
AGREEMENT OF LEASE

Between

RANDALL CO. LLC,

Landlord,

and

YU & LI NAIL SPA, INC.,

Tenant.

Premises:

Part of the Ground Floor and Part of the Basement
110 West 26th Street
New York, New York

LEASE INFORMATION SUMMARY

I. LEASE DATE:

2 | 1, 2012

II. PARTIES AND ADDRESSES:

- A. **Landlord:** Randall Co. LLC
- B. **Landlord's Address for Notices:** c/o Century Realty, Inc.
140 Fulton Street
New York, New York 10038
Attn: Mr. Kenneth Dubow
- with a copy to:
- Katsky Korins LLP
605 Third Avenue
New York, New York 10158
Attn: Randolph Amengual, Esq.
- C. **Tenant:** Yu & Li Nail Spa, Inc.
- D. **Tenant's Address for Notices:** 110 West 26th Street
New York, New York 10001
- E. **Guarantor:** Li Fang Li and Yu Yan Zhou

III. PROPERTY INFORMATION:

- A. **Premises:** A portion of the ground floor and a portion of the basement of the Building, as shown on Exhibit 1 attached hereto and made a part hereof.
- B. **Building:** 110 West 26th Street, New York, New York
- C. **Real Property:** The real property on which the Building is located.

IV. TERM:

- A. **Term of Lease:** Ten (10) years and three (3) months.
- B. **Commencement Date:** The date of this Lease and delivery of possession of the Premises to Tenant.
- C. **Expiration Date:** The date immediately preceding ten (10) years and three (3) months after the Commencement Date, provided that if such date is not the last day of the calendar month,

then the Expiration Date shall be extended to the last day of the calendar month in which the Term expires.

V. RENT:

A. Minimum Rent:

(i) Seventy Eight Thousand and 00/100 (\$78,000.00) Dollars per annum (\$6,500.00 per month) for the period commencing on the Commencement Date and ending on the day immediately preceding the first (1st) anniversary of the Commencement Date;

(ii) Eighty Thousand Three Hundred Forty and 00/100 (\$80,340.00) Dollars per annum (\$6,695.00 per month) for the period commencing on first (1st) anniversary of the Commencement Date and ending on the day immediately preceding the second (2nd) anniversary of the Commencement Date;

(iii) Eighty Two Thousand Seven Hundred Fifty and 20/100 (\$82,750.20) Dollars per annum (\$6,895.85 per month) for the period commencing on the second (2nd) anniversary of the Commencement Date and ending on the day immediately preceding the third (3rd) anniversary of the Commencement Date;

(iv) Eighty Five Thousand Two Hundred Thirty Two and 71/100 (\$85,232.71) Dollars per annum (\$7,102.73 per month) for the period commencing on the third (3rd) anniversary of the Commencement Date and ending on the day immediately preceding the fourth (4th) anniversary of the Commencement Date;

(v) Eighty Seven Thousand Seven Hundred Eighty Nine and 69/100 (\$87,789.69) Dollars per annum (\$7,315.80 per month) for the period commencing on the fourth (4th) anniversary of the Commencement Date and ending on the day immediately preceding the fifth (5th) anniversary of the Commencement Date;

(vi) Ninety Thousand Four Hundred Twenty Three and 38/100 (\$90,423.38) Dollars per annum (\$7,535.28 per month) for the period commencing on the fifth (5th) anniversary of the Commencement Date and ending on the day immediately preceding the sixth (6th) anniversary of the Commencement Date;

(vii) Ninety Three Thousand One Hundred Thirty Six and 08/100 (\$93,136.08) Dollars per annum (\$7,761.34 per month) for the period commencing on the sixth (6th) anniversary of the Commencement Date;

anniversary of the Commencement Date and ending on the day immediately preceding the seventh (7th) anniversary of the Commencement Date;

(viii) Ninety Five Thousand Nine Hundred Thirty and 16/100 (\$95,930.16) Dollars per annum (\$7,994.18 per month) for the period commencing on the seventh (7th) anniversary of the Commencement Date and ending on the day immediately preceding the eighth (8th) anniversary of the Commencement Date;

(ix) Ninety Eight Thousand Eight Hundred Eight and 06/100 (\$98,808.06) Dollars per annum (\$8,234.01 per month) for the period commencing on the eighth (8th) anniversary of the Commencement Date and ending on the day immediately preceding the ninth (9th) anniversary of the Commencement Date; and

(x) One Hundred One Thousand Seven Hundred Seventy Two and 30/100 (\$101,772.30) Dollars per annum (\$8,481.03 per month) for the period commencing on the ninth (9th) anniversary of the Commencement Date through and including the Expiration Date.

**B. Minimum Rent
Abatement Period:**

The period from the Commencement Date through the date that is the earlier of: (i) ninety (90) days after the Commencement Date and (ii) the date that Tenant opens for business in the Premises.

C. Electricity:

Direct meter.

**D. Tenant's Proportionate
Share:**

30%

E. Base Tax Amount:

The Taxes for the New York City fiscal tax year commencing on July 1, 2011 through June 30, 2012.

F. Security Deposit:

\$19,500.00.

VI. PERMITTED USES:

The ground floor portion of the Premises shall be used as a first class nail salon/spa and incidental uses related thereto, as permitted by law. The basement portion of the Premises shall be used for storage only.

VII. BROKERS:

A. Landlord's Broker:

The Lawrence Group

B. Tenant's Broker:

Sinvin Real Estate

The summary of lease information set forth above and any addendum and/or exhibit(s) and/or schedule(s) (“Riders”) attached to this Lease are incorporated into and made a part of the following Lease. Notwithstanding anything to the contrary contained in this Lease, Articles 1 through 31 shall control the rights and obligations of the parties hereto except that the provisions of any Riders shall supersede any inconsistent provisions in Articles 1 through 31, as the case may be.

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AGREEMENT OF LEASE, made between RANDALL CO. LLC, as landlord, and YU & LI NAIL SPA, INC., a New York corporation, as tenant.

WITNESSETH:

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

1. PREMISES; TERM; USE AND OCCUPANCY.

A. Premises. Landlord hereby leases to Tenant and Tenant hereby hires from Landlord the Premises in the Building for the Term, to commence on the Commencement Date and to end on the Expiration Date, both dates inclusive, unless the Term shall sooner end pursuant to any of the terms, covenants or conditions of this Lease or pursuant to law.

B. Condition Of Premises. Tenant agrees to accept possession of the Premises in the condition which shall exist on the Commencement Date "as is", and further agrees that Landlord shall have no obligation, to perform any work or make any installations in order to prepare the Premises for Tenant's occupancy, other than to deliver the Premises broom clean and free of any occupants. Landlord has not made any representation as to the condition of the Premises, including, without limitation, any representation regarding environmental conditions. The taking of possession of the Premises by Tenant shall be conclusive evidence as against Tenant that, at the time such possession was so taken, the Premises and the Building were in good and satisfactory condition.

C. Permitted Uses. Tenant shall use and occupy the Premises for the Permitted Uses, and for no other purpose. Under no circumstances may the Premises be used for a "Prohibited Use" as set forth on Exhibit 2 annexed hereto and made a part hereof.

D. Certificate Of Occupancy. Tenant shall not at any time use or occupy the Premises in violation of the certificate of occupancy issued for the Building and in the event that any department of the City or State of New York shall hereafter at any time contend and/or declare by notice, violation, order or in any other manner whatsoever that the Premises are used for a purpose which is a violation of such certificate of occupancy, Tenant shall, upon five (5) days' written notice from Landlord, immediately discontinue such use of the Premises.

E. Operation of Business. In addition to any other restrictions set forth in this Lease, Tenant shall not (a) store any trash or garbage in any area other than inside the Premises (and Tenant shall comply with the provisions of Subsection D of Article 26), (b) use the sidewalk in front of the Premises for the placement or display of any signs, placard, merchandise, promotions, or for any other use, (c) allow excessive noise, obnoxious odors, or annoying lighting in the Premises at any time, (d) permit music or any other sounds in the Premises to be heard outside of the Premises, (e) permit odors or fumes beyond the Premises (and if such odors or fumes emanate from the Premises, Tenant shall within three (3) days' notice from Landlord install or commence to install, at its own cost and expense, reasonable control devices or procedures to eliminate such odors, and complete such installation as expeditiously as possible), (f) permit its customers to loiter immediately outside the Premises, (g) permit live entertainment of any type, (h) permit dancing, or (i) suffer, permit or commit any waste or any nuisance or other act or thing in the Premises which may disturb any other tenant or occupant in the Building. Tenant shall at all times provide adequate security for the Premises. Tenant shall restrict the use of the lavatory, toilet and plumbing facilities of the Premises to Tenant's employees and customers and shall not allow use thereof by the public.

F. Exterior Signage.

(i) Tenant may place signage on the storefront of the Premises to the extent provided in, and subject to the limitations hereinafter set forth (any such signage that Tenant installs as provided herein being collectively referred to as the "Exterior Signage"). Tenant shall not have the right to use the Exterior Signage for any purpose other than identifying Tenant as the occupant of the Premises. The Exterior Signage shall be subject to Landlord's approval. The Exterior Signage must comply in all respects with applicable Legal Requirements and Tenant must secure all necessary Permits with respect thereto. Tenant, at Tenant's sole cost and expense, shall maintain in good repair all Exterior Signage and repair any damage to the Building that results from Tenant's installation, maintenance or removal of the Exterior Signage. Upon the expiration or earlier termination of this Lease, Tenant shall promptly remove the Exterior Signage at Tenant's sole cost and expense and repair any damage caused by such removal. The installation, removal, change or modification of any Exterior Signage or other lettering theretofore installed shall be performed solely by Tenant at Tenant's sole cost and expense.

(ii) Any Exterior Signage which shall be exhibited, inscribed, painted or affixed by or on behalf of Tenant in violation of the provisions of this Subsection may be removed by Landlord and the cost of any such removal shall be paid by Tenant as Additional Rent.

(iii) Tenant shall not install any exterior lighting fixture, shade, canopy, awning, banner, placard, flag, pennant, aerial, antenna or the like, or undertake any exterior painting or build any fences or make any other changes to the exterior of the Premises without Landlord's prior written consent.

G. Breach of Covenants. The provisions of this Article are a material inducement for Landlord to execute and deliver this Lease. Tenant acknowledges that Landlord may suffer irreparable harm by reason of a breach or threatened breach of this Article and, accordingly, any failure by Tenant to comply with the provisions hereof shall be deemed a material breach of this Lease, and in addition to all of the rights and remedies to which Landlord shall be entitled in accordance with the terms, covenants and conditions of this Lease or which are permitted by law, Landlord shall be entitled to enjoin the action, activity or inaction that gives rise to, or may give rise to, such breach or threatened breach by Tenant.

2. RENT.

A. Minimum Rent. Tenant agrees to pay the Minimum Rent 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, commencing on the Commencement Date and on the first (1st) day of each calendar month thereafter during the Term (except as hereinafter otherwise provided), at Landlord's address as set forth herein or such other place as Landlord may designate, without any set-off, offset, abatement or deduction whatsoever, except that Tenant shall pay the first full monthly installment on the execution hereof. If the Commencement Date shall occur on a date other than the first (1st) day of any calendar month, Tenant shall pay to Landlord, on the Commencement Date, an amount equal to such proportion of an equal monthly installment of Minimum Rent as the number of days from and including the Commencement Date bears to the total number of days in said calendar month. Landlord shall have the right to require Tenant to pay Minimum Rent when due by wire transfer of funds to an account designated from time to time by Landlord on at least thirty (30) days' advance notice to Tenant.

B. Additional Rent. All sums other than Minimum Rent payable hereunder shall be deemed to be "Additional Rent" and shall be payable within ten (10) days of rendition of a statement

therefor, unless other payment dates are hereinafter provided. The term "**Rent**" as used in this Lease shall mean Minimum Rent and Additional Rent. Landlord may apply payments made by Tenant towards the payment of any item of Minimum Rent and/or Additional Rent payable hereunder notwithstanding any designation by Tenant as to the items against which any such payment should be credited.

C. Rent Tax. Tenant shall, in addition to and together with the payments of Minimum Rent and any Additional Rent, pay to Landlord any and all sales or rent taxes required by any Governmental Agency to be collected by Landlord in connection with Minimum Rent and Additional Rent. Tenant shall also pay before delinquency any and all taxes, assessments, license fees and public charges levied, assessed or imposed and which become payable during the term of this Lease upon Tenant's fixtures, furniture, appliances and personal property installed or located in or about the Premises.

D. Rent Credit. Notwithstanding anything to the contrary hereinabove set forth, provided Tenant is not in default under this Lease beyond the expiration of any applicable grace or cure period, Tenant shall be entitled to a credit against the Minimum Rent (the "**Rent Abatement**") for the Rent Abatement Period. It is understood and agreed that the Rent Abatement is given by Landlord in consideration of Tenant's paying when due all rents under this Lease, and otherwise complying with the terms hereof, and that in the event of any uncured Event of Default by Tenant under this Lease, the unamortized portion of the Rent Abatement shall, in addition to any other claims which Landlord may have hereunder by reason of such default, become immediately due and payable to Landlord as Additional Rent under this Lease.

3. ESCALATIONS.

A. Defined Terms.

(i) "**Taxes**" shall mean the aggregate amount of real estate taxes and any special or other assessments (exclusive of penalties and interest thereon) imposed upon the Real Property and real estate taxes or assessments imposed in connection with the receipt of income or rents from the Building to the extent that same shall be in lieu of all or a portion of the aforesaid taxes or assessments, or additions or increases thereof, including, without limitation, (a) assessments made upon or with respect to any air rights, (b) any assessments levied after the date of this Lease for public benefits to the Real Property or the Building (excluding an amount equal to the assessments payable in whole or in part as part of the Base Tax Amount) which assessments, if payable in installments, shall be deemed payable in the maximum number of permissible installments and there shall be included in real estate taxes for each Comparison Year (hereinafter defined) in which such installments may be paid, the installments of such assessment so becoming payable during such Comparison Year (in the manner in which such taxes and assessments are imposed as of the date hereof), and (c) BID Charges; provided, that if because of any change in the taxation of real estate, any other tax or assessment (including, without limitation, any occupancy, gross receipts, rental, income, franchise, transit or other tax) is imposed upon Landlord or the owner of the Real Property or the Building, or the occupancy, rents or income therefrom, in substitution for or in addition to, any of the foregoing Taxes, such other tax or assessment shall be deemed part of the Taxes. With respect to any Comparison Year all expenses, including attorneys' fees and disbursements, experts' and other witnesses' fees, incurred in contesting the validity or amount of any Taxes or in obtaining a refund of Taxes shall be considered as part of the Taxes for such year.

(ii) "**Assessed Valuation**" shall mean the amount for which the Real Property is assessed pursuant to applicable provisions of the New York City Charter and of the Administrative Code of the City of New York for the purpose of imposition of Taxes.

(iii) **"Tax Year"** shall mean the period July 1 through June 30 (or such other period as hereinafter may be duly adopted by the City of New York as its fiscal year for real estate tax purposes).

(iv) **"BID Charges"** shall mean business improvement district taxes and similar charges imposed on the Building and/or the Real Property and any expenses incurred by Landlord in contesting the same.

(v) **"Comparison Year"** shall mean with respect to Taxes, any calendar year during the Term (or such other fiscal or accounting period as Landlord may reasonably elect), for any part or all of which there is an increase in the Rent pursuant to Subsection B of this Article.

(vi) **"Landlord's Statement"** shall mean an instrument or instruments containing a comparison of any increase or decrease in the Rent for the preceding Comparison Year pursuant to the provisions of this Article.

