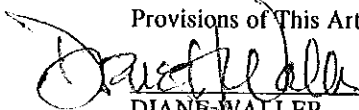
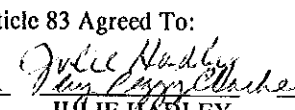

It is agreed that (i) any security deposited pursuant to this lease shall not be computed as a deduction from any amount payable by Tenant or Guarantor under the terms of this guaranty or the lease (provided, however, that if Guarantor fully complies with Guarantor's obligations under this Article 83 and Tenant surrenders the Demised Premises to Landlord in the condition required by this lease, Landlord shall return the security deposit to Tenant), and (ii) Guarantor may not avail itself of the rights granted pursuant to this Section 83(A) hereof so long as Tenant is in default under this lease.

(B) Guarantor knowingly, voluntarily, intentionally, unconditionally and irrevocably guarantees that all work performed by or on account of Tenant shall be fully completed, free and clear of all liens, violations and encumbrances, and fully paid for by Tenant. If Tenant does not timely and fully complete the work free and clear of all liens, violations and encumbrances, or Tenant shall default in any payment for same, Guarantor shall well and truly perform said payment and/or completion and/or discharge any lien, violation or encumbrance upon seven (7) days notice from Landlord. Guarantor hereby agrees to indemnify and hold Landlord harmless from and against any and all damages, including, but not limited to, legal fees and costs incurred by Landlord, arising from said failure to pay or complete the work or the occurrence of said lien, violation or encumbrance.

(C) This guaranty is absolute, unconditional and irrevocable and is a guaranty of payment and not of collection. Guarantor waives all notice of non-payment, non-performance, non-observance or proof, or notice, or demand, whereby to charge Guarantor and expressly agrees that the validity of this guaranty, and the obligations of Guarantor hereunder shall in no wise be terminated, affected or impaired by reason of the assertion by Landlord against Tenant of any of the rights or remedies reserved by Landlord pursuant to the terms of this lease. Guarantor further covenants and agrees that this guaranty shall remain and continue in full force and effect, as to any renewal, modification, extension and/or assignment of this lease and during any period when Tenant is occupying the Demised Premises as a "statutory tenant". As a further inducement to Landlord to enter into this lease and in consideration thereof, Landlord and Guarantor covenant and agree to and do hereby waive trial by jury in any action or proceeding brought by either Landlord or Guarantor against the other on any matters whatsoever arising out of, under, or by virtue of the terms of this lease or of this guaranty.

(D) Guarantor hereby agrees that (i) Guarantor shall not interpose any counterclaim of any kind, nature or description whatsoever in any proceeding under the terms of this lease or this guaranty and (ii) Guarantor shall pay any and all attorneys' fees and expenses incurred by Landlord in enforcing Guarantor's obligations under this Article 83.

Provisions of This Article 83 Agreed To:

    
DIANE WALLER JULIE HADLEY PEGGY CLARKE  
*attorney in fact*

84. CONTINUOUS OPERATIONS. Recognizing the difficulty or impossibility of determining Landlord's damages for loss of value of the Demised Premises because of diminished salability, mortgagability, adverse publicity or appearance which may result from any one or more of the events hereinafter enumerated, Landlord and Tenant covenant and agree that in the event that Tenant (i) fails to take possession of, and open the Demised Premises for business fully fixtured, stocked and staffed within one hundred twenty (120) days after the Commencement Date, or (ii) vacates or abandons the Demised Premises for reasons within Tenant's reasonable control, or (iii) ceases to operate Tenant's business within the Demised Premises in full compliance with the use and business hours requirements set forth below, then and in any of such events, Landlord