B. Escalation. If the Taxes payable for any Comparison Year (any part or all of which falls within the Term) shall represent an increase above the Base Tax Amount, then the Rent for such Comparison Year and continuing thereafter until a new Landlord's Statement is rendered to Tenant, shall be increased by Tenant's Proportionate Share of such increase (a **"Tax Payment"**). The Taxes shall be initially computed on the basis of the Assessed Valuation in effect at the time Landlord's Statement is rendered (as the Taxes may have been settled or finally adjudicated prior to such time) regardless of any then pending application, proceeding or appeal respecting the reduction of any such Assessed Valuation, but shall be subject to subsequent adjustment as provided in Subsection D(i)(a) of this Article.

C. Payment of Escalations.

(1) At any time prior to, during or after any Comparison Year Landlord shall render to Tenant a Landlord's Statement or Statements showing separately or together a comparison of the Taxes payable for the Comparison Year with the Base Tax Amount, and the amount of the increase in the Rent resulting therefrom. Landlord's failure to render a Landlord's Statement and/or receive payments with respect thereto during or with respect to any Comparison Year shall not prejudice Landlord's right to render a Landlord's Statement and/or receive payments with respect thereto during or with respect to any subsequent Comparison Year, and shall not eliminate or reduce Tenant's obligation to pay increases in the Rent pursuant to this Article for such Comparison Year. Landlord may also at any time and from time to time, furnish to Tenant a revised Landlord's Statement or Statements showing separately or together a comparison of the Taxes payable for the Comparison Year with the Base Tax Amount.

(2) With respect to an increase in the Rent resulting from an increase in the Taxes for any Comparison Year above the Base Tax Amount, Tenant shall pay to Landlord a sum equal to one-half (½) of such amount on the first day of June and a sum equal to one-half (½) of such amount on the first day of December of each calendar year. If Landlord's Statement shall be furnished to Tenant after the commencement of the Comparison Year to which it relates, then (I) until Landlord's Statement is rendered for such Comparison Year, Tenant shall pay Tenant's Proportionate Share of Taxes for such Comparison Year, in semi-annual installments, as described above, based upon the last prior Landlord's Statement rendered to Tenant with respect to Taxes, and (II) Tenant shall pay to Landlord an amount equal to any underpayment of the Tax Payment theretofore paid by Tenant for such Comparison Year and, in the event of an overpayment by Tenant, Landlord shall permit Tenant to credit against subsequent payments under this Subsection the amount of such overpayment. At Landlord's option, Landlord may deliver to Tenant a statement setting forth Landlord's estimate of the Tax Payment for the next

succeeding Tax Year (the "Estimated Amount"). In such event, Tenant shall pay the Estimated Amount in advance in equal monthly installments together with that month's installment of Minimum Rent. In the event of an overpayment or underpayment by Tenant, the difference shall be adjusted in accordance with the terms of this Article. The benefit of any discount for any early payment or prepayment of Taxes shall accrue solely to the benefit of Landlord, and such discount shall not be subtracted from the Tax Payment. Tenant shall be obliged to pay the Tax Payment regardless of whether Tenant is exempt, in whole or in part, from the payment of any Taxes by reason of Tenant's diplomatic status or otherwise.

(3) Following each Landlord's Statement, a reconciliation shall be made as follows: Tenant shall be debited with any increase in the Rent shown on such Landlord's Statement and credited with the aggregate, if any, paid by Tenant on account in accordance with the provisions hereof for the Comparison Year in question; Tenant shall pay any net debit balance to Landlord within ten (10) days next following rendition by Landlord of a statement for such net debit balance; any net credit balance shall be applied against the next accruing monthly installment of Rent.

D. Adjustments.

(i) (a) In the event that, after a Landlord's Statement has been sent to Tenant, an Assessed Valuation which had been utilized in computing the Taxes for a Comparison Year is reduced (as a result of settlement, final determination of legal proceedings or otherwise), and as a result thereof a refund of Taxes is actually received by or on behalf of Landlord, then, promptly after receipt of such refund, Landlord shall send Tenant a statement adjusting the Tax Payment for such Comparison Year (taking into account the expenses mentioned in the last sentence of Subsection A(i) of this Article) and setting forth Tenant's Proportionate Share of such refund and Tenant shall be entitled to receive such share by way of a credit against the Rent next becoming due after the sending of such Landlord's Statement; provided, however, that (A) Tenant's share of such refund shall be limited to the amount, if any, which Tenant had theretofore paid to Landlord as increased Rent for such Comparison Year on the basis of the Assessed Valuation before it had been reduced, and (B) if Tenant is in default hereunder at such time, Tenant shall not receive such credit until such time as such default has been cured by Tenant.

(b) In the event that, after a Landlord's Statement has been sent to Tenant, the Assessed Valuation which had been utilized in computing the Base Tax Amount is reduced (as a result of settlement, final determination of legal proceedings or otherwise) then, and in such event: (A) the Base Tax Amount shall be retroactively adjusted to reflect such reduction, (B) the monthly installment of Rent shall be increased accordingly, and (C) all retroactive Additional Rent resulting from such retroactive adjustment shall be forthwith payable when billed by Landlord. Landlord promptly shall send to Tenant a statement setting forth the basis for such retroactive adjustment and Additional Rent payments.

(ii) Any Landlord's Statement sent to Tenant shall be conclusively binding upon Tenant unless, within thirty (30) days after such statement is sent, Tenant shall (a) pay to Landlord the amount set forth in such statement, without prejudice to Tenant's right to dispute the same, and (b) send a written notice to Landlord objecting to such statement and specifying the particular respects in which such statement is claimed to be incorrect.

(iii) Anything in this Article to the contrary notwithstanding, under no circumstances shall the rent payable under this Lease be less than the Minimum Rent set forth herein.

(iv) The expiration or termination of this Lease during any Comparison Year for any part or all of which there is an increase in the Rent under this Article shall not affect the rights or

obligations of the parties hereto respecting such increase and any Landlord's Statement relating to such increase may, on a pro rata basis, be sent to Tenant subsequent to, and all such rights and obligations shall survive, any such expiration or termination. Any payments due under such Landlord's Statement shall be payable within ten (10) days after such statement is sent to Tenant.

E. Capital Improvements. If any alteration or capital improvement is made to the Real Property or the Building during any calendar year during the Term in compliance with Legal Requirement which becomes effective after the date hereof, then Tenant shall pay to Landlord as Additional Rent commencing with the year in which such costs are incurred, Tenant's Proportionate Share of such costs, amortized on a straight-line basis over the life of such alteration or improvement (but not in excess of ten (10) years), as computed in accordance with generally accepted accounting principles, consistently applied, with interest thereon. For the purposes of this Subsection, the cost of any such alteration or improvement shall be deemed to include the cost of preparing any necessary plans and the fees for filing such plans.

4. ALTERATIONS.

A. Defined Terms.

(i) **"Alterations"** shall mean and include all installations, changes, alterations, restorations, renovations, decorations, replacements, additions, improvements and betterments made in or to the Premises or the Building by Tenant, and shall include Tenant's Initial Work.

(ii) **"Building Systems"** shall mean the mechanical, gas, electrical, sanitary, heating, air-conditioning, ventilating, elevator, plumbing, life-safety and other service systems of the Building.

(iii) **"Decorative Alterations"** shall mean Alterations which do not require the issuance of a building permit or any other governmental authorization and which are purely decorative in nature (*i.e.*, painting, the installation or removal of carpeting or wall coverings and the installation or relocation of shelving, counters and moveable trade fixtures used in connection with the Permitted Uses).

(iv) **"Governmental Agency(ies)"** shall mean the federal government and any state, county, city, borough and municipality, and any division, agency, subdivision, bureau, office, commission, board, authority and department thereof, and any public officer or official and any quasi-governmental officials and authorities, and any insurance boards, having jurisdiction over the Real Property, the Building and/or the Premises.

(v) **"Legal Requirements"** shall mean and include all laws orders, ordinances, directions, notices, rules and regulations of any Governmental Agencies.

(vi) **"Non-Structural Alterations"** shall mean non-structural, non-mechanical and non-electrical Alterations.

(vii) **"Permits"** shall mean all governmental permits, approvals, licenses, authorizations, waivers, consents and certificates which may be required in connection with the performance of any Alterations.

(viii) **"Specialty Alterations"** shall mean Alterations consisting of raised floors, vaults, internal staircases, kitchens, satellite dishes, ATMs, pneumatic tubes, vertical and horizontal

transportation systems, and any other installations which would cost more to remove than ordinary retail installations.

(ix) **“Structural Alterations”** shall mean Alterations which affect the structural components of the Building (including the roof of the Building, support beams, load bearing walls and floor openings), and/or the Building Systems.

(x) **“Tenant’s Initial Work”** shall mean the Alterations performed by Tenant to initially prepare the Premises for its initial occupancy.

B. Alterations Within Premises.

(i) Tenant shall make no Structural Alterations or Non-Structural Alterations in or to the Premises that require a permit, without Landlord’s prior written consent, which consent shall not be unreasonably withheld or delayed.

(ii) Tenant shall be permitted to make Non-Structural Alterations that do not require a Permit, that are made entirely within the Premises and which do not affect the structure of the Building or any Building Systems, or violate, create a condition which violates, or requires Landlord to perform any work or incur any expense to ensure compliance with, any Legal Requirements, on not less than ten (10) days’ prior written notice to Landlord, but without being required to obtain Landlord’s consent. In connection with any Alterations performed by Tenant in the Premises (x) Tenant shall comply with all applicable Legal Requirements and all of the other applicable requirements governing Alterations set forth in this Lease, (y) copies of the Plans and Specifications for such Alterations shall be promptly submitted to Landlord, and (z) copies of any permits or other filings shall be submitted to Landlord promptly upon receipt thereof.

(iii) It shall be Tenant’s responsibility and obligation to ensure that all Alterations: (1) shall be made at Tenant’s own cost and expense and at such times and in such manner as Landlord may from time to time designate (including reasonable rules governing Alterations as Landlord may from time to time make), (2) shall comply with all Legal Requirements, (3) shall be made promptly and in a good and workmanlike manner using materials substantially similar in quality to the standard generally used in the Building or higher quality materials, (4) shall not affect the appearance of the Building outside of the Premises or be visible from the exterior of the Building, and (5) shall not reduce the value or utility of the Building.

C. Landlord’s Costs. Tenant shall reimburse Landlord, as Additional Rent, for any expenses reasonably incurred by Landlord in connection with any Alterations performed by Tenant. Landlord’s review fees shall not exceed \$1,500.00 in connection with any single request for approval of Plans and Specifications.

D. Required Submissions; Permits.

(i) Prior to commencing the performance of any Alterations (other than Decorative Alterations), Tenant shall furnish to Landlord:

(1) Two (2) sets of plans and specifications prepared by a licensed architect or engineer engaged by Tenant, at the sole cost and expense of Tenant, in sufficient detail to be accepted for filing by the New York City Building Department (or any successor or other Governmental Agency serving a similar function) of such proposed Alterations (the **“Plans and Specifications”**), and in

accordance with Landlord's reasonable requirements for Plans and Specifications. If required, Landlord's approval of the Plans and Specifications shall be evidenced by written endorsement by an authorized representative of Landlord to that effect on both sets of the Plans and Specifications, one (1) set to be retained by Landlord and the other to be returned to Tenant. If Landlord shall disapprove the Plans and Specifications, then Tenant shall in good faith promptly proceed to amend the Plans and Specifications to satisfy Landlord's reasonable objections and shall resubmit such amended Plans and Specifications to Landlord for approval.

(2) A certificate evidencing that Tenant (or Tenant's contractors) has (have) procured and paid for worker's compensation insurance covering all persons employed in connection with the work, who might assert claims for death or bodily injury against Landlord, Tenant, the Real Property and/or the Building as required by Landlord, and such additional personal injury and property damage insurance (over and above the insurance required to be carried by Tenant pursuant to the provisions of this Lease), builder's risk, fire and other casualty insurance as Landlord may reasonably require in connection with the Alterations.

(3) If the work to be undertaken (including Tenant's Initial Work) requires expenditures by Tenant in excess of \$75,000.00 (exclusive of the cost of Decorative Alterations), a surety company performance bond in form and substance reasonably satisfactory to Landlord (procured at Tenant's cost and expense), issued by a surety company reasonably acceptable to Landlord, or other security reasonably satisfactory to Landlord, in an amount equal to at least 125% of the estimated cost of such Alterations, guaranteeing to Landlord and any Mortgagee and/or Lessor the completion thereof and payment therefor within a reasonable time, free and clear of all liens, encumbrances, chattel mortgages, security interests, conditional bills of sale and other charges, and in accordance with the plans and specifications approved by Landlord.

(4) All Permits required by any applicable Legal Requirements, all of which shall be obtained at Tenant's cost and expense, provided, however, that no plans, specifications or applications shall be filed by Tenant with any Governmental Agency without Tenant first obtaining Landlord's written consent thereto, which consent shall not be unreasonably withheld or delayed.

(ii) Upon Landlord's approval of the Plans and Specifications, Tenant shall cause the Plans and Specifications to be filed with the Governmental Agencies having jurisdiction thereof, in order to obtain, and shall obtain all Permits which may be required in connection with the performance of such Alterations. Landlord shall with reasonable promptness sign the applications for such Permits prepared by Tenant which require Landlord's signature.

E. Completion of Alterations.

(i) Tenant, at Tenant's sole cost and expense, shall complete all Alterations in accordance with the provisions of this Lease. Alterations shall be deemed completed at such time as (a) all certifications, approvals, licenses and permits with respect to such Alterations that may be required to evidence compliance with all Legal Requirements have been obtained and delivered to Landlord, and (b) Tenant shall (1) furnish evidence reasonably satisfactory to Landlord that all Alterations have been completed and paid for in full and that any and all liens therefor that have been or might be filed have been discharged of record or waived and that no security interests relating thereto are outstanding, (2) pay Landlord for the cost of any work performed by Landlord on Tenant's behalf in connection with such Alterations, if any, (3) except as to Decorative Alterations, furnish Landlord with one (1) set of "as built" drawings of the Premises in a format that is reasonably acceptable to Landlord, and (4) except as to Decorative Alterations, furnish an affidavit in the form recommended by the American Institute of

Architects from Tenant's registered architect certifying that the Alterations have been performed in accordance with the Plans and Specifications as approved by Landlord.

(ii) Tenant shall provide Landlord with copies of all lien waivers (including partial lien waivers) from all contractors and subcontractors performing any Alterations on Tenant's behalf, within five (5) business days of Tenant's receipt thereof, and in any event no later than ten (10) business days after completion of any Alterations. Tenant may submit paid receipts from any contractor or subcontractor performing less than \$2,000.00 worth of work in the Premises in lieu of such lien waivers. Failure to provide such lien waivers (or paid receipts, as applicable) shall be a default by Tenant under this Lease.

(iii) Tenant shall keep accurate and complete cost records of all Alterations performed by Tenant, and upon Landlord's request, shall furnish to Landlord true copies thereof and/or of all contracts entered into and work orders issued by Tenant in connection therewith.

F. Liens.

(i) In no event shall any material or equipment be incorporated in or affixed to the Premises in connection with any Alterations which is subject to any lien, encumbrances, chattel mortgage, security interest, charge of any kind whatsoever, or is subject to any conditional sale or other similar or dissimilar title retention agreement. Tenant shall not create or permit to be created any lien, encumbrance or charge (levied on account of any taxes or any mechanic's, laborer's or materialman's lien, conditional sale, title retention agreement or otherwise) which might be or become a lien, encumbrance or charge upon the Real Property or Building or any part thereof or the income therefrom, and Tenant shall not suffer any other matter or thing whereby the estate, rights and interest of Landlord in the Real Property or Building or any part thereof might be impaired.

(ii) If any lien, encumbrance or charge referred to in this Subsection F shall at any time be filed against the Real Property or Building or any part thereof, then Tenant, within thirty (30) days after Tenant shall have received notice of the filing thereof and at Tenant's cost and expense, shall cause the same to be discharged of record by bonding or otherwise. If Tenant shall fail to cause such lien to be discharged within the aforesaid period, then, in addition to any other right or remedy, Landlord may 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 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 costs and expenses incurred by Landlord in connection therewith, together with interest thereon at the Interest Rate, shall constitute Additional Rent payable by Tenant under this Lease.

G. Miscellaneous Conditions.

(i) Landlord shall not be liable for any failure or diminution of any Building Systems or services, or for any damage to Tenant's property or the property of any other person, caused by Alterations made by Tenant, notwithstanding Landlord's consent thereto or to the plans and specifications therefor. Tenant shall promptly correct any faulty or improper Alteration made by Tenant and shall repair any and all damage caused thereby. Upon Tenant's failure to promptly make such corrections and repairs, Landlord may make such corrections and repairs and charge Tenant for the cost thereof and any such charge shall be deemed Additional Rent. The review and/or approval by Landlord, its agents, consultants and/or contractors, of any Alterations or of Plans and Specifications therefor and the coordination of the performance of such Alterations with the Building, are solely for the benefit of

Landlord, and neither Landlord nor any of its agents, consultants or contractors shall have any duty toward Tenant; nor shall Landlord or any of its agents, consultants and/or contractors be deemed to have made any representation or warranty to Tenant, or have any liability, with respect to the safety, adequacy, correctness, efficiency or compliance with Legal Requirements of any Plans and Specifications, Alterations or any other matter relating thereto.

(ii) All Alterations to be performed by Tenant shall be done in a manner which will not interfere with or disturb other tenants and occupants of the Building nor delay or impose any additional expense on Landlord in the maintenance, cleaning, repair, safety, management and security of the Building or the Building Systems or in the performance of any improvements in the Building. Landlord shall have the right to inspect the performance of the Alterations at any time to verify compliance by Tenant with the provisions of this Lease.

(iii) Tenant shall, and shall cause its contractors and suppliers to, comply with Landlord's rules and regulations, and Landlord's directions for the coordination and control of construction activities in the Building and the protection and security of the Building and its systems and occupants.

(iv) If Tenant shall fail to comply with any provision of this Article (beyond notice and the expiration of any applicable cure period), Landlord, in addition to any other remedy herein provided, may require Tenant to immediately cease all work being performed in the Building by or on behalf of Tenant, and Landlord may deny access to the Premises to any person performing work or supplying materials in the Premises.

H. Removal of Alterations.

(i) All movable property, furniture, furnishings and trade fixtures furnished by or at the expense of Tenant, other than those affixed to the Premises so that they cannot be removed without damage and other than those replacing an item theretofore furnished and paid for by Landlord or for which Tenant has received a credit or allowance, shall remain the property of Tenant, and may be removed by Tenant from time to time prior to the expiration of the Term. All Alterations made by Tenant, including all paneling, decorations, partitions, railings, mezzanine floors, galleries and the like, which are affixed to the Premises, shall become the property of Landlord and shall be surrendered with the Premises at the end of the Term, provided, however, that Landlord may elect to require Tenant to remove, prior to the expiration or earlier termination of the Term, at Tenant's expense, any Specialty Alterations.

(ii) In any case where Tenant removes any property or Alterations in accordance with Subsection H(i) or otherwise, Tenant shall immediately repair all damage caused by said removal, cap all electrical, plumbing and waste disposal lines in accordance with sound construction practice, and shall restore the Premises to good order and condition at Tenant's expense. Upon Tenant's failure to remove any such property or Alterations, Landlord may: (a) remove all such property and Alterations which Landlord may require Tenant to remove pursuant to Subsection H(i), (b) cause the same to be placed in storage, (c) repair any damage caused by said removal and restore the Premises to good order and condition, or (d) deem such property and Alterations to have been abandoned by Tenant, and retain and dispose of said items without any liability to Tenant and without accounting to Tenant for the proceeds thereof. Tenant shall reimburse Landlord for all of the expenses incurred by Landlord in connection therewith.

(iii) The provisions of this Subsection H shall survive the expiration or sooner termination of the Term, whereupon any and all monetary obligations of Tenant pursuant thereto shall be deemed damages recoverable by Landlord.

I. Tenant's Initial Work.

(i) Tenant, in compliance with the further provisions of this Article, Building regulations and procedures, and other applicable provisions of this Lease, shall perform the Tenant's Initial Work to construct a first-class retail establishment. In addition, Tenant shall make any and all modifications and additions and replacements to the existing sprinkler and alarm systems within or serving the Premises as may be necessitated by the Tenant's Initial Work. Tenant shall not construct or expand any mezzanines. Tenant shall install any meters required to measure Tenant's consumption of utilities in the Premises, at Tenant's sole cost, as part of Tenant's Initial Work.

(ii) In addition to the requirements set forth in this Article and elsewhere in this Lease, with respect to Tenant's Initial Work, Landlord may, in its sole discretion, require proof in form satisfactory to Landlord of Tenant's financial ability to cause Tenant's Initial Work to be completed and fully paid for.

(iii) As a part of Tenant's Initial Work, subject to Tenant's compliance with the provisions of this Article 4, Tenant may remove the existing fixtures in the Premises, provided that Tenant replaces such fixtures with fixtures of equal or greater value.

(iv) Landlord agrees that in the event that Landlord fails to respond to Tenant's Plans and Specifications for Tenant's Initial Work within ten (10) business days of the date that Landlord receives such Plans and Specifications, the Minimum Rent Abatement Period hereunder shall be extended one day for each day after the expiration of such ten (10) business day period that Landlord fails to respond to Tenant, provided that Tenant submits such Plans and Specifications to Landlord with a notice stating in bold, capital letters, **"PURSUANT TO SUBSECTION 4I(iii) OF THE LEASE BETWEEN LANDLORD AND TENANT, IN THE EVENT THAT YOU FAIL TO RESPOND TO THE ENCLOSED PLANS AND SPECIFICATIONS WITHIN TEN (10) BUSINESS DAYS, TENANT'S MINIMUM RENT ABATEMENT PERIOD SHALL BE EXTENDED ONE DAY FOR EACH DAY AFTER THE EXPIRATION OF SUCH TEN (10) BUSINESS DAY PERIOD THAT YOU FAIL TO RESPOND."**

5. REPAIRS; FLOOR LOAD. Landlord shall maintain and repair the exterior surfaces of the Building, the structural portions of the Building and the roof of the Building, 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 the same in good order and condition, at Tenant's sole cost and expense, and shall cause the same to be covered by insurance provided for in Article 9. Tenant shall, throughout the Term, take good care of the Premises, the fixtures and appurtenances therein, the Building Systems and the sidewalks adjacent to the Premises, and at Tenant's sole cost and expense, make all nonstructural repairs thereto as and when needed to preserve them in good working order and condition, reasonable wear and tear and damage for which Tenant is not responsible under the terms of this Lease excepted. In addition, all damage or injury to the Building, or to its fixtures, equipment and appurtenances, whether requiring structural or nonstructural repairs, caused by or resulting from any Alterations made by Tenant or Tenant's or any Tenant Party's acts or omissions, shall be repaired promptly by Tenant, at its sole cost and expense, to the reasonable satisfaction of Landlord. All the aforesaid repairs shall be of quality and class equal to the

original work or construction and shall be made in accordance with the provisions of Article 4 hereof. Tenant shall not place a load upon any floor of the Premises exceeding the floor load per square foot area which such floor was designed to carry and which is allowed by law. Except as may be expressly provided herein, there shall be no allowance to Tenant for a 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 maintenance of any crane, derrick or sidewalk shed), or the Premises, or in or to fixtures, appurtenances, or equipment thereof. If the Premises be or become infested with vermin, Tenant, at Tenant's expense, shall cause the same to be exterminated from time to time to the satisfaction of Landlord.

6. REQUIREMENTS OF LAW.

A. Tenant, at its sole expense, shall comply with all Legal Requirements which shall now or hereafter impose any violation, order or duty upon Landlord or Tenant with respect to the Premises as a result of the use, occupation or alteration thereof by Tenant. Tenant shall promptly notify Landlord if it receives notice of any violation of, or defaults under, any Legal Requirements, liens or other encumbrances applicable to the Premises.

B. Tenant shall not do or permit to be done any act or thing upon the Premises which will invalidate or be in conflict with any insurance policies covering the Building and fixtures and property therein; and shall not do, or permit anything to be done in or upon the Premises, or bring or keep anything therein, except as now or hereafter permitted by Legal Requirements. If by reason of Tenant's acts or omissions, 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 part of all fire insurance premiums thereafter paid by Landlord which shall have been charged because of such failure or use by Tenant. In any action or proceeding wherein Landlord and Tenant are parties, a schedule or "make up" of rates for the Building or the Premises issued by the New York Fire Insurance Rating Organization, or other body fixing such fire insurance rates, shall be conclusive evidence of the facts therein stated and of the several items and charges in the fire insurance rates then applicable to the Premises.

C. If any governmental license or permit shall be required for the proper and lawful conduct of Tenant's business and if the failure to secure such license or permit would, in any way, affect Landlord or the Building, then Tenant, at Tenant's expense, shall promptly procure and thereafter maintain, submit for inspection by Landlord, and at all times comply with the terms and conditions of, each such license or permit.

7. SUBORDINATION.

A. Subordination. This Lease is subject and subordinate to each and every ground or underlying lease of the Real Property or the Building heretofore or hereafter made by Landlord (collectively the "Superior Leases") and to each and every trust indenture and mortgage (collectively the "Mortgages") which may now or hereafter affect the Real Property, the Building or any such Superior Lease and the leasehold interest created thereby, and to all renewals, extensions, supplements, amendments, modifications, consolidations, and replacements thereof or thereto, substitutions therefor and advances made thereunder. This clause shall be self-operative and no further instrument of subordination shall be required to make the interest of any lessor under a Superior Lease (a "Lessor"), or trustee or mortgagee of a Mortgage (a "Mortgagee") superior to the interest of Tenant hereunder. In confirmation of such subordination, however, Tenant shall execute promptly any certificate that Landlord

may request and Tenant hereby irrevocably constitutes and appoints Landlord as Tenant's attorney-in-fact to execute any such certificate or certificates for and on behalf of Tenant. If, in connection with the financing of the Real Property, the Building or the interest of the lessee under any Superior Lease, any lending institution shall request reasonable modifications of this Lease that do not materially increase the obligations or materially and adversely affect the rights of Tenant under this Lease, Tenant covenants to make such modifications.

B. Attornment. If at any time prior to the expiration of the Term, any Mortgage shall be foreclosed or any Superior Lease shall terminate or be terminated for any reason, Tenant agrees, at the election and upon demand of any owner of the Real Property or the Building, or the lessor under any such Superior Lease, or of any mortgagee in possession of the Real Property or the Building, to attorn, from time to time, to any such owner, lessor or mortgagee, upon the then executory terms and conditions of this Lease, for the remainder of the term originally demised in this Lease, provided that such owner, lessor or mortgagee, as the case may be, or receiver caused to be appointed by any of the foregoing, shall not then be entitled to possession of the Premises. The provisions of this Subsection B shall inure to the benefit of any such owner, lessor or mortgagee, shall apply notwithstanding that, as a matter of law, this Lease may terminate upon the termination of any such Superior Lease, and shall be self-operative upon any such demand, and no further instrument shall be required to give effect to said provisions. Tenant, however, upon demand of any such owner, lessor or mortgagee, agrees to execute, from time to time, instruments in confirmation of the foregoing provisions of this Subsection B, satisfactory to any such owner, lessor or mortgagee, acknowledging such attornment and setting forth the terms and conditions of its tenancy. Nothing contained in this Subsection B shall be construed to impair any right otherwise exercisable by any such owner, lessor or mortgagee.

C. Certificates. From time to time, within seven (7) days next following request by Landlord or any Mortgagee, Tenant shall deliver to Landlord or such Mortgagee, as the case may be, a written statement executed and acknowledged by Tenant, in form satisfactory to Landlord or such Mortgagee, (i) stating that this Lease is then in full force and effect and has not been modified (or if modified, setting forth all modifications), (ii) setting forth the date to which the Minimum Rent, Additional Rent and other charges hereunder have been paid, together with the amount of fixed base monthly Minimum Rent then payable, (iii) stating whether or not, to the best knowledge of Tenant, Landlord is in default under this Lease, and, if Landlord is in default, setting forth the specific nature of all such defaults, (iv) stating the amount of the security deposit under this Lease, (v) stating whether there are any subleases affecting the Premises, (vi) stating the address of Tenant to which all notices and communications under the Lease shall be sent, the Commencement Date and the Expiration Date, and (vii) as to any other matters requested by Landlord or such Mortgagee. Tenant acknowledges that any statement delivered pursuant to this Subsection may be relied upon by any purchaser or owner of the Real Property or the Building, or Landlord's interest in the Real Property or the Building or any Superior Lease, or by any Mortgagee, or by any assignee of any Mortgagee, or by any Lessor. Tenant's failure to execute, acknowledge and deliver a statement in accordance with the provisions hereof within said seven (7) day period shall constitute an acknowledgment by Tenant, which may be relied on by any person who would be entitled to rely upon any such statement, that such statement as submitted by Landlord is true and correct.

8. RULES AND REGULATIONS. Tenant and the Tenant Parties shall observe, and comply with, the Rules and Regulations annexed hereto and made a part hereof as Schedule A and such other and further reasonable Rules and Regulations as Landlord or Landlord's agents may from time to time adopt (collectively, the "Rules and Regulations") on such notice to be given 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 Chairman of the Board of Directors of the Management Division of The Real Estate Board of New York, Inc., or to such impartial person or persons as he may designate, whose determination shall be final and conclusive upon the parties hereto. The right to dispute the reasonableness of any additional Rule or Regulation upon Tenant's part shall be deemed waived unless the same shall be asserted by service of a notice in writing upon Landlord within thirty (30) days after receipt by Tenant of written notice of the adoption of any such additional Rule or Regulation. Nothing in this Lease shall be construed to impose upon Landlord any duty or obligation to enforce the Rules and Regulations or terms, covenants or conditions in any other lease, against any other tenant and Landlord shall not be liable to Tenant for violation of the same by any other tenant, its servants, employees, agents, visitors or licensees.

9. INSURANCE.

A. Tenant's Insurance. Tenant shall obtain and thereafter maintain during the Term, on or before the earlier to occur of (a) the Commencement Date, and (b) ten (10) days from the date of this Lease, the following:

(i) A policy of commercial general liability and property damage insurance on an occurrence basis, with a broad form contractual liability endorsement. The minimum limits of liability shall be a combined single limit with respect to each occurrence in an amount of not less than \$1,000,000 per occurrence/\$3,000,000 general aggregate for injury (or death) and damage to property, which amount may be satisfied with a primary commercial general liability policy of not less than \$1,000,000 per occurrence/\$2,000,00.00 general aggregate and an excess (or umbrella) liability policy affording coverage, at least as broad as that afforded by the primary commercial general liability policy, in an amount not less than the difference between the \$1,000,000.00 per occurrence/\$3,000,000 aggregate limits required above, and the amount of the primary policy. Such insurance may be carried under a blanket policy covering the Premises and other locations of Tenant, provided such a policy contains an endorsement (a) naming the Landlord Indemnitees as additional insureds, (b) specifically referencing the Premises, and (c) guaranteeing a minimum limit available for the Premises equal to the limits of liability required under this Lease. Whenever, in Landlord's reasonable judgment, good business practice and changing conditions indicate a need for additional amounts or different types of insurance coverage, Tenant shall, within twenty (20) days after Landlord's request, obtain such insurance coverage, at Tenant's expense.

(ii) An insurance policy for Tenant's property and Alterations, in either case to the extent insurable under the available standard forms of "all risk" insurance policies, in an amount equal to one hundred (100%) percent of the replacement value thereof.