shall have the right, at Landlord's option, to (a) collect not only the base annual rent and additional rent reserved, but also an amount equal to twenty-five (25%) percent of the base annual rent reserved for the period or periods during which any of the aforementioned events shall continue, prorated on a daily basis for each and every day during such period, such additional amount to constitute liquidated damages, and/or (b) to treat such action or omission by Tenant as an event of default as hereinabove described and to exercise any remedy therefor, whether reserved in this lease or available at law or in equity, including, without limitation, specific performance or termination of this lease or Tenant's right to possession. For purposes of this paragraph, the terms "vacate(s)" and "abandon(s)" shall not be abrogated because Tenant may have left all or any part of Tenant's trade fixtures, furniture, furnishings or stock-in-trade within the Demised Premises. Notwithstanding anything to the contrary contained in this lease, Tenant agrees to operate Tenant's business within the Demised Premises in the same manner and during the same days and hours as are operated by a majority of first-class, high quality pottery stores located in the New York City metropolitan area. However, in no event shall Tenant be obligated to open the Demised Premises for business on legal holidays or to the extent Tenant is prevented from opening Tenant's business because of strikes, fires, casualty or other causes beyond Tenant's reasonable control, or during reasonable periods of repairing, remodeling, cleaning or decorating the Demised Premises and for up to four (4) days a year for the purpose of performing physical inventories at the Demised Premises. Notwithstanding anything in the lease to the contrary, in the event Tenant discontinues business operations at the Demised Premises for a period of thirty (30) days or longer, then Landlord may treat such condition as a default under this lease, and in addition to all remedies available to Landlord under this lease, terminate this lease upon fifteen (15) days' prior notice to Tenant, provided Landlord may not terminate this lease if the closing of Tenant's business is due to required repairs, casualty or remodeling, provided Tenant is proceeding with any repair work for which Tenant is responsible or with any remodeling with diligence and good faith.

85. CHANGES AND MODIFICATIONS. This writing contains the entire agreement between the parties hereto. No agent, representative, employee or officer of either the Landlord or Tenant hereto has authority to make, or has made, any statement, agreement or representation, oral or written, in connection therewith, which in any way can be deemed to modify, add to or detract from, or otherwise change or alter the terms and conditions herein set forth. No negotiations between the parties, nor any custom or usage, shall be permitted to modify or contradict any of the terms hereof. No modifications, alterations, changes, waiver or estoppel to this lease or any of the terms hereof shall be valid or binding unless in writing and signed by a duly authorized officer of the party to be charged.

86. CASUALTY. Supplementing the provisions of Article 9 hereof, in the event Landlord elects to complete any repairs or restoration at the Demised Premises resulting from a casualty, Landlord shall not be obligated to commence any such repairs or restorations until and unless Landlord has received sufficient proceeds of all fire insurance policies to complete such repairs and/or restoration.

87. COMMENCEMENT DATE/TERM.  
Landlord and Tenant acknowledge and agree that the term of this lease ("Term") shall commence on ~~August 8, 2011~~ (the "Commencement Date") and shall terminate at midnight on July 31, 2021 (the "Expiration Date"), unless sooner terminated in accordance with the provisions hereof.

*Chg to August 15, 2011*

88. MISCELLANEOUS.

(A) If any term, provision, covenant or condition of this lease shall to any extent be invalid or unenforceable, the remainder of this lease shall not be affected thereby provided such invalidity or unenforceability does not adversely effect Landlord.

(B) There are no oral or written agreements between Landlord and Tenant affecting this lease.

(C) This lease may be amended only by instruments in writing executed by Landlord and Tenant.

(D) Landlord shall not be deemed, in any way or for any purpose, to have become,

by the execution of this lease or any action taken hereunder, a partner of Tenant in Tenant's business or otherwise a joint venturer or member of any enterprise with Tenant.

(E) This lease shall be binding upon and shall inure to (and the words "Owner," "Landlord," and "Tenant" appearing in this lease shall be construed to mean) those named above and their respective heirs, executors, administrators, successors and assigns, and those claiming through or under them respectively.

(F) The Captions are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this lease nor the intent of any provision thereof.

(G) Tenant agrees that all of the representations, warranties, waivers and indemnities made in this lease by Tenant for the benefit of Landlord shall inure to the benefit of Landlord's managing agent, and such managing agent's officers, directors, shareholders, members, principals (either disclosed or undisclosed), employees and independent contractors.