(iii) Workers' compensation insurance providing statutory benefits for Tenant's employees and employer's liability.

(iv) Business interruption or rental insurance insuring at a minimum the Minimum Rent and Additional Rent due and payable hereunder for a minimum of twelve (12) full calendar months.

All insurance required to be carried by Tenant pursuant to the terms of this Lease shall be effected under valid and enforceable policies issued by reputable and independent insurers permitted to do business in the State of New York, and rated in Best's Insurance Guide, or any successor thereto (or if there be none, an organization having a national reputation) as having a general policyholder rating of "A" and a financial rating of at least "13". All such policies shall contain a provision that the insurance company will not cancel or refuse to renew the policy, or change in any material way the nature or extent of the

coverage provided by such policy, without first giving Landlord at least thirty (30) days' written notice by certified mail, return receipt requested, which notice shall contain the policy number and the names of the insureds and policy holder. Prior to the time such insurance is first required to be carried by Tenant and thereafter at least thirty (30) days prior to the termination of any existing policy, Tenant shall deliver to Landlord a certificate evidencing the effectiveness of the insurance policies required to be maintained hereunder. Each policy required hereunder shall contain a clause that the policy and the coverage evidenced thereby shall be primary with respect to any policies carried by Landlord, and that any coverage carried by Landlord shall be excess insurance. The limits of the insurance required under this Article shall not limit the liability of Tenant under this Lease. In the event that Tenant fails to continuously maintain insurance as required hereby, Landlord may, at its option and without relieving Tenant of any obligation hereunder, order such insurance and pay for the same at the expense of Tenant. In such event, Tenant shall repay the amount expended by Landlord, with interest thereon, as Additional Rent. Tenant acknowledges that Landlord will not carry insurance on and shall not be responsible for damage to, Tenant's Alterations, fixtures, furnishings, equipment or other property, and that Landlord shall not carry insurance against, or be responsible for any loss suffered by Tenant due to, interruption of Tenant's business.

B. Waiver of Subrogation. The parties hereto shall procure an appropriate clause in, or endorsement on, any fire or extended coverage property insurance covering the Premises and the Building, as well as personal property, fixtures and equipment located thereon or therein, pursuant to which the insurance companies waive subrogation or consent to a waiver of right of recovery, and having obtained such clauses or endorsements of waiver of subrogation or consent to a waiver of right of recovery, will not make any claim against or seek to recover from the other for any loss or damage to its property or the property of others resulting from fire or other hazards covered by such fire and extended coverage insurance, provided, however that the release, discharge, exoneration and covenant not to sue herein contained shall be limited by and be coextensive with the terms and provisions of the waiver of subrogation clause or endorsements or clauses or endorsements consenting to a waiver of right of recovery. If the payment of an additional premium is required for the inclusion of such waiver of subrogation provision, each party shall advise the other of the amount of any such additional premiums and the other party at its own election may, but shall not be obligated to, pay the same. If such other party shall not elect to pay such additional premium, the first party shall not be required to obtain such waiver of subrogation provision.

10. DESTRUCTION OF THE PREMISES; PROPERTY LOSS OR DAMAGE.

A. Repair of Damage. If the Premises shall be damaged by fire or other casualty, then, Landlord, at its sole cost and expense, shall repair the ceiling slab and demising walls of the Premises and the base Building Systems (but not the distribution portions of the Building Systems), all to the condition which existed on the date immediately preceding such fire or other casualty, promptly following notice thereof by Tenant. Landlord shall have no obligation to repair any damage to, or to replace, any fixtures, furniture, furnishings, equipment or other property or effects of Tenant or any of Tenant's Alterations or improvements (including any exterior signage or any of Tenant's Property), or any wall or floor finishings or coverings or other items not specifically set forth in the immediately preceding sentence, whether installed in the Premises before, on or after the Commencement Date. Tenant's obligations to pay all Minimum Rent and all other items of Rent shall continue in full force and effect and shall not abate during the period the Premises are affected by any such fire or other casualty or during the period of repair of the Premises after any such fire or other casualty; except in the event that Landlord collects proceeds from any rental loss insurance covering the Building and the Premises during such period. In the event that Landlord collects proceeds of such rental loss insurance in connection with such casualty, Tenant shall receive an abatement of Rent hereunder, only during the period that: (i) Landlord is

performing any restoration that Landlord is required to perform pursuant to this Subsection 10A, and (ii) Landlord receives rental loss insurance proceeds covering the Rent due for the Premises. Tenant shall (i) cooperate with Landlord in the restoration of the Premises and shall remove from the Premises as promptly as possible all of Tenant's salvageable inventory, movable equipment, furniture and other property, and (ii) repair the damage to Tenant's Property and restore the Premises within one hundred eighty (180) days after Landlord has substantially completed its restoration obligations.

B. Termination Options.

(i) Anything in Subsection A of this Article to the contrary notwithstanding, if the Premises are totally damaged or are rendered wholly untenable, and if Landlord shall decide not to restore the Premises, or if the Building shall be so damaged by fire or other casualty that, in Landlord's opinion, either substantial alteration, demolition or reconstruction of the Building shall be required or the Building, after its repair, alteration or restoration shall not be economically viable as a commercial building, then in any of such events, Landlord, at Landlord's option, may, not later than ninety (90) days following the damage, give Tenant a notice in writing terminating this Lease. If Landlord elects to terminate this Lease, the Term shall expire upon the tenth (10th) day after such notice is given, and Tenant shall vacate the Premises and surrender the same to Landlord. Upon the termination of this Lease under the conditions provided for in the next preceding sentence, Tenant's liability for Rent shall cease as of the day following such damage.

(ii) In the case of any fire or other casualty which affects the Premises to such a degree that Tenant is compelled to vacate the Premises, if Landlord shall not have substantially completed the making of the required repairs and restored and rebuilt the Premises (exclusive of Tenant's Alterations and Tenant's property which shall be the sole obligation of Tenant) within eighteen (18) months from the date of casualty, then provided no Event of Default exists, Tenant may terminate this Lease by giving Landlord thirty (30) days' written notice of termination within ten (10) days after the expiration of such eighteen (18) month period, and if such notice is given, the term of this Lease shall terminate on the thirtieth (30th) day after Landlord's receipt of such notice unless Landlord shall have substantially completed the required repairs and restored the Premises prior to the expiration of such thirty (30) day period in which case Tenant's termination notice shall be null and void.

C. Provision Controlling. The parties agree that this Article constitutes an express agreement governing any case of damage or destruction of the Premises or the Building by fire or other casualty, and that Section 227 of the Real Property Law of the State of New York, which provides for such contingency in the absence of an express agreement, and any other law of like import now or hereafter in force shall have no application in any such case.

D. Property Loss or Damage. Any Building employee to whom any property shall be entrusted by or on behalf of Tenant shall be deemed to be acting as Tenant's agent with respect to such property and neither Landlord nor its agents shall be liable for any damage to property of Tenant or of others entrusted to employees of the Building, nor for the loss of or damage to any property of Tenant by theft or otherwise. Neither Landlord nor its agents shall be liable for any injury or damage to persons or property or interruption of Tenant's business resulting from fire, explosion, falling plaster, steam, gas, electricity, water, rain or snow or leaks from any part of the Building or from the pipes, appliances or plumbing works or from the roof, street or subsurface or from any other place or by dampness or by any other cause of whatsoever nature; nor shall Landlord or its agents be liable for any such damage caused by other tenants or persons in the Building or caused by construction of any private, public or quasi-public work; nor shall Landlord be liable for any latent defect in the Premises or in the Building. Anything in this Lease to the contrary notwithstanding, nothing in this Lease shall be construed to relieve

Landlord from responsibility directly to Tenant for any loss or damage caused directly to Tenant wholly or in part by the gross negligence or willful misconduct of Landlord. If at any time any windows of the Premises are temporarily closed, darkened or bricked-up for any reason whatsoever including, but not limited to, Landlord's own acts, or any of such windows are permanently closed, darkened or bricked-up if required by law or related to any construction upon property adjacent to the Real Property by Landlord or others, or if a sidewalk bridge or scaffolding is installed or erected in front of the Premises for the purpose of making any repairs, alterations or additions to the Building or any adjacent Building, Landlord shall not be liable for any damage Tenant may sustain thereby and Tenant shall not be entitled to any compensation therefor nor abatement of Rent nor shall the same release Tenant from its obligations hereunder nor constitute an eviction. Tenant shall give immediate notice to Landlord in case of fire or accident in the Premises or in the Building.

11. CONDEMNATION.

A. Condemnation. If the whole or any substantial part of the Building or the Premises shall be acquired or condemned for any public or quasi-public use or purpose, this Lease and the Term shall end as of the date of the vesting of title with the same effect as if said date were the Expiration Date. If only a part of the Building or Premises shall be so acquired or condemned then this Lease shall continue in force and effect, except (i) if a part of the Premises is acquired or condemned, from and after the date of the vesting of title, the Rent shall be reduced in the proportion which the area of the part of the Premises so acquired or condemned bears to the total area of the Premises immediately prior to such acquisition or condemnation, (ii) if the part of the Building so acquired or condemned shall contain more than thirty (30%) percent of the total area of the Premises immediately prior to such acquisition or condemnation, or if, by reason of such acquisition or condemnation, Tenant no longer has reasonable means of access to the Premises, Tenant, at Tenant's option, may terminate this Lease, and (iii) whether or not the Premises shall be affected thereby, Landlord, at Landlord's option, may terminate this Lease. Any termination by Landlord or Tenant must be given within sixty (60) days following the date of notice of vesting of title. If any termination notice is given by Landlord or Tenant this Lease and the Term shall come to an end and expire five (5) days after the date of the termination notice with the same effect as if the date of expiration of said five (5) days were the Expiration Date. If a part of the Premises shall be so acquired or condemned and this Lease shall not be terminated pursuant to the foregoing provisions of this Subsection, Landlord, at Landlord's expense, shall restore that part of the Premises not so acquired or condemned to a self-contained rental unit. In the event of any termination of this Lease pursuant to the provisions of this Subsection A, the Rent shall be apportioned as of the date of termination and any prepaid portion of Rent for any period after such date shall be refunded by Landlord to Tenant.

B. Award. In the event of any such acquisition or condemnation, Landlord shall be entitled to receive the entire award for any such acquisition or condemnation, Tenant shall have no claim against Landlord or the condemning authority for the value of any unexpired portion of the Term and Tenant hereby expressly assigns to Landlord all of its right in and to any such award. Nothing contained in this Subsection B shall be deemed to prevent Tenant from making a claim in any condemnation proceedings for the then value of any furniture, furnishings and fixtures installed by and at the sole expense of Tenant and included in such taking, provided that such award shall not reduce the amount of the award otherwise payable to Landlord.

12. ASSIGNMENT AND SUBLETTING.

A. Prohibition Without Consent. Except as otherwise set forth herein, Tenant, for itself, its heirs, distributees, executors, administrators, legal representatives, successors and assigns, expressly covenants that it shall not assign, mortgage, pledge, encumber or otherwise transfer this Lease, nor

underlet, nor suffer, nor permit the Premises or any part thereof to be used or occupied by others, without the prior written consent of Landlord in each instance, which consent (subject to the provisions of this Article) shall not be unreasonably withheld or delayed. 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, undertenant or occupant, and apply the net amount collected to the Rent herein reserved, but no assignment, underletting, occupancy or collection shall be deemed a waiver of the provisions hereof, the acceptance of the assignee, undertenant 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. In no event shall any permitted sublessee assign or encumber its sublease or further sublet all or any portion of its sublet space, or otherwise suffer or permit the sublet space or any part thereof to be used or occupied by others, without Landlord's prior written consent in each instance. Any assignment, sublease, mortgage, pledge, encumbrance or transfer in contravention of the provisions of this Article shall be void.

B. Notice of Proposed Transfer. If Tenant shall at any time or times during the Term desire to assign this Lease or sublet all of the Premises, Tenant shall give notice thereof to Landlord, which notice shall be accompanied by (i) a conformed or photostatic copy of the proposed assignment or sublease, the effective or commencement date of which shall be not less than thirty (30) nor more than sixty (60) days after the giving of such notice, (ii) a statement setting forth in reasonable detail the identity of the proposed assignee or subtenant (a "Transferee"), the nature of its business and its proposed use of the Premises, (iii) current financial information with respect to the proposed Transferee, including, without limitation, its most recent financial report, and (iv) such additional information related to the proposed Transferee as Landlord shall reasonably request, if any.

C. Conditions for Landlord's Approval. Landlord's consent (which must be in writing and in form reasonably satisfactory to Landlord) to the proposed assignment or subletting shall not be unreasonably withheld or delayed, provided and upon the condition that:

- (i) Tenant shall have complied with the provisions of Subsection B of this Article;
- (ii) The use of the Premises for the Permitted Uses or such other retail use and Landlord, in the reasonable exercise of its discretion, shall consent to (it being understood and agreed, however, that under no circumstances may the Premises be used for any of the Prohibited Uses);
- (iii) There shall be no subdivision of the Premises into more than one (1) unit;
- (iv) The proposed Transferee shall not be entitled, directly or indirectly, to diplomatic or sovereign immunity and shall be subject to the service of process in, and the jurisdiction of the courts of New York State;
- (v) Neither (a) the proposed Transferee, nor (b) any person which, directly or indirectly, controls, is controlled by or is under common control with, the proposed Transferee, is then an occupant of any part of the Building;
- (vi) The proposed Transferee is not a person with whom Landlord or Landlord's agent (directly or through a broker) is or has been, within the preceding six (6) month period, negotiating to lease space in the Building provided there is not then and Landlord does not reasonably anticipate having other reasonably comparable space available for leasing in the Building;

(vii) Tenant shall reimburse Landlord, as Additional Rent, for the reasonable costs that may be incurred by Landlord in connection with said assignment or sublease, including without limitation, the costs of making investigations as to the acceptability of the proposed Transferee, and reasonable legal costs incurred by Landlord in connection with the granting of any requested consent, not to exceed \$1,500.00 per request;

(viii) The proposed Transferee is a reputable person of good character and with sufficient financial worth considering the responsibility involved, and Landlord has been furnished with reasonable proof thereof;

(ix) The form of the proposed sublease or instrument of assignment (a) shall be in form reasonably satisfactory to Landlord, and (b) shall comply with the applicable provisions of this Article;

(x) There exists no Event of Default as of the effective date of the proposed assignment or commencement date of the proposed sublease; and

(xi) The Transferee deposits an amount equal to three (3) months of the current Minimum Rent with Landlord as additional Security Deposit.

Each subletting or assignment shall be subject to all of the covenants, agreements, terms, provisions and conditions contained in this Lease. Tenant further agrees that notwithstanding any such subletting, no other and further subletting of the Premises by Tenant or any person claiming through or under Tenant shall or will be made except upon compliance with and subject to the provisions of this Article. If Landlord shall decline to give its consent to any proposed assignment or sublease, Tenant shall indemnify, defend and hold harmless Landlord against and from any and all loss, liability, damages, costs, and expenses (including reasonable counsel fees) resulting from any claims that may be made against Landlord by the proposed Transferee or by any brokers or other persons claiming a commission or similar compensation in connection with the proposed assignment or sublease.

D. Future Requests. In the event that Tenant fails to execute and deliver the assignment or sublease to which Landlord consented within one hundred twenty (120) days after the giving of such consent, then, Tenant shall again comply with all of the provisions and conditions of Subsection B of this Article before assigning this Lease or subletting all or part of the Premises.