(H) Tenant hereby waives Tenant's right to bring a declaratory judgment action with respect to any term, provision, covenant or condition of this lease, or with respect to any notice sent pursuant to the terms, provisions, covenants or conditions of this lease, and expressly agrees not to seek injunctive relief which would stay, extend or otherwise toll any of the time limitations set forth in this lease, or in any notice sent pursuant hereto. Any breach of this Section 88(H) shall constitute a breach of a substantial obligation of the tenancy, and shall be grounds for the immediate termination of this lease. It is further agreed that in the event injunctive relief is sought, or if a "Yellowstone" injunction (First National Stores, Inc. v. Yellowstone Shopping Centers, Inc., 21 N.Y. 2d 630) is sought, such relief shall be denied, and Landlord shall be entitled to recover the costs and expenses of opposing such an application or action, including, without limitation, Landlord's attorneys' fees and disbursements

89. ACCESS. Tenant acknowledges that some of the Building's equipment and systems (e.g., oil burner, water heater, gas meters, sprinkler valves, water valves, water meters, pipes, etc.) may be located in a portion of the Demised Premises and that Landlord and Landlord's representatives shall at times require access to the Demised Premises in order to service the equipment, utility systems, obtain readings, and make necessary repairs. Tenant agrees to afford unobstructed access to Landlord, and Landlord's agents, employees, contractors and representatives, in order to undertake such work, and Landlord may, after prior reasonable notice (or no notice in the event of an emergency), enter the Demised Premises with force or using a master key, if necessary, if Tenant is not present when Landlord requires such access.

90. RIGHT TO CURE DEFAULTS. If Tenant shall fail to comply with any of Tenant's obligations under this lease, Landlord, without thereby waiving such default and without liability to Tenant, may, but shall not be obligated to, perform the same for the account and at the expense of Tenant without notice in case of emergency and upon twenty (20) days' prior notice in all other cases, unless Tenant shall have cured the default prior to the expiration of such twenty (20) day period provided, however, if the default is of a nature that it cannot with due diligence be cured by Tenant within such twenty (20) day period, then such twenty (20) day period shall be extended for a reasonable period provided Tenant has commenced to cure during such twenty (20) day period and is diligently and in good faith continuing to cure such default as determined by Landlord. Landlord may enter the Demised Premises at any time to cure any default. Bills for all costs and expenses incurred by Landlord in connection with any such performance (including, without limitation, bills for any property, material, labor or services provided, furnished or rendered, and reasonable attorneys' fees and disbursements) shall be paid by Tenant as additional rent upon demand therefor, and if the Term shall have expired at the time of Landlord incurring such costs and expenses, such costs and expenses shall be recoverable by Landlord as damages.

91. CHANGE OF CONDITION. Landlord shall not be liable for any change of condition in the Demised Premises caused by the compliance with any Laws, including any change required by Law for off-street parking or similar legislation, or by revocation by any such authority or authorities of any permit or license heretofore granted, or by construction or operation

of any public or quasi-public work, or by the erection of any building or buildings upon any adjacent property, or by change of environment. Landlord shall not be liable for interference with or loss of light or other incorporeal hereditaments caused by Landlord or caused by or for the City of New York, or any governmental or quasi-governmental agency or authority in connection with the construction of any public or quasi-public work.

92. SECURITY DEPOSIT. Supplementing and modifying the provisions of Article 31 of this lease:

(A) If any portion of the security deposit deposited hereunder be appropriated and applied by Landlord for the payment of overdue base annual rent, additional rent or other sums due hereunder, then Tenant shall, on Landlord's written demand, remit to Landlord, within ten (10) days of such demand, a sufficient sum in cash, or certified check, to restore said security to the amount so appropriated and applied by Landlord. The obligation of Tenant pursuant to this Section 92 (A) is a substantial and material obligation of this lease. In addition to Landlord's other legal remedies for Tenant's failure to restore the security deposit, Landlord may avail itself of the conditional limitation provisions of this lease and may serve a notice to cure upon Tenant to restore the security deposit. Upon failure of Tenant to comply with said notice to cure, Landlord may serve a notice of termination pursuant to the terms and conditions of this lease.

(B) As the base annual rent increases pursuant to the provisions of this lease, Tenant shall deposit with Landlord an amount sufficient to increase the security deposit under the lease so that at all times during the Term there shall be (or, if Section 92(D) is applied, two (2)) times the then current monthly base annual rent on deposit with Landlord. The additional security required in the event of an approved assignment or subletting, however, shall not be deemed part of the required three (3) months rent security.

(C) It is understood and agreed by Tenant, that in the event Tenant is late in the payment of any installment of base annual rent or additional rent after the due date: (i) more than two (2) times during any six (6) month period; or (ii) more than three (3) times during any twelve (12) month period, then, in either of such events, Tenant shall, upon demand of Landlord, deposit with Landlord an additional sum equal to one month of the then base annual rent payable under this lease, which sum shall be retained by Landlord as additional security in accordance with the terms and provisions of Article 31 hereof.

(D) Notwithstanding anything to the contrary contained herein, provided and on condition that Tenant has been in full compliance with all of the terms, provisions, covenants and conditions of this lease during the Term, Landlord shall return one month's security (i.e. \$6,000) to Tenant following the first (1<sup>st</sup>) anniversary of the Rent Commencement Date.

93. LANDLORD'S OPTION TO CANCEL.

(A) If Landlord shall at any time after August 1, 2015 elect either to (i) sell the Building, (ii) net lease the Building, (iii) substantially renovate the Building, (iv) combine the Demised Premises with any contiguous portion of the Building, or (v) demolish the Building, Landlord shall have the option to cancel this lease and the Term by one year's written notice (the "Cancellation Notice") given to Tenant not earlier than August 1, 2014, which Cancellation Notice shall specify a cancellation date (the "Cancellation Date") which shall be at least one year after the date of the Cancellation Notice and shall fall on the last day of a calendar month.

(B) Tenant acknowledges and agrees that in the event Landlord delivers the Cancellation Notice, it is essential that Landlord have possession of the Demised Premises free of tenancies and all other rights of occupancy on or before the Cancellation Date. Therefore, Tenant covenants and agrees (i) that this lease shall terminate on the Cancellation Date with the same force and effect as though said date were initially set forth as the Expiration Date, (ii) to vacate the Demised Premises by no later than the close of business on the Cancellation Date, and (iii) that time shall be of the essence with respect to Tenant's obligations hereunder on the Cancellation Date.

(C) If Tenant fails for any reason (or for no reason) to vacate the Demised

Premises by the close of business on the Cancellation Date, then Tenant agrees that the measure of damages to be sustained by Landlord as a result thereof shall be substantial, but are unascertainable as of the date of execution of this lease. Therefore, Tenant agrees to pay for use and occupancy of the Demised Premises in the sum of \$1,000.00 for each and every day (or portion thereof) that Tenant shall remain in possession of the Demised Premises beyond the Cancellation Date; and if Landlord institutes a summary proceeding to evict Tenant, Tenant hereby consents to the issuance of a final judgment in said summary proceeding, waives any stay of the issuance or execution of the warrant, consents to an Order of the Court fixing use and occupancy in the sum of \$1,000.00 per day (or portion thereof), and agrees to pay Landlord's attorney's fees and disbursements. Nothing herein contained shall be deemed to constitute the consent by Landlord to Tenant remaining in possession of the Demised Premises beyond the Cancellation Date.

(D) If Tenant vacates the Demised Premises by the close of business on the Cancellation Date, Landlord shall pay Tenant a cancellation fee ("Cancellation Fee") equal to the product obtained by multiplying (i) \$100,000.00 by (ii) a fraction, the numerator of which shall be the number of months remaining in the Term on the Cancellation Date and the denominator of which shall be 120.

94. NO LIGHT AND AIR EASEMENT. The reduction or elimination of Tenant's light, air or view shall not affect Tenant's liability under this lease nor shall it create any liability of Landlord to Tenant, nor constitute a constructive eviction of Tenant. In this connection, Tenant acknowledges, warrants and represents to Landlord, as a material condition for Landlord entering into this lease, that no structure on the Demised Premises constructed by Tenant shall exceed the existing height of all improvements on the Demised Premises, and that all unused and excess air rights appurtenant to the Demised Premises in excess of such height shall be and is hereby reserved to Landlord, who shall be entitled to develop, own and convey such air rights as Landlord, in Landlord's sole and absolute discretion, may determine.

95. ATTORNEY REVIEW. Tenant represents and warrants that Tenant has been afforded the opportunity to have this lease reviewed by counsel and Tenant has had same reviewed by counsel or voluntarily elected to waive such right.