E. Sublease Provisions. With respect to each and every sublease or subletting authorized by Landlord under the provisions of this Lease, it is further agreed that:

(i) No subletting shall be for a term ending later than one (1) day prior to the Expiration Date of this Lease;

(ii) No sublease shall be delivered, and no subtenant shall take possession of the Premises or any part thereof, until an executed counterpart of such sublease has been delivered to Landlord;

(iii) Each sublease shall provide that it is subject and subordinate to this Lease and to the matters to which this Lease is or shall be subordinate, and that in the event of termination, re-entry or dispossession by Landlord under this Lease Landlord may, at its option, take over all of 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 counterclaim, offset or defense, not expressly provided in such sublease, which theretofore accrued to such subtenant against Tenant, or (c) be bound by any previous modification of such sublease or by any previous prepayment of more than one (1) month's Rent. The provisions of this Article shall be self-operative and no further instrument shall be required to give effect to this provision.

(iv) If Landlord shall recover or come into possession of the Premises before the date herein fixed for the termination of this Lease, Landlord shall have the right, at its option, to take over any and all subleases or sublettings of the Premises or any part thereof made by Tenant and to succeed to all the rights of said subleases and sublettings or such of them as it may elect to take over.

(v) Every subletting hereunder is subject to the condition and by its acceptance of and entry into a sublease, each subtenant thereunder shall be deemed conclusively to have thereby agreed from and after the termination of this Lease or re-entry by Landlord hereunder of or if Landlord shall otherwise succeed to Tenant's estate in the Premises, that such subtenant shall waive any right to surrender possession or to terminate the sublease and, at Landlord's election, such subtenant shall be bound to Landlord for the balance of the term of such sublease and shall attorn to and recognize Landlord, as its landlord, under all of the then executory terms of such sublease, except that Landlord shall not (i) be liable for any previous act, omission or negligence of Tenant under such sublease, (ii) be subject to any counterclaim, defense or offset not expressly provided for in such sublease, which theretofore accrued to such subtenant against Tenant, (iii) be bound by any previous modification or amendment of such sublease or by any previous prepayment of more than one (1) month's rent and Additional Rent which shall be payable as provided in the sublease, (iv) be obligated to repair the subleased space or the Building or any part thereof, in the event of total or substantial total damage beyond such repair as can reasonably be accomplished from the net proceeds of insurance actually made available to Landlord, (v) be obligated to repair the subleased space or the Building or any part thereof, in the event of partial condemnation beyond such repair as can reasonably be accomplished from the net proceeds of any award actually made available to Landlord as consequential damages allocable to the part of the subleased space or the Building not taken, or (vi) be obligated to perform any work in the subleased space of the Building or to prepare them for occupancy beyond Landlord's obligations under this Lease, and the subtenant shall execute and deliver to Landlord any instruments Landlord may reasonably request to evidence and confirm such attornment.

F. Assumption By Transferee; Liability of Tenant. Any assignment or subletting (whether or not Landlord's consent is required) shall be made only if, and shall not be effective until, the Transferee shall execute, acknowledge and deliver to Landlord an agreement in form and substance reasonably satisfactory to Landlord whereby the Transferee shall assume the obligations of this Lease on the part of Tenant to be performed or observed and whereby the Transferee shall agree that the provisions in Subsection A of this Article shall, notwithstanding such assignment or transfer, continue to be binding upon it in respect of all future assignments and transfers. Notwithstanding any assignment or subletting and/or acceptance of Rent by Landlord from any Transferee, Tenant shall and will remain fully liable for the payment of the Rent due and to become due hereunder and for the performance of all the covenants, agreements, terms, provisions and conditions contained in this Lease on the part of Tenant to be performed and all acts and omissions of any Transferee or anyone claiming under or through any Transferee which shall be in violation of any of the obligations of this Lease shall be deemed to be a violation by Tenant. The joint and several liability of Tenant and any immediate or remote successor in interest of Tenant and the due performance of the obligations of this Lease on Tenant's part to be performed or observed shall not be discharged, released or impaired in any respect by any agreement or stipulation made by Landlord extending the time, or modifying any of the obligations, of this Lease, or by any waiver or failure of Landlord to enforce any of the obligations of this Lease.

G. Profits From Assignment or Subletting. If Landlord shall give its consent to any assignment of this Lease or to any sublease or if Tenant shall enter into any other assignment or sublease permitted hereunder, Tenant shall in consideration therefor, pay to Landlord, as Additional Rent:

(i) in the case of an assignment (except for an assignment pursuant to Subsection 12J below, an amount equal to fifty (50%) percent of all sums and other considerations paid to Tenant by the assignee for or by reason of such assignment (including, but not limited to, sums paid for the sale of Tenant's fixtures, leasehold improvements, equipment, furniture, furnishings or other personal property, less, in the case of a sale thereof, the then fair market value thereof) less all expenses reasonably and actually incurred by Tenant on account of brokerage commissions and advertising costs in connection with such assignment; and

(ii) in the case of a sublease, fifty (50%) percent of any rents, additional charges or other consideration payable under the sublease to Tenant by the subtenant which is in excess of the Rent and Additional Rent accruing during the term of the sublease in respect of the subleased space (at the rate per square foot payable by Tenant hereunder) pursuant to the terms hereof (including, but not limited to, sums paid for the sale or rental of Tenant's fixtures, leasehold improvements, equipment, furniture or other personal property, less, in the case of the sale thereof, the then fair market value thereof), less all expenses reasonably and actually incurred by Tenant on account of brokerage commissions, advertising costs and the cost of demising the premises so sublet in connection with such sublease.

The sums payable under this Subsection shall be paid to Landlord as and when payable by the subtenant to Tenant.

H. Other Transfers.

(i) If Tenant is a corporation other than a corporation whose stock is listed and traded on a nationally recognized stock exchange (hereinafter referred to as a "public corporation") unless such stock shall be sold, transferred or otherwise conveyed by persons deemed "insiders" within the meaning of the Securities Exchange Act of 1934, as amended, the provisions of Subsection A of this Article shall apply to a transfer (by one or more transfers) of a majority of the stock of Tenant as if such transfer of a majority of the stock of Tenant were an assignment of this Lease. The provisions of this paragraph shall apply equally to any corporation which directly or indirectly controls Tenant.

(ii) If Tenant is a limited liability company, partnership, limited liability partnership or other business entity, the provisions of Subsection A of this Article shall apply to a transfer (by one or more transfers) of a majority interest in the limited liability company, partnership, limited liability partnership or other business entity or in any entity which directly or indirectly controls such limited liability company, partnership, limited liability partnership or other business entity, as if such transfer were an assignment of this Lease.

I. Related Entity. Notwithstanding anything contained herein to the contrary, Landlord shall not unreasonably withhold or delay its consent, Landlord shall not be permitted to exercise the Recapture Option, and the provisions of Subsection 12G shall not apply in the event of an assignment of this Lease or a sublease of all or part of the Premises where the Transferee is a Related Entity, provided that such transfer is not for the purposes of circumventing the provisions of this Article. A "Related Entity" shall mean any business entity (i) which controls, is controlled by, or is under common control with Tenant, (ii) to which substantially all of Tenant's assets are transferred, or (iii) into which Tenant may be merged or consolidated, provided that the net worth, experience and reputation of the Related Entity is equal to or greater than the net worth, experience and reputation of Tenant and of any guarantor

of this Lease (if applicable) immediately prior to such transfer and provided further that any such transaction complies with the other provisions of this Article. No such transfer shall relieve, release, impair or discharge any of Tenant's obligations hereunder. For the purposes hereof, "control" shall be deemed to mean ownership of not less than fifty (50%) percent of all of the voting stock of such corporation or not less than fifty (50%) percent of all of the legal and equitable interests in any other business entities. Tenant must give Landlord not less than ten (10) days' prior written notice of any transaction with a Related Entity, together with reasonably supporting documentation showing how the Related Entity is related to Tenant.

J. Sale of Tenant's Business.

(i) Notwithstanding anything contained herein to the contrary, Landlord agrees that (a) it shall not unreasonably withhold or delay its consent to an assignment of this Lease to a Permitted Transferee (as defined in Subsection 12J(ii) below) and (b) the provisions of Subsection G of this Article 12 shall not apply in connection with any assignment of this Lease to a Permitted Transferee; provided that (1) such assignment is in connection with a bona fide sale of Tenant's business and not just for the purpose of transferring this Lease and that all of the other provisions of this Article 12 shall be applicable to any such assignment, and (2) the Minimum Rent shall be increased to the fair market rental value for the Premises as of the effective date of such sale. The fair market rental value shall be determined in accordance with the provisions of Schedule B annexed hereto and made a part hereof.

(ii) The term "**Permitted Transferee**" shall mean any corporation, limited partnership, limited liability partnership, limited liability company or other business entity acquiring all or substantially all of Tenant's assets provided that such entity's Tangible Net Worth after such acquisition is not less than the greater of (a) the Tangible Net Worth of Tenant as of the date hereof, or (b) the Tangible Net Worth of Tenant as of the date of such acquisition, and provided further that such entity shall have a Tangible Net Worth sufficient to meet its obligations under this Lease. As used herein "**Tangible Net Worth**" shall mean the excess of total assets over total liabilities, in each case as determined in accordance with generally accepted accounting principles consistently applied excluding, however, from the determination of total assets all assets which would be classified as intangible assets under generally accepted accounting principles consistently applied including goodwill, licenses, patents, trademarks, trade names, copyrights, and franchises.

13. ACCESS TO PREMISES. Tenant shall permit Landlord, Landlord's agents and public utilities servicing the Building to erect, use and maintain, concealed ducts, pipes and conduits in and through the Premises. Landlord or Landlord's agents shall have the right to enter the Premises at all reasonable times to examine the same, to show them to prospective purchasers, mortgagees or lessees of the Building or space therein, and to make such repairs as Landlord may deem necessary to the Premises or to any other portion of the Building or which Landlord may elect to perform following Tenant's failure to make repairs or perform any work which Tenant is obligated to perform under this Lease, or for the purpose of complying with Legal Requirements and Landlord shall be allowed to take all material into and upon the Premises that may be required therefor without the same constituting an eviction or constructive eviction of Tenant in whole or in part and the Rent shall in nowise abate while said repairs, alterations, improvements or additions are being made, by reason of loss or interruption of business of Tenant, or otherwise. During the one (1) year prior to the Expiration Date or the expiration of any renewal or extended term, Landlord may exhibit the Premises to prospective tenants thereof. Except in the event of an emergency or where such entry is required pursuant to Legal Requirements, Landlord's right of entry pursuant to this Article shall be exercised following reasonable advance notice to Tenant (which notice may be oral) and Landlord agrees that while exercising such right of entry or making such repairs, replacements or improvements, Landlord shall use reasonable efforts to minimize interference with the

conduct of Tenant's business, without however, the necessity of incurring any overtime or other additional expense. If, during the last twelve (12) months of the Term, Tenant shall have removed all or substantially all of Tenant's property therefrom, Landlord may immediately enter and alter, renovate and redecorate the Premises, without elimination or abatement of Rent, or incurring liability to Tenant for any compensation, and such acts shall not be deemed an actual or constructive eviction and shall have no effect upon this Lease. If Tenant shall not be personally present to open and permit an entry into the Premises, at any time, when for any reason an entry therein shall be necessary or permissible, Landlord or Landlord's agents may enter the same by a master key, or in the event of an emergency may forcibly enter the same, without rendering Landlord or such agents liable therefor (if during such entry Landlord or Landlord's agents shall accord reasonable care to Tenant's property), and without in any manner affecting the obligations and covenants of this Lease.

14. LANDLORD'S LIABILITY. If the Building shall be sold, leased or otherwise transferred, Landlord shall be relieved of all future obligations and liabilities hereunder and the transferee shall be deemed to have assumed and agreed to perform all such obligations and liabilities of Landlord under this Lease. In the event of such sale, lease or transfer, Landlord shall also be relieved of all existing obligations and liabilities hereunder provided that the transferee assumes in writing such obligations. Neither the shareholders, directors or officers of Landlord, if Landlord is a corporation, nor the partners comprising Landlord (nor any of the shareholders, directors or officers of such partners), if Landlord is a partnership, nor any member of Landlord, if Landlord is a limited liability company (collectively, the "Parties"), shall be liable for the performance of Landlord's obligations under this Lease. Tenant shall look solely to Landlord to enforce Landlord's obligations hereunder and shall not seek any damages against any of the Parties. The liability of Landlord for Landlord's obligations under this Lease shall not exceed and shall be limited to Landlord's interest in the Building and the Real Property and Tenant shall not look to any other property or assets of Landlord or the property or assets of any of the Parties in seeking either to enforce Landlord's obligations under this Lease or to satisfy a judgment for Landlord's failure to perform such obligations. Landlord shall have no liability for any consequential or punitive damages.

15. DEFAULT.

A. Events of Default. This Lease and the term and estate hereby granted are subject to the limitations that upon the occurrence, at any time prior to or during the Term, of any one or more of the following events (referred to as "Events of Default"):

(1) if Tenant shall default in the payment when due of any installment of Rent or in the payment when due of any Additional Rent, and such default shall continue for a period of seven (7) days; or

(2) if Tenant shall default in the observance or performance of any term, covenant or condition of this Lease on Tenant's part to be observed or performed (other than the covenants for the payment of Rent and Additional Rent) and Tenant shall fail to remedy such default within thirty (30) days after notice by Landlord to Tenant of such default, or if such default is of such a nature that it cannot be completely remedied within said period of thirty (30) days and Tenant shall not commence within said period of thirty (30) days, or shall not thereafter diligently prosecute to completion all steps necessary to remedy such default; or

(3) if Tenant shall default in the observance or performance of any term, covenant or condition on Tenant's part to be observed or performed under any other lease with Landlord

of space in the Building and such default shall continue beyond any grace period set forth in such other lease for the remedying of such default; or

(4) if Tenant's interest in this Lease shall devolve upon or pass to any person, whether by operation of law or otherwise, except as may be expressly permitted herein; or

(5) if Tenant shall file a voluntary petition in bankruptcy or insolvency, or shall be adjudicated a bankrupt or insolvent, or shall file any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or any future federal bankruptcy act or any other present or future applicable federal, state or other statute or law, or shall make an assignment for the benefit of creditors or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of Tenant or of all or any part of Tenant's property; or

(6) if, within sixty (60) days after the commencement of any proceeding against Tenant, whether by the filing of a petition or otherwise, seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or any future federal bankruptcy act or any other present or future applicable federal, state or other statute or law, such proceeding shall not have been dismissed, or if, within sixty (60) days after the appointment of any trustee, receiver or liquidator of Tenant, or of all or any part of Tenant's property, without the consent or acquiescence of Tenant, such appointment shall not have been vacated or otherwise discharged, or if any execution or attachment shall be issued against Tenant or any of Tenant's property pursuant to which the Premises shall be taken or occupied or attempted to be taken or occupied;

(7) if Tenant shall fail to deliver a certificate as required by Subsection C of Article 7, which failure shall continue for five (5) days after notice thereof;

then, in any of said cases, at any time prior to or during the Term, of any one or more of such Events of Default, Landlord, at any time thereafter, at Landlord's option, may give to Tenant a three (3) days' notice of termination of this Lease and, in the event such notice is given, this Lease and the Term shall come to an end and expire (whether or not the Term shall have commenced) upon the expiration of said three (3) days with the same effect as if the date of expiration of said three (3) days were the Expiration Date, but Tenant shall remain liable for damages as provided in Article 16 hereof.

B. Effect of Bankruptcy.

(i) If, at any time, (a) Tenant shall be comprised of two (2) or more persons, or (b) Tenant's obligations under this Lease shall have been guaranteed by any person other than Tenant, or (c) Tenant's interest in this Lease shall have been assigned, the word "Tenant", as used in clauses (6) and (7) of Subsection A of this Article, shall be deemed to mean any one or more of the persons primarily or secondarily liable for Tenant's obligations under this Lease. Any monies received by Landlord from or on behalf of Tenant during the pendency of any proceeding of the types referred to in said clauses (6) and (7) shall be deemed paid as compensation for the use and occupation of the Premises and the acceptance of any such compensation by Landlord shall not be deemed an acceptance of rent or a waiver on the part of Landlord of any rights under said Subsection A.