96. RESTRICTED USES. There are restrictions and exclusives granted to other tenants in the Building to which this lease (and Tenant's use of the Demised Premises) may be subject. Set forth below is a list of restrictive uses currently in effect at the Building ("Restricted Uses"). Tenant agrees that Tenant shall not use the Demised Premises at any time in any manner or for any purpose which violates (i) any of the Restricted Uses or (ii) any future restrictions and exclusives granted to other tenants at the Building, but nothing contained herein shall authorize Tenant to use any portion of the Demised Premises for any purpose other than the Permitted Use. Tenant shall be responsible for and indemnify and hold Landlord harmless from and against any and all losses, costs, penalties, damages, liability, and expenses (including, without limitation, reasonable legal fees and disbursements) arising from any breach of any existing or future Restricted Uses by Tenant. In addition, and without limiting Landlord's rights or remedies, if Tenant is violating any such Restricted Uses, Landlord shall have the right to enjoin Tenant from doing so.

Current Restricted Uses: None

97. SAFETY AND SECURITY DEVICES. Landlord shall have no obligation to provide any safety or security devices, services or programs for Tenant or the Building and Landlord shall have no liability for failure to provide the same or for inadequacy of any measures provided. The parties acknowledge that safety and security devices, services and programs provided by Landlord, if any, while intended to deter crime and enhance safety, may not in given instances prevent theft or other injurious acts or ensure safety of parties or property. The risk that any safety or security device, service or program may not be effective, or may malfunction, or be circumvented, is assumed by Tenant with respect to Tenant's property and interests, and Tenant shall obtain insurance coverage to the extent Tenant desires protection against such acts and other losses, beyond that described in Article 47 hereof. Tenant agrees to cooperate in any safety or security program developed by Landlord or required by Law.

98. ANTI-TERRORISM LAW.

(A) Tenant represents and warrants to Landlord as follows:

(1) Neither Tenant, Tenant's constituents or affiliates nor any of their respective agents (collectively, the "Tenant Entities") is in violation of any law relating to terrorism or money laundering, including, but not limited to, Executive Order No. 13224 on Terrorist Financing, the U.S. Bank Secrecy Act, as amended by the Patriot Act, the Trading with the Enemy Act, the International Emergency Economic Powers Act and all regulations promulgated thereunder, all as amended from time to time (collectively, "Anti-Terrorism Law"). Notwithstanding anything in this Article to the contrary, if Tenant is a publicly held corporation whose stock is listed and traded on a National Securities Exchange (as defined in the Securities Exchange Act of 1934, as amended), the representations in this Article made by Tenant in regard to the holders of such stock shall be deemed made by Tenant to the best of Tenant's knowledge.

(2) No action, proceeding, investigation, charge, claim, report, or notice has been filed, commenced, or threatened against any of the Tenant Entities alleging any violation of any Anti-Terrorism Law.

(3) None of the Tenant Entities has, after due inquiry, knowledge of any fact, event, circumstance, situation or condition which could reasonably be expected to result in any action, proceeding, investigation, charge, claim, report, notice or penalty being filed, commenced, threatened or imposed against any of them relating to any violation of or failure to comply with any Anti-Terrorism Law.

(4) None of the Tenant Entities is a "Prohibited Person". A Prohibited Person means any of the following: (a) a person or entity that is "specially designated" on the most current list published by the U.S. Treasury Department Office of Foreign Asset Control or which is owned, controlled by or acting for or on behalf of any such person or entity; (b) a person or entity with whom Landlord is prohibited from dealing by any Anti-Terrorism Law; or (c) a person or entity that commits, threatens, or conspires to commit or supports "terrorism", as defined in any Anti-Terrorism Law.

(5) None of the Tenant Entities: (a) conducts any business or transactions or makes or receives any contribution of funds, goods, or services in violation of any Anti-Terrorism Law; or (b) engages in or conspires to engage in any transaction that evades or avoids, has the purpose of evading or avoiding or attempts to violate any of the prohibitions of any Anti-Terrorism Law.

(B) Tenant covenants that Tenant shall not:

(1) Conduct any business or transaction or make or receive any contribution of funds, goods, or services in violation of any Anti-Terrorism Law;

(2) Engage in or conspire to engage in any transaction that evades or avoids, has the purpose of evading or avoiding or attempts to violate any of the prohibitions of any Anti-Terrorism Law.

(3) Tenant agrees promptly to deliver to Landlord (but in any event within ten (10) days of Landlord's written request) any certification or other evidence requested from time to time by Landlord, in Landlord's reasonable discretion, confirming Tenant's compliance with the foregoing.

99. BASEMENT EGRESS. Landlord shall, at Landlord's sole cost and expense, install and maintain all egress signage required by Law in the hallway and stairwell leading to the basement and to the fire escape in the rear of the Building (the "Secondary Egress Area"). Tenant shall, at Tenant's sole cost and expense, install and maintain all lighting in the Secondary Egress Area. Tenant agrees that Tenant shall not place any materials in or in any way block the Secondary Egress Area. Tenant shall indemnify and hold Landlord, Landlord Parties and their respective officers, directors, shareholders and partners, harmless from and against any and all claims, obligations, liabilities, violations, penalties, fines, suits, governmental orders, causes of

actions, judgments, damages, whether civil or criminal or both, of any and all kind or nature which result from or are in any way connected with a breach or default by Tenant of the obligations of Tenant set forth in this Article 99. This indemnification shall include, but not be limited to, reasonable legal fees and disbursements and other charges to which Tenant and/or Tenant Parties may be put in defending against any proceeding in connection with the foregoing.

**[END OF RIDER]**

### ADDITIONAL RULES AND REGULATIONS

Tenant expressly agrees as follows:

(a) All deliveries to or from the Demised Premises shall be done only at such times, in the areas and through the entrances designated for such purposes by Landlord.

(b) All garbage and refuse shall be kept inside the Demised Premises in the kind of container specified by Landlord, and shall be placed outside of the Demised Premises prepared for collection in the manner and at the places reasonably specified by Landlord. Tenant shall pay the cost of removal of any of Tenant's refuse and garbage. If any part of Tenant's business shall consist of the preparation and/or sale of food, including without limitation the operation of a restaurant, snack shop or food market, Tenant shall provide refrigerated garbage containers at Tenant's expense for the disposal of its food scraps and refuse.

(c) No radio or television aerial or other device shall be erected on the roof or exterior walls of the Demised Premises or the Building without first obtaining in each instance the Landlord's consent in writing, which consent shall not be unreasonably withheld or delayed. Any aerial or device installed without such written consent shall be subject to removal at Tenant's expense without notice at any time.

(d) No loud speakers, televisions, phonographs, radios, tape players or other devices shall be used in a manner so as to be heard or seen outside of the Demised Premises without the prior written consent of Landlord.

(e) Tenant shall keep the Demised Premises at a temperature sufficiently high to prevent freezing of water in pipes and fixtures during all hours of the day and whether or not Tenant is open for business.

(f) The plumbing facilities shall not be used for any other purpose than that for which they are constructed; no foreign substance of any kind shall be thrown therein, and the expense of any breakage, stoppage, or damage resulting from a violation of this provision shall be borne by Tenant.

(g) Tenant shall keep and maintain the Demised Premises including, without limitation, exterior and interior portions, of all windows doors, and all other glass in a neat and clean condition.

(h) Tenant shall pay before delinquency all license or permit fees and charges of a similar nature for the conduct of any business in the Demised Premises. Tenant shall not store, display, sell or distribute any alcoholic beverages or any dangerous materials unless specifically permitted in this lease.

(i) Tenant shall store and/or stock in the Demised Premises only such merchandise as Tenant is permitted to offer for sale in the Demised Premises pursuant to this lease.

(j) Tenant shall not conduct or permit any fire, bankruptcy, auction or "going out of business" sale (whether real or fictitious) in the Demised Premises, or utilize any unethical method of business operation.

(k) Tenant shall not perform any act or carry on any practice which may damage, mar or deface the Demised Premises.

(l) Tenant shall not suffer, allow or permit any vibration, noise, light, odor or other effect to permeate in or emanate from the Demised Premises, or from any machine or other installation therein, or otherwise suffer, allow or permit the same to constitute a nuisance or otherwise interfere with the safety, comfort and convenience of Landlord or any of the other occupants of the Building or their customers, agents or invitees or any others lawfully in or upon the Building. Upon notice by Landlord to Tenant that any of the aforesaid is occurring, Tenant agrees forthwith remove or control the same.

(m) If the Demised Premises are situated on the ground floor of the Building, Tenant shall, at Tenant's sole cost and expense, keep the sidewalks and curb in front of the Demised Premises clean and free from ice, snow, etc.

(n) The water and wash closets and plumbing fixtures shall not be used for any purposes other than those for which they were designed or constructed.