(ii) If a termination pursuant to Subsection A of this Article is stayed by order of any court having jurisdiction over any Tenant Bankruptcy Proceeding, or by federal or state statute, then, (a) following the lifting, vacating or expiration of any such stay, or (b) if the trustee appointed in any such Bankruptcy Proceeding, Tenant or Tenant as debtor-in-possession shall fail to assume Tenant's

obligations under this Lease within the period prescribed therefor by law or within sixty (60) days after entry of the order for relief or as may be allowed by the court, or (c) if said trustee, Tenant or Tenant as debtor-in-possession shall fail to provide adequate protection of Landlord's right, title and interest in and to the Premises or adequate assurance of the complete and continuous future performance of Tenant's obligations under this Lease (as described below) the Landlord, to the extent permitted by law or by leave of the court having jurisdiction over such Bankruptcy Proceeding, shall have the right, at its election, to terminate this Lease on ten (10) days' notice to Tenant, Tenant as debtor-in-possession or said trustee and upon the expiration of said ten (10) day period this Lease shall cease and expire as aforesaid and Tenant, Tenant as debtor-in-possession or said trustee shall immediately quit and surrender the Premises as aforesaid.

(iii) If this Lease is assumed and assigned to any person or entity pursuant to the Bankruptcy Code, then, consistent with Section 365 of the Bankruptcy Code, any and all monies or other consideration payable or otherwise to be delivered in connection with such assumption and assignment shall be paid or delivered to Landlord, and 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 consideration 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 or turned over to Landlord.

(iv) Any person to which this Lease is assigned pursuant to 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 assumption and assignment. Any such assignee shall execute and deliver to Landlord upon demand an instrument confirming such assumption.

(v) If Tenant assumes this Lease and proposes to assign the same pursuant to the provisions of the Bankruptcy Code to any person who makes a bona fide offer to accept an assignment of this Lease on terms acceptable to Tenant, then, except as otherwise required by the Bankruptcy Code, notice of such proposed assignment shall be given to Landlord by Tenant no later than twenty (20) days after receipt by Tenant, but in any event no later than ten (10) days prior to the date that Tenant makes application to a court of competent jurisdiction for authority and approval to enter into such assumption and assignment. Such notice shall set forth (a) the name and address of such proposed assignee, (b) all of the terms and conditions of such offer, and (c) adequate assurance of future performance by such person under the Lease, including, but not limited to, the assurance referred to in Section 365(b)(3) of the Bankruptcy Code. Landlord shall have the prior right and option, to be exercised by notice given to Tenant 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 would otherwise be payable by Tenant out of the consideration to be paid by such proposed assignee in connection with such assignment.

(vi) If, at any time after the originally named Tenant herein may have assigned Tenant's interest in this Lease, this Lease is disaffirmed or rejected in any Bankruptcy Proceeding, or in any similar proceeding, or in the event of the termination of this Lease by reason of a Bankruptcy Proceeding, or by reason of lapse of time following notice of termination given pursuant to this Article based upon any of the Events of Default set forth in this Article, then any prior Tenant, including the originally named Tenant, upon request of Landlord given within thirty (30) days next following any such disaffirmance, rejection or termination (and actual notice thereof to Landlord in the event of a disaffirmance or rejection or in the event of termination other than by act of Landlord), shall (a) pay to Landlord all Minimum Rent and all additional rent due and owing by the assignee to Landlord under this Lease to and including the date of such disaffirmance, rejection, or termination, and (b) as "tenant" enter

into a new lease with Landlord of the Premises for a term commencing on the effective date of such disaffirmance, rejection or termination and ending on the Expiration Date, unless sooner terminated as in such lease provided, at the same Minimum Rent and upon the then executory terms, covenants and conditions as are contained in this Lease, except that (1) Tenant's rights under the new lease shall be subject to the possessory rights of the assignee under this Lease and the possessory rights of any person claiming through or under such assignee or by virtue of any statute or of any order of any court, (2) such new lease shall require all defaults existing under this Lease to be cured by Tenant with due diligence, and (3) such new lease shall require Tenant to pay all Rent reserved in this Lease, which, had this Lease not been so disaffirmed, rejected or terminated, would have accrued hereunder after the date of such disaffirmance, rejection or termination with respect to any period prior thereto. If any such prior Tenant defaults in its obligation to enter into said new lease for a period of thirty (30) days next following Landlord's request therefor, then, in addition to all other rights and remedies by reason of such default, either at law or in equity, Landlord shall have the same rights and remedies against such Tenant as if such Tenant had entered into such new lease and such new lease had thereafter been terminated as of the commencement date thereof by reason of such Tenant's default thereunder.

(vii) Notwithstanding anything in this Lease to the contrary, all amounts payable by Tenant to or on behalf of Landlord under this Lease, whether or not expressly denominated Minimum Rent, Tax Payment, Additional Rent, or Rent, shall constitute rent for the purposes of Section 502(b)(6) of the Bankruptcy Code.

(viii) As used herein, (a) "**Bankruptcy Code**" shall mean 11 U.S.C. Section 101 *et seq.* or any statute of similar nature and purpose, and (b) the term "**adequate assurance of future performance**" shall mean that any proposed assignee shall, among other things (1) deposit with Landlord on the assumption of this Lease an amount equal to the then Minimum Rent as security for the faithful observance and performance by such assignee of the terms and obligations of this Lease, which sum shall be held by Landlord, (2) furnish Landlord with financial statements of such assignee for the prior three (3) fiscal years, as finally determined after an audit and certified as correct by a certified public accountant, which financial statements show a net worth reasonably acceptable to Landlord, and (3) provide such other information or take such other action as Landlord, in its reasonable judgment, determines is necessary to provide adequate assurance of the performance by such assignee of its obligations under this Lease.

C. Conditional Limitation. Nothing contained in this Article shall be deemed to require Landlord to give the notices herein provided for prior to the commencement of a summary proceeding for non-payment of rent or a plenary action for recovery of rent on account of any default in the payment of the same, it being intended that such notices are for the sole purpose of creating a conditional limitation hereunder pursuant to which this Lease shall terminate and if Tenant thereafter remains in possession after such termination if Tenant shall do so as a holdover tenant.

D. Repeated Defaults. Tenant expressly recognizes that Tenant's due and punctual performance of all its obligations under this Lease throughout the term hereof is of paramount importance to Landlord, and, without limiting any of the provisions of this Lease, Tenant agrees that, if Tenant (i) shall fail to pay for five (5) days after it becomes due an installment of Minimum Rent or any Additional Rent for two (2) consecutive months or for a total of three (3) months during the Term, or (ii) shall default in the timely performance of any other obligation of Tenant under this Lease with respect to which Landlord shall have given Tenant notice of default, and such default shall occur more than two (2) times in any period of twelve (12) months, then notwithstanding that such failure or other default shall have been cured within the applicable grace period provided in this Lease, any further similar default shall be

deemed to be deliberate and Landlord thereafter may, without further notice of default, serve a three (3) day notice of cancellation of this Lease as and with the effects provided in Subsection A of this Article.

16. REMEDIES AND DAMAGES.

A. Landlord's Remedies.

(1) If an Event of Default shall occur and be continuing, or if this Lease and the Term shall expire and come to an end as provided in Article 15:

(a) Landlord and its agents and servants may immediately, or at any time after such default or after the date upon which this Lease and the Term shall expire and come to an end, re-enter the Premises or any part thereof, either by summary proceedings, or by any other applicable action or proceeding, (without being liable to indictment, prosecution or damages therefor), and may repossess the Premises and dispossess Tenant and any other persons from the Premises and remove any and all of their property and effects from the Premises; and

(b) Landlord, at Landlord's option, may relet the whole or any part or parts of the Premises from time to time, either in the name of Landlord or otherwise, to such tenant or tenants, for such term or terms ending before, on or after the Expiration Date, at such rental or rentals and upon such other conditions, which may include concessions and free rent periods, as Landlord, in its sole discretion, may determine. Landlord shall have no obligation to relet the Premises or any part thereof and shall in no event be liable for refusal or failure to relet the Premises or any part thereof, or, in the event of any such reletting, for refusal or failure to collect any rent due upon any such reletting, and no such refusal or failure shall operate to relieve Tenant of any liability under this Lease or otherwise to affect any such liability; Landlord, at Landlord's option, may make such repairs, replacements, alterations, additions, improvements, decorations and other physical changes in and to the Premises as Landlord, in its sole discretion, considers advisable or necessary in connection with any such reletting or proposed reletting, without relieving Tenant of any liability under this Lease or otherwise affecting any such liability.

(2) Tenant hereby waives the service of any notice of intention to re-enter or to institute legal proceedings to that end which may otherwise be required to be given under any present or future law. Tenant, on its own behalf and on behalf of all persons claiming through or under Tenant, including all creditors, does further hereby waive any and all rights which Tenant and all such persons might otherwise have under any present or future law to redeem the Premises, or to re-enter or repossess the Premises, or to restore the operation of this Lease, after (i) Tenant shall have been dispossessed by a judgment or by warrant of any court or judge, or (ii) any re-entry by Landlord, or (iii) any expiration or termination of this Lease and the Term, whether such dispossession, re-entry, expiration or termination shall be by operation of law or pursuant to the provisions of this Lease. In the event of a breach or threatened breach by Tenant, or any persons claiming through or under Tenant, of any term, covenant or condition of this Lease on Tenant's part to be observed or performed, Landlord shall have the right to enjoin such breach and the right to invoke any other remedy allowed by law or in equity as if re-entry, summary proceedings and other special remedies were not provided in this Lease for such breach. The right to invoke the remedies hereinbefore set forth are cumulative and shall not preclude Landlord from invoking any other remedy allowed at law or in equity.

B. Damages.

(1) If this Lease and the Term shall expire and come to an end as provided in Article 15, or by or under any summary proceeding or any other action or proceeding, or if Landlord shall re-enter the Premises as provided in Subsection A of this Article, or by or under any summary proceeding or any other action or proceeding, then, in any of said events:

(a) Tenant shall pay to Landlord all Rent, Additional Rent and other charges payable under this Lease by Tenant to Landlord to the date upon which this Lease and the Term shall have expired and come to an end or to the date of re-entry upon the Premises by Landlord, as the case may be;

(b) Tenant also shall be liable for and shall pay to Landlord, as damages, any deficiency (referred to as "Deficiency") between the Rent reserved in this Lease for the period which otherwise would have constituted the unexpired portion of the Term and the net amount, if any, of rents collected under any reletting effected pursuant to the provisions of Subsection A(1) of this Article for any part of such period (first deducting from the rents collected under any such reletting all of Landlord's expenses in connection with the termination of this Lease, or Landlord's reentry upon the Premises and with such reletting including, but not limited to, all repossession costs, brokerage commissions, legal expenses, attorneys' fees and disbursements, alteration costs and other expenses of preparing the Premises for such reletting); any such Deficiency shall be paid in monthly installments by Tenant on the days specified in this Lease for payment of installments of Rent, Landlord shall be entitled to recover from Tenant each monthly Deficiency as the same shall arise, and no suit to collect the amount of the Deficiency for any month shall prejudice Landlord's right to collect the Deficiency for any subsequent month by a similar proceeding; and

(c) whether or not Landlord shall have collected any monthly Deficiencies as aforesaid, Landlord shall be entitled to recover from Tenant, and Tenant shall pay to Landlord, on demand, in lieu of any further Deficiencies as and for liquidated and agreed final damages, a sum equal to the amount by which the Rent reserved in this Lease for the period which otherwise would have constituted the unexpired portion of the Term exceeds the then fair and reasonable rental value of the Premises for the same period, less the aggregate amount of Deficiencies theretofore collected by Landlord pursuant to the provisions of Subsection B(1)(b) of this Article for the same period; if, before presentation of proof of such liquidated damages to any court, commission or tribunal, the Premises, or any part thereof, shall have been relet by Landlord for the period which otherwise would have constituted the unexpired portion of the Term, or any part thereof, the amount of rent reserved upon such reletting shall be deemed, prima facie, to be the fair and reasonable rental value for the part or the whole of the Premises so relet during the term of the reletting.

(2) If the Premises, or any part thereof, shall be relet together with other space in the Building, the rents collected or reserved under any such reletting and the expenses of any such reletting shall be equitably apportioned for the purposes of this Subsection B. Tenant shall in no event be entitled to any rents collected or payable under any reletting, whether or not such rents shall exceed the Rent reserved in this Lease. Solely for the purposes of this Article, the term "Rent" as used in Subsection B(1) of this Article shall mean the Rent in effect immediately prior to the date upon which this Lease and the Term shall have expired and come to an end, or the date of re-entry upon the Premises by Landlord, as the case may be, adjusted to reflect any increase or decrease pursuant to the provisions of Article 3 hereof for the Comparison Year immediately preceding such event. Nothing contained in Article 15 or this Article shall be deemed to limit or preclude the recovery by Landlord from Tenant of the maximum amount allowed to be obtained as damages by any statute or rule of law, or of any sums or damages to which Landlord may be entitled in addition to the damages set forth in Subsection B(1) of this Article.

C. Legal Fees.

(i) Tenant hereby agrees to pay, as Additional Rent, all reasonable attorneys' fees and disbursements (and all other court costs or expenses of legal proceedings) which Landlord may incur or pay out by reason of, or in connection with (a) any action or proceeding by Landlord against Tenant (including, but not limited to, any arbitration proceeding); (b) any default by Tenant in the observance or performance of any obligation under this Lease (including, but not limited to, matters involving payment of rent and Additional Rent, computation of escalations, alterations or other Tenant's work and subletting or assignment), whether or not Landlord commences any action or proceeding against Tenant; (c) any action or proceeding brought by Tenant against Landlord (or any officer, partner or employee of Landlord) in which Tenant fails to secure a final unappealable judgment against Landlord; and (d) any other appearance by Landlord (or any officer, partner or employee of Landlord) as a witness or otherwise in any action or proceeding whatsoever involving or affecting Landlord, Tenant or this Lease, in which Landlord is not named as a party.

(ii) Tenant's obligations under this Subsection C shall survive the expiration of the Term hereof or any earlier termination of this Lease.

17. FEES AND EXPENSES.

A. Curing Tenant's Defaults. If Tenant shall default in the observance or performance of any term or covenant on Tenant's part to be observed or performed under or by virtue of any of the terms or provisions in any Article of this Lease, Landlord may immediately or at any time thereafter on five (5) days' notice perform the same for the account of Tenant, and if Landlord makes any expenditures or incurs any obligations for the payment of money in connection therewith including, but not limited to reasonable attorneys' fees and disbursements in instituting, prosecuting or defending any action or proceeding, such sums 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 five (5) days of rendition of any bill or statement to Tenant therefor. Tenant acknowledges that Landlord need not await the expiration of any cure period afforded Tenant if the circumstances constitute an emergency requiring immediate action.

B. Late Charges.

(i) If any installment of Minimum Rent or any Additional Rent shall not be paid within five (5) days after such installment shall have first become due, Tenant shall also pay to Landlord (a) an administrative late charge in the amount of four (4%) percent of the overdue amount, and (b) interest thereon at the Interest Rate from the due date until such installment of Minimum Rent or Additional Rent is fully paid. Such administrative late charge and interest charge shall be due and payable as Additional Rent with the next monthly installment of Minimum Rent.

(ii) If any check delivered to Landlord in full or partial payment of any amounts due to Landlord pursuant to the terms of this Lease shall not be honored by reason of insufficient or uncollected funds or for any other reason, then Tenant shall pay to Landlord a service charge on account thereof in the amount of \$500.00, which service charge shall be due and payable as Additional Rent with the next monthly installment of Minimum Rent.

18. NO REPRESENTATIONS BY LANDLORD. Landlord or Landlord's agents have made no representations or promises with respect to the Building, the Real Property, the Premises or Taxes or any other matter related to this Lease and Tenant's occupancy of 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 herein. All references in this Lease to the consent or approval of Landlord shall be deemed to mean the written consent of Landlord or the written approval of Landlord and no consent or approval of Landlord shall be effective for any purpose unless such consent or approval is set forth in a written instrument executed by Landlord.

19. END OF TERM.

A. Surrender of Premises. Upon the expiration or other termination of the Term, Tenant shall quit and surrender to Landlord the Premises, broom clean, in good order and condition, ordinary wear and tear and damage for which Tenant is not responsible under the terms of this Lease excepted, and Tenant may remove all of its property pursuant to Article 4. Tenant's obligation to observe or perform this covenant shall survive the expiration or sooner termination of the Term. If the last day of the Term or any renewal thereof falls on Saturday or Sunday this Lease shall expire on the business day immediately preceding. Tenant expressly waives, for itself and for any person claiming through or under Tenant, any rights which Tenant or any such person may have under the provisions of Section 2201 of the New York Civil Practice Law and of any successor law of like import then in force in connection with any holdover summary proceedings which Landlord may institute to enforce the provisions of this Article. In addition, the parties recognize and agree that the damage to Landlord resulting from any failure by Tenant to timely surrender possession of the Premises as aforesaid will be substantial, will exceed the amount of the monthly installments of the Rent theretofore payable hereunder, and will be impossible to accurately measure. Tenant therefore agrees that if possession of the Premises is not surrendered to Landlord within twenty-four (24) hours after the Expiration Date or sooner termination of the Term, in addition to any other rights or remedy Landlord may have hereunder or at law, Tenant shall pay to Landlord for each month and for each portion of any month during which Tenant holds over in the Premises after the Expiration Date or sooner termination of this Lease, a sum equal to the greater of (i) the then fair market rental value for the Premises as determined by Landlord, and (ii) two (2) times the aggregate of that portion of the Rent and the Additional Rent which was payable under this Lease during the last month of the Term. Nothing herein contained shall be deemed to permit Tenant to retain possession of the Premises after the Expiration Date or sooner termination of this Lease and no acceptance by Landlord of payments from Tenant after the Expiration Date or sooner termination of the Term shall be deemed to be other than on account of the amount to be paid by Tenant in accordance with the provisions of this Article, which provisions shall survive the Expiration Date or sooner termination of this Lease.

B. Holdover by Tenant. If Tenant shall hold-over or remain in possession of any portion of the Premises for a period of thirty (30) days beyond the Expiration Date of this Lease, notwithstanding the acceptance of any Rent and Additional Rent paid by Tenant pursuant to Subsection A of this Article, Tenant shall be subject not only to summary proceeding and all damages related thereto, but also to any damages arising out of lost opportunities (and/or new leases) by Landlord to re-let the Premises (or any part thereof). All damages to Landlord by reason of such holding over by Tenant may be the subject of a separate action and need not be asserted by Landlord in any summary proceedings against Tenant.

20. QUIET ENJOYMENT. Landlord covenants and agrees with Tenant that upon Tenant paying the Rent and Additional Rent and observing and performing all the terms, covenants and conditions, on Tenant's part to be observed and performed, Tenant may peaceably and quietly enjoy the Premises subject, nevertheless, to the terms and conditions of this Lease and to all Superior Leases and Mortgages.

21. FAILURE TO GIVE POSSESSION. Tenant waives any right to rescind this Lease under Section 223-a of the New York Real Property Law or any successor statute of similar import then in force and further waives the right to recover any damages which may result from Landlord's failure to deliver

possession of the Premises on the date set forth herein for the commencement of the Term. If Landlord shall be unable to give possession of the Premises on such date, and provided Tenant is not responsible for such inability to give possession, the Rent reserved and covenanted to be paid herein shall not commence until the possession of the Premises is given or the Premises are available for occupancy by Tenant, and no such failure to give possession on such date shall in anyway affect the validity of this Lease or the obligations of Tenant hereunder or give rise to any claim for damages by Tenant or claim for rescission of this Lease, nor shall same be construed in any way to extend the Term.

22. NO WAIVER. No act or thing done by Landlord or Landlord's agents during the Term shall be deemed an acceptance of a surrender of the Premises, and no agreement to accept such surrender shall be valid unless in writing signed by Landlord. No employee of Landlord or of Landlord's agents shall have any power to accept the keys of the Premises prior to the termination of this Lease. The delivery of keys to any employee of Landlord or of Landlord's agents shall not operate as a termination of this Lease or a surrender of the Premises. The failure of either party to seek redress for violation of, or to insist upon the strict performance of, any covenant or condition of this Lease, or any of the Rules and Regulations set forth or hereafter adopted by Landlord, shall not prevent a subsequent act, which would have originally constituted a violation, from having all force and effect of an original violation. The receipt by Landlord of Rent with knowledge of the breach of any covenant of this Lease shall not be deemed a waiver of such breach. The failure of Landlord to enforce any of the Rules and Regulations set forth, or hereafter adopted, against Tenant shall not be deemed a waiver of any such Rules and Regulations. No provision of this Lease shall be deemed to have been waived by either party unless such waiver be in writing signed by such party. 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, or as Landlord may elect to apply same, nor shall any endorsement or statement on 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. This Lease contains the entire agreement between the parties and all prior negotiations and agreements are merged in this Lease. 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.

23. WAIVER OF TRIAL BY JURY. It is mutually agreed by and between Landlord and Tenant that they 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 on any matters whatsoever arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant, Tenant's use or occupancy of the Premises, and/or any claim of injury or damage, or for the enforcement of any remedy under any statute, emergency or otherwise. It is further mutually agreed that in the event Landlord commences any summary proceeding (whether for nonpayment of rent or because Tenant continues in possession of the Premises after the expiration or termination of the Term), Tenant will not interpose any counterclaim (except for mandatory or compulsory counterclaims) of whatever nature or description in any such proceeding.

24. INABILITY TO PERFORM. This Lease and the obligation of Tenant to pay Rent and Additional Rent hereunder and perform all of the other covenants and agreements hereunder on the part of Tenant to be performed shall in nowise be affected, impaired or excused because Landlord is unable to fulfill any of its obligations under this Lease expressly or impliedly to be performed by Landlord or because Landlord is unable to make, or is delayed in making any repairs, additions, alterations, improvements or decorations or is unable to supply or is delayed in supplying any equipment or fixtures if Landlord is prevented or delayed from so doing by reason of strikes or labor troubles or by accident or by

any cause whatsoever reasonably beyond Landlord's control, including but not limited to, laws, governmental preemption in connection with a national emergency or by reason of any rule, order or regulation of any federal, state, county or municipal authority or any department or subdivision thereof or any government agency or by reason of the conditions of supply and demand which have been or are affected by war or other emergency.

25. BILLS AND NOTICES. Except as otherwise expressly provided in this Lease, any bills, statements, notices, demands, requests or other communications given or required to be given under this Lease shall be deemed sufficiently given or rendered if in writing, sent postage prepaid, by registered or certified mail (return receipt requested), via overnight courier, or by hand delivery, addressed (a) to Tenant at Tenant's Address for Notices, or (b) to Landlord at Landlord's Address for Notices, or (c) to such other address as either Landlord or Tenant may designate as its new Address for Notices by notice given to the others in accordance with the provisions of this Article. Tenant hereby acknowledges and agrees that any such bill, statement, demand, notice, request or other communication may be given by Landlord's agent on behalf of Landlord. Any Landlord's Statement, bill, notice or other communication by Landlord with respect to Rent may be given by regular mail and need not be sent to any party other than Tenant. Any such bill, statement, demand, notice, request or other communication shall be deemed to have been rendered or given on the date when it shall have been mailed as provided in this Article.

26. SERVICES.

A. Landlord's Obligation. Except to the extent expressly provided in this Article or elsewhere in this Lease, Landlord shall not be required to furnish any services to Tenant.

B. HVAC.

(i) Landlord shall have no obligation to provide heat to the Premises. Tenant shall be obligated, at Tenant's sole cost and expense, to keep the Premises heated to at least 55°F at all times.

(ii) Air conditioning shall be provided to the Premises by means of one or more separate package air conditioning units (collectively, the "Unit"). If no Unit exclusively serves the Premises as of the date hereof, Tenant shall be responsible for installing a Unit (in accordance with the provisions of this Lease, including, without limitation, Article 4 hereof). Tenant shall, at its sole cost and expense, maintain and operate the Unit. Tenant's obligation to maintain the Unit shall include, but not be limited to, the periodic cleaning and/or replacement of filters, replacement of fuses and belts, the calibration of thermostats and all start-up and shut down maintenance of the Unit. Tenant shall, at its sole cost and expense, perform any and all necessary repairs to, and cause any and all replacements of, the Unit (except that Tenant shall not be required to replace the Unit at the expiration or termination of the Term). The existing Unit, if any, and any replacements thereof or additional air conditioning units installed by Tenant during the Term shall be and remain at all times the property of Landlord, and Tenant shall surrender the Unit and all such repairs and replacements to Landlord in good working order and condition on the Expiration Date, ordinary wear and tear excepted. Tenant accepts the existing Unit, if any, in its "as is" condition.

C. Cleaning.

(i) Landlord, at its expense, shall cause the Building common areas to be cleaned in accordance with the Building's standard practice.

(ii) Tenant, at its sole cost and expense, shall cause the Premises to be cleaned in a first-class manner to Landlord's satisfaction. Tenant shall make all repairs and replacements to the sidewalks and curbs adjacent to the Premises and shall keep said sidewalks and curbs free from snow, ice, dirt and rubbish.

(iii) 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 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.

D. Trash Removal. Tenant covenants and agrees, at its sole cost and expense, to comply with all present and future Legal Requirements regarding the collection, sorting, separation and recycling of waste products, garbage, refuse and trash (collectively "Rubbish"). Tenant shall sort and separate the Rubbish into such categories as provided by law. 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 trash or recycling laws. Tenant shall pay for the cost of removal from the Premises and the Building of Tenant's Rubbish and shall use a contractor approved by Landlord for such removal. Tenant, at Tenant's expense shall store any refuse generated by the consumption of food or beverages at the Premises (so-called "wet garbage") in a cold box or similar facility, and shall be responsible for any damage caused to the Premises or the Building by the existence of such wet garbage, including any leakage of such wet garbage.

E. Sprinkler System. Anything elsewhere in this Lease to the contrary notwithstanding, if any Governmental Agency requires or recommends that any changes, modifications, alterations or additional sprinkler heads or other equipment be made or supplied to the sprinkler system by reason of Tenant's business, or the location of the partitions, trade fixtures, or other contents of the Premises, then Tenant shall, at Tenant's expense, or, at Landlord's election, Landlord shall, at Tenant's expense, promptly make and supply such changes, modifications, alterations, additional sprinkler heads or other equipment (pursuant to submission of necessary engineering plans and specifications for Landlord's reasonable approval), whether the work involved shall be structural or non-structural in nature.

F. Water. Tenant shall obtain and pay for Tenant's supply of water and sewer services for the Premises by direct application to and arrangement with the public utility company serving the Building and shall arrange for the installation of its own water meter with such utility company at Tenant's sole cost and expense.

G. Electricity Service.

(i) Tenant shall obtain and pay for Tenant's supply of electric current for the Premises by direct application to and arrangement with the public utility company serving the Building and shall arrange for the installation of its own electric meter with such utility company at Tenant's sole cost and expense.

(ii) Any additional feeders or risers to be installed to supply Tenant's additional electrical requirements and all other equipment proper and necessary in connection with such feeders or risers, shall be installed by Landlord upon Tenant's request, at the sole cost and expense of Tenant, provided that, in Landlord's judgment, such additional feeders or risers are necessary and are permissible under applicable laws and insurance regulations and the installation of such feeders or risers will not cause permanent damage or injury to the Building or the Premises or cause or create a dangerous or hazardous condition or entail excessive or unreasonable alterations. Tenant covenants that at no time

shall the use of electrical energy servicing the Premises exceed the capacity of the existing feeders or wiring installations then serving the Premises. Tenant shall not make or perform, or permit the making or performance of, any Alterations to wiring installations or other electrical facilities in or serving the Premises without the prior consent of Landlord in each instance. Any such Alterations, additions or consent by Landlord shall be subject to the other provisions of this Lease including, but not limited to, the provisions of Article 4 hereof.

(iii) Landlord shall not be liable to Tenant in any way for any interruption, curtailment or failure, or defect in the supply or character of electricity furnished to the Premises by reason of any requirement, act or omission of Landlord or of any public utility or other company servicing the Building with electricity or for any other reason except Landlord's gross negligence or willful misconduct. If either the quantity or character of electrical service is changed by the public utility or other company supplying electrical service to the Building or is no longer available or suitable for Tenant's requirements, no such change, unavailability or unsuitability shall constitute an actual or constructive eviction, in whole or in part, or entitle Tenant to any abatement or diminution of rent, or relieve Tenant from any of its obligations under this Lease, or impose any liability upon Landlord, or its agents, by reason of inconvenience or annoyance to Tenant, or injury to or interruption of Tenant's business, or otherwise.

H. Gas.

(i) Tenant shall obtain and pay for Tenant's supply of gas in the Premises by direct application to and arrangement with the public utility company serving the Building and shall arrange for the installation of its own gas meter with such utility company at Tenant's sole cost and expense. Tenant shall install gas cut-off devices, both manual and automatic.

(ii) Landlord shall not be liable to Tenant in any way for any interruption, curtailment or failure, or defect in the supply or character of gas furnished to the Premises by reason of any requirement, act or omission of Landlord or of any public utility or other company servicing the Building with gas or for any other reason except Landlord's gross negligence or willful misconduct. If either the quantity or character of gas service is changed by the public utility or other company supplying gas to the Building or is no longer available or suitable for Tenant's requirements, no such change, unavailability or unsuitability shall constitute an actual or constructive eviction, in whole or in part, or entitle Tenant to any abatement or diminution of rent, or relieve Tenant from any of its obligations under this Lease, or impose any liability upon Landlord, or its agents, by reason of inconvenience or annoyance to Tenant, or injury to or interruption of Tenant's business, or otherwise.

I. Plate Glass. Tenant shall be responsible for all breakage or injury to any glass windows or other plate glass within the Premises and shall maintain insurance to cover all such breakage or injury. Tenant shall keep the windows of the Premises clean at all times.

J. Interruption of Services. Landlord reserves the right to stop service any Building Systems when necessary, by reason of accident or emergency, or for repairs, additions, alterations, replacements, decorations or improvements in the judgment of Landlord desirable or necessary to be made, until said repairs, alterations, replacements or improvements shall have been completed.

27. ADDITIONAL DEFINITIONS.

A. The term "Tenant Party(ies)" shall mean and include Tenant and all of Tenant's principals, officers, agents, contractors, servants, employees, subtenants, licensees, visitors and invitees.

B. The words “recenter” and “reentry” as used in this Lease are not restricted to their technical legal meaning.

C. The term “business days” as used in this Lease shall exclude Saturdays, Sundays and all days observed by the State or Federal Government as legal holidays and union holidays for those unions that materially affect the delivery of services in the Building.

D. The words “include”, “including” and “such as” shall each be construed as if followed by the phrase “without being limited to”. The words “herein”, “hereof”, “hereby”, “hereunder” and words of similar import shall be construed to refer to this Lease as a whole and not to any particular Article or subdivision hereof unless expressly so stated.

E. The terms “substantial completion” or “substantially completed” or words of similar import shall mean that any construction work (including Alterations) has been substantially completed, it being agreed that any such work shall be deemed substantially complete notwithstanding the fact that minor or insubstantial details of construction or demolition and/or mechanical adjustment and/or decorative items remain to be performed, provided that any such unperformed work shall not materially interfere with Tenant’s use and occupancy of the Premises for the Permitted Uses.