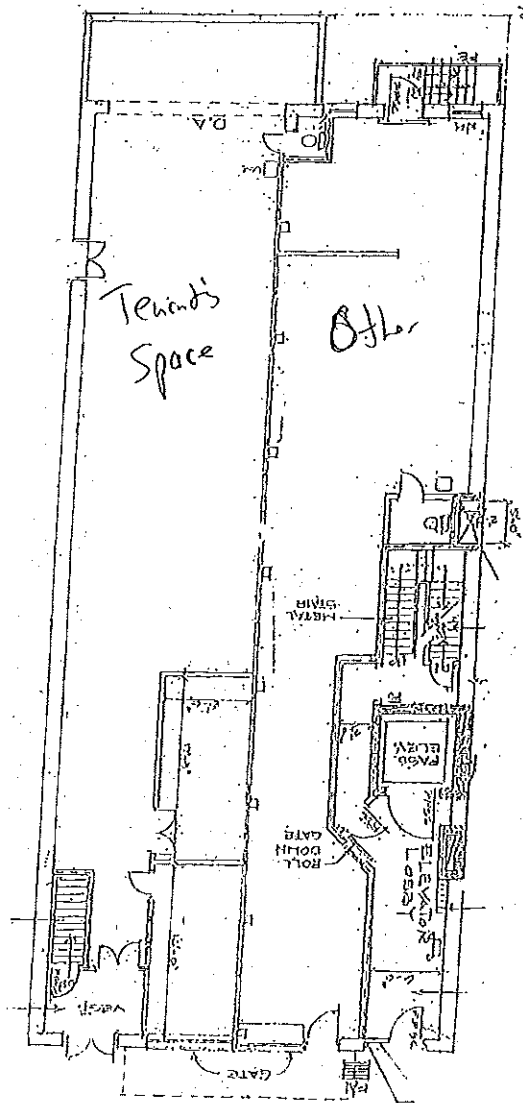
(o) Tenant shall not bring or permit to be brought or kept in or on the Demised Premises, any inflammable, combustible or explosive fluid, material, chemical or substance except in compliance with the terms of this lease.

(p) Tenant shall not place a load on any floor of the Demised Premises exceeding the floor load per square foot area which such floor was designed to carry and which is allowed by law. Such installations shall be placed and maintained by Tenant at Tenant's sole cost and expense in settings sufficient, in Landlord's judgment, to absorb and prevent vibration, noise and annoyance.

(q) Tenant shall not install an automated teller machine or the like in any portion of the Demised Premises.



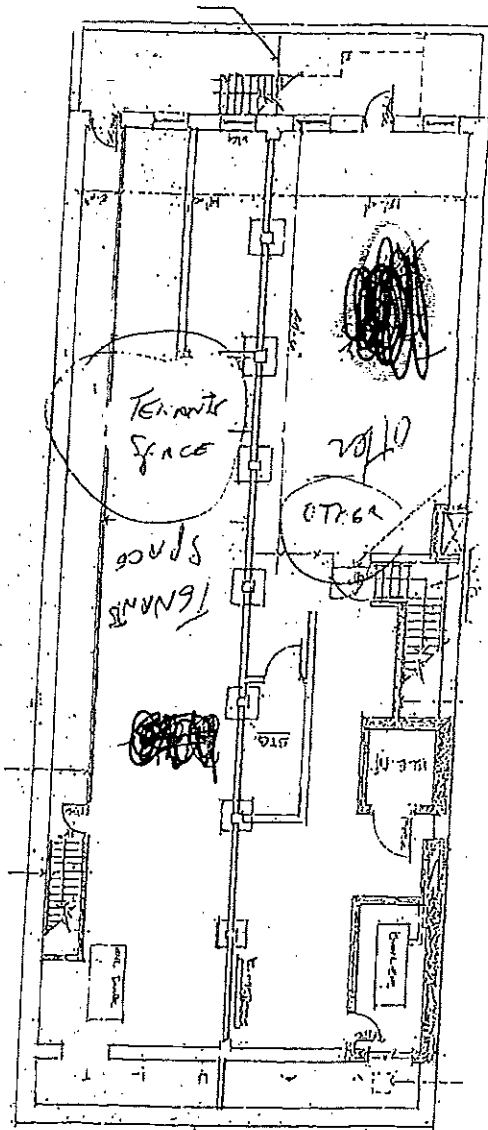
EXHIBIT A  
GROUND FLOOR



1<sup>st</sup> FLOOR PLAN 110 W. 26<sup>th</sup> ST

EXHIBIT B

BASEMENT



CELLAR PLAN: 110 W. 26<sup>TH</sup> ST.

# Lease Detail

## Junambe Pottery Inc

Page 1  
8/12/2011  
03:23 PM

Junambe Pottery Inc  
d/b/a La Mano Pottery  
110 West 26th Street  
New York, NY 10001

Lease Type 10yr  
Power  
Account#  
Reference  
HVAC  
Lot Size  
Parking  
Guarantor Diane Waller  
Employees  
Business Typ  
National  
Anchor No  
SIC  
Exclusions

Property 110 W 26th Street (005)  
Code/Unit t0000476 0102  
Monthly Rent 6,000.00 (3.4286/sqft)  
Yearly Rent/\$sq 72,000.00 (41.1429/sqft)  
Deposit 18,000.00  
Sqft (Gross/Net) 1,750.00 / 1,750.00  
Lease From/To 08/01/11 - 07/31/21  
Move In 08/15/11  
Lease Sign 08/03/11  
Status Current  
Bus. Type  
Fed Id  
Bill To

Junambe Pottery Inc  
d/b/a La Mano Pottery  
237 W. 18th St  
New York NY 10011

### Lease Charges

Charge Code	Amount	From	To	Index	Factor	Min	Max	Period	Flags	%	Basis	Breakpoint	Bp Unit
frtret	-6,000.00	08/15/11	12/12/11			0.00	0.00	Yearly					
frtret	-6,000.00	12/13/11	01/11/12			0.00	0.00	Yearly					
frtret	-6,000.00	01/12/12	02/10/12			0.00	0.00	Yearly					
ret	6,000.00	08/01/11	07/31/12			0.00	0.00	Yearly					
ret	6,000.00	08/01/12	07/31/13			0.00	0.00	Yearly					
ret	6,300.00	08/01/13	07/31/14			0.00	0.00	Yearly					
ret	6,300.00	08/01/14	07/31/15			0.00	0.00	Yearly					
ret	6,615.00	08/01/15	07/31/16			0.00	0.00	Yearly					
ret	6,615.00	08/01/16	07/31/17			0.00	0.00	Yearly					
ret	6,945.75	08/01/17	07/31/18			0.00	0.00	Yearly					
ret	6,945.75	08/01/18	07/31/19			0.00	0.00	Yearly					
ret	7,154.13	08/01/19	07/31/20			0.00	0.00	Yearly					
ret	7,154.13	08/01/20	07/31/21			0.00	0.00	Yearly					
sda	900.00	08/01/13	08/31/13			0.00	0.00	Yearly					
sda	945.00	08/01/15	08/31/15			0.00	0.00	Yearly					
sda	992.25	08/01/17	08/31/17			0.00	0.00	Yearly					
sda	625.14	08/01/19	08/31/19			0.00	0.00	Yearly					

### Notes/Memos

NSF Fee \$100  
Diane Waller - (646) 321-2538  
Julie Hadley -

3 principals:

Peggy Clarke - (917) 837-0248

Real Estate Tax	08/09/11	Base Year 7/1/11-6/30/12, pro-rata share 15%
Late Charges	08/09/11	After the 10th of the month, 4% of total unpaid amount.
NSF	08/09/11	Fee \$100.00
Water	08/09/11	\$100.00 est. monthly charge until tenant installs their own water meter. After installation tenant will be charged usage based on their meter readings.
Sprinkler	08/09/11	\$50.00 per month as tenant's share of the contract price for supervisory service
Insurance	08/09/11	Tenant to reimburse landlord 15% for premium paid for Carrier Insurance
Disclosures	08/09/11	Possession Guaranty; Diane Waller, Julie Hadley, Peggy Clarke are collectively "Guarantor"
Disclosures	08/09/11	Allowance; 120 days from Commencement Date if Tenant expends a minimum of \$60,000. 150 days if Tenant expends \$75,000. 180 days if Tenant expends \$90,000. Pd invoices for hard costs of Tenants Initial Work must be submitted by 1/31/2012.