F. The term “Interest Rate” shall mean one and one-half (1½%) percent per month, or the applicable maximum legal rate of interest, whichever is lower.

G. The term “Hazardous Substances” shall mean, collectively, (a) asbestos and polychlorinated biphenyls, and (b) hazardous or toxic materials, wastes and substances which are defined, determined and identified as such pursuant to any Legal Requirement.

28. **BROKER.** Landlord and Tenant each represent and warrant to the other that they have dealt directly with (and only with), the Landlord’s Broker and the Tenant’s Broker as broker in connection with this Lease, and that insofar as either Landlord or Tenant knows no other broker negotiated this Lease or is entitled to any commission in connection therewith, and the execution and delivery of this Lease by Landlord shall be conclusive evidence that Landlord has relied upon the foregoing representation and warranty. Landlord and Tenant shall each indemnify and hold the other harmless from and against any and all claims for commission, fee or other compensation by any other person who shall claim to have dealt with either Landlord or Tenant in connection with this Lease and for any and all costs incurred by either Landlord or Tenant in connection with such claims, including, without limitation, reasonable attorneys’ fees and disbursements. Landlord shall pay any commission due in connection with this Lease to Landlord’s Broker and Tenant’s Broker pursuant to a separate written agreement.

29. **INDEMNITY.** Tenant shall not do or permit any act or thing to be done upon the Premises which may subject Landlord to any liability or responsibility for injury, damages to persons or property or to any liability by reason of any violation of Legal Requirement, but shall exercise such control over the Premises as to fully protect Landlord against any such liability. Tenant agrees to indemnify and save harmless the Landlord Indemnitees from and against (a) all claims of whatever nature against Landlord arising from any act, omission or negligence of Tenant or any Tenant Party, (b) all claims arising from any accident, injury or damage whatsoever caused to any person or to the property of any person and occurring in or about the Premises from the date access to the Premises is given to Tenant or any Tenant Party (including during the performance of Landlord’s Work, if any), (c) all claims arising from any accident, injury or damage to any person, entity or property, occurring outside of the Premises but anywhere within or about the Real Property, where such accident, injury or damage results or is claimed to have resulted from an act or omission of Tenant or any Tenant Party, (d) any breach, violation or

nonperformance of any covenant, condition or agreement in this Lease set forth and contained on the part of Tenant to be fulfilled, kept, observed and performed, (e) any misrepresentation made by Tenant hereunder, (f) any cooperation by Landlord with Tenant as contemplated by Article 4, (g) any violation by Tenant of the provisions of Subsection F of Article 4, and (h) any claim, loss or liability arising or claimed to arise from Tenant, or any Tenant Party causing or permitting any Hazardous Substances to be brought upon, kept or used in or about the Premises or the Real Property or any seepage, escape or release of such Hazardous Substances. This indemnity and hold harmless agreement shall include indemnity from and against any and all liability, fines, suits, demands, costs and expenses of any kind or nature incurred in or in connection with any such claim or proceeding brought thereon, and the defense thereof, including all reasonable legal fees and expenses incurred in enforcing the provisions of this indemnity. Tenant shall not be required to indemnify the Landlord Indemnitees and hold the Landlord Indemnitees harmless to the extent that it is finally determined that the gross negligence or willful misconduct of a Landlord Indemnatee contributed to the loss or damage sustained by the person making the claim. The term "**Landlord Indemnitees**" shall mean, collectively, Landlord, any Lessor, any Mortgagee, Landlord's managing agent and their respective partners, members, managers, shareholders, officers, directors, employees and agents.

30. SECURITY DEPOSIT.

A. Deposit of Security. Landlord and Tenant acknowledge that Tenant has deposited with Landlord the Security Deposit as security for the faithful performance and observance by Tenant of the terms, provisions and conditions of the Lease, including but not limited to the payment of Minimum Rent and Additional Rent. The parties agree that the Security Deposit shall remain on deposit with the Landlord and that Landlord may use, apply or retain the whole or any part of the Security Deposit to the extent required for the payment of any Minimum Rent and 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, covenants and conditions of the 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. If any portion of the Security Deposit is applied by Landlord to any default by Tenant under this Lease, Tenant shall restore the sum so applied within five (5) days after written notice from Landlord demanding such restoration and the amount to be restored shall be deemed additional rent. In the event that the Security Deposit is placed in an interest bearing account, Landlord shall be entitled to and shall be paid from the interest accrued and credited on the Security Deposit one (1%) percent (of the Security Deposit) per annum for administration of the security account. Notwithstanding the foregoing, Landlord shall have no obligation to deposit the Security Deposit into an interest-bearing account. Landlord shall have no liability or obligation to Tenant for any loss suffered by Tenant by reason of the placement by Landlord of the Security Deposit into any commercial or savings bank account.

B. Application of Security Deposit. In the event that Tenant defaults beyond the giving of notice and the expiration of applicable grace periods in respect of any of the terms, provisions and conditions of this Lease, Landlord may apply or retain the whole or any part of any cash security held by Landlord to the extent required for the payment of any Rent 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 under this Lease, including any damages or deficiency in the reletting of the Premises, whether such damages or deficiency accrue or accrues before or after summary proceedings or other reentry by Landlord. If Landlord applies or retains any part of any cash security, Tenant, within ten (10) days after notice from Landlord and at Landlord's option, shall deposit with Landlord the amount so applied or retained, so that Landlord shall have the full Security Deposit on hand at all times during the Term. If Tenant shall fully and faithfully comply with all of the terms, provisions, covenants and conditions of this Lease, any cash

security shall be promptly returned to Tenant after the Expiration Date and after delivery of the entire possession of the Premises to Landlord. In the event of a sale of the Real Property or the Building or leasing of the Building, Landlord shall transfer any cash security or so much thereof as remains following a default by Tenant to the vendee or lessee and Landlord shall thereupon be released by Tenant from all liability for the return of such security. Tenant agrees to look solely to the new landlord for the return of such cash security and it is agreed that the provisions hereof shall apply to every transfer or assignment made of the Security Deposit to a new landlord. Tenant further covenants that, except in connection with a permitted assignment of this Lease, it will not assign or encumber or attempt to assign or encumber any monies deposited herein as security and that neither Landlord nor its successors or assigns shall be bound by any such assignment, encumbrance, attempted assignment or attempted encumbrance

31. MISCELLANEOUS.

A. No Offer. This Lease is offered for signature by Tenant and it is understood that this Lease shall not be binding upon Landlord unless and until Landlord shall have executed and delivered a fully executed copy of this Lease to Tenant.

B. Signatories. If more than one person executes this Lease as Tenant, each of them understands and hereby agrees that the obligations of each of them under this Lease are and shall be joint and several, that the term "Tenant" as used in this Lease shall mean and include each of them jointly and severally and that the act of or notice from, or notice or refund to, or the signature of, any one or more of them, with respect to the tenancy and/or this Lease, including, but not limited to, any renewal, extension, expiration, termination or modification of this Lease, shall be binding upon each and all of the persons executing this Lease as Tenant with the same force and effect as if each and all of them had so acted or so given or received such notice or refund or so signed.

C. Authority.

(i) If Tenant is a corporation, partnership, limited liability company or other business entity, each individual executing this Lease on behalf of Tenant hereby represents and warrants that Tenant is a duly formed and validly existing entity qualified to do business in the State of New York and that Tenant has full right and authority to execute and deliver this Lease and that each person signing on behalf of Tenant is authorized to do so.

(ii) Tenant represents and warrants to Landlord that (a) Tenant and each person or entity directly or indirectly owning an interest in Tenant is (i) not currently identified on the Specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Assets Control of the Department of the Treasury ("OFAC") and/or on any other similar list maintained by OFAC pursuant to any authorizing statute, executive order or regulation (collectively, the "List"), and (ii) not a person or entity with whom a citizen of the United States is prohibited to engage in transactions by any trade embargo, economic sanction, or other prohibition of United States law, regulation, or Executive Order of the President of the United States, (b) none of the funds or other assets of Tenant constitute property of, or are beneficially owned, directly or indirectly, by, any Embargoed Person, (c) no Embargoed Person has any interest of any nature whatsoever in Tenant (whether directly or indirectly), (d) none of the funds of Tenant have been derived from any unlawful activity with the result that the investment in Tenant is prohibited by Legal Requirements or that this Lease is in violation of any Legal Requirement, and (e) Tenant has implemented procedures, and will consistently apply those procedures, to ensure the foregoing representations and warranties remain true and correct at all times. The term "**Embargoed Person**" means any person, entity or government subject to trade restrictions under U.S. law, including but not limited to, the International Emergency Economic Powers Act, 50 U.S.C. §1701 *et seq.*, The Trading with

the Enemy Act, 50 U.S.C. §1 *et seq.*, and any Executive Orders or regulations promulgated thereunder with the result that the investment in Tenant is prohibited by Requirements or Tenant is in violation of any Requirements.

(iii) Tenant covenants and agrees (a) to comply with all Requirements relating to money laundering, anti-terrorism, trade embargos and economic sanctions, now or hereafter in effect, (b) to immediately notify Landlord in writing if any of the representations, warranties or covenants set forth in this paragraph or the preceding paragraph are no longer true or have been breached or if Tenant has a reasonable basis to believe that they may no longer be true or have been breached, (c) not to use funds from any "**Prohibited Person**" (as such term is defined in the September 24, 2001 Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism) to make any payment due to Landlord under this Lease and (d) at the request of Landlord, to provide such information as may be requested by Landlord to determine Tenant's compliance with terms hereof.

(iv) Tenant hereby acknowledges and agrees that Tenant's inclusion on the List any time during the Term shall be an Event of Default under this Lease. Notwithstanding anything herein to the contrary, Tenant shall not permit the Premises or any portion thereof to be used or occupied by any person or entity on the List or by any Embargoed Person (on a permanent, temporary or transient basis), and any such use or occupancy of the Premises by any such person or entity shall be an Event of Default under this Lease.

D. Vault Space. Any vaults, vault space or other space outside the boundaries of the Real Property, notwithstanding anything contained in this Lease or indicated on any sketch, blueprint or plan are not included in the Premises. Landlord makes no representation as to the location of the boundaries of the Real Property. All vaults and vault space and all other space outside the boundaries of the Real Property which Tenant may be permitted to use or occupy is to be used or occupied under a revocable license, and if any such license shall be revoked, or if the amount of such space shall be diminished or required by any federal, state or municipal authority or by any public utility company, such revocation, diminution or requisition shall not constitute an actual or constructive eviction, in whole or in part, or entitle Tenant to any abatement or diminution of rent, or relieve Tenant from any of its obligations under this Lease, or impose any liability upon Landlord. Any fee, tax or charge imposed by any governmental authority for any such vaults, vault space or other space shall be paid by Tenant, to the extent any such vaults, vault space or other space is used by Tenant.

E. Consents and Approvals. Wherever in this Lease Landlord's consent or approval is required, if Landlord shall delay or refuse such consent or approval, Tenant in no event shall be entitled to make, nor shall Tenant make, any claim, and Tenant hereby 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 unreasonably withheld or unreasonably delayed its consent or approval. Tenant's sole remedy shall be an action or proceeding to enforce any such provision, for specific performance, injunction or declaratory judgment.

F. Rent Control. In the event the Minimum Rent or Additional Rent or any part thereof provided to be paid by Tenant under the provisions of this Lease during the demised term shall become uncollectible or shall be reduced or required to be reduced or refunded by virtue of any Legal Requirements, Tenant shall enter into such agreement(s) and take such other steps as Landlord may reasonably request and as may be legally permissible to permit Landlord to collect the maximum rents which may from time to time during the continuance of such legal rent restriction be legally permissible (but not in excess of the amounts reserved under this Lease). Upon the termination of such legal rent

restriction (a) the Minimum Rent and/or Additional Rent 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 promptly upon being billed, to the maximum extent legally permissible, an amount equal to (i) the Minimum Rent and/or Additional Rent which would have been paid pursuant to this Lease but for such legal rent restriction, less (ii) the amounts paid by Tenant during the period such legal rent restriction was in effect.

G. Confidentiality. Tenant acknowledges that the terms and conditions of this Lease are to remain confidential for Landlord's benefit, and may not be disclosed by Tenant to anyone, by any manner or means, directly or indirectly, without Landlord's prior written consent. The consent by Landlord to any disclosures shall not be deemed to be a waiver on the part of Landlord of any prohibition against any future disclosure.

H. Adjacent Excavation; Shoring. If an excavation shall be made upon land adjacent to the Premises, or shall be authorized to be made, Tenant shall afford to the person causing or authorized to cause such excavation, license to enter upon the Premises for the purpose of doing such work as said person shall deem necessary to preserve the wall or the Building 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.

I. Labor Harmony. Tenant shall not at any time, either directly or indirectly, use any contractors or labor or materials in the Premises in connection with any Alteration or otherwise if the use of such contractors or labor or materials would create any work stoppage, picketing, labor disruption or any other difficulty with other contractors or labor engaged by Tenant or Landlord or others in the construction, maintenance or operation of the Building or any part thereof. Tenant shall immediately stop any work or other activity if Landlord shall notify Tenant that continuing such work or activity would violate the provisions of the immediately preceding sentence.

J. Termination Right.

(i) In the event that Landlord shall decide to demolish or substantially rehabilitate the Building or in the event of a sale of the Building, Landlord shall have the right, effective at any time during the Term after the fourth (4th) anniversary of the Commencement Date, upon not less than one (1) year prior written notice to Tenant, to terminate this Lease (it being understood that the effective date of the termination shall be no earlier than the fourth (4th) anniversary of the Commencement Date). In the event that Landlord shall exercise such termination right, this Lease shall come to an end and expire on the termination date set forth in such termination notice, with the same force and effect as though said date were the Expiration Date, unless sooner terminated pursuant to any other term, covenant or condition of this Lease or pursuant to law.

(ii) If Landlord exercises its termination right as set forth herein, Landlord shall pay to Tenant an amount equal to two hundred percent (200%) of the then-unamortized portion of the documented costs of Tenant's Initial Work, which costs shall be amortized over the Term, and shall be payable within thirty (30) days of Tenant vacating and surrendering the Premises as required hereby; provided that Tenant shall have provided Landlord with a reasonably detailed list of the costs of Tenant's Initial Work within thirty (30) days of substantial completion thereof.

(iii) Tenant recognizes and agrees that the damage to Landlord resulting from any failure by Tenant to timely surrender possession of the Premises as aforesaid will be substantial, will exceed the amount of the monthly installments of the Rent theretofore payable hereunder, and will be

impossible to accurately measure. Tenant therefore agrees that if possession of the Premises is not delivered within one (1) day of the Expiration Date (or sooner termination of this Lease), Tenant will pay Landlord as liquidated damages for each month or part of any month during which Tenant holds over in the Premises after the expiration or sooner termination of the term of the Lease, a sum equal to two (2) times the average monthly Minimum Rent and all additional rent that was payable under the Lease during the last six (6) months of the term. In addition to any holdover rent payable by Tenant pursuant to the preceding sentence and such other remedies as are reserved to Landlord pursuant to this Lease and at law, Tenant shall be liable for any and all damages, costs and expenses arising out of or incurred by Landlord in connection with any delay, including (without limitation) the loss of any subsequent tenant of the Premises or any claims made by such tenant. All damages, costs and expenses to Landlord by reason of such holding over by Tenant may be the subject of a separate action and need not be asserted by Landlord in any summary proceedings against Tenant.

K. Captions. 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.

L. Parties Bound. 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.

[SIGNATURE PAGE TO FOLLOW.]

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

RANDALL CO., LLC, Landlord

By: 

Name: Kenneth D. Brea
Title:

YU & LI NAIL SPA, INC., Tenant

By: 

Name: YU YAN ZHOU
Title: PRES.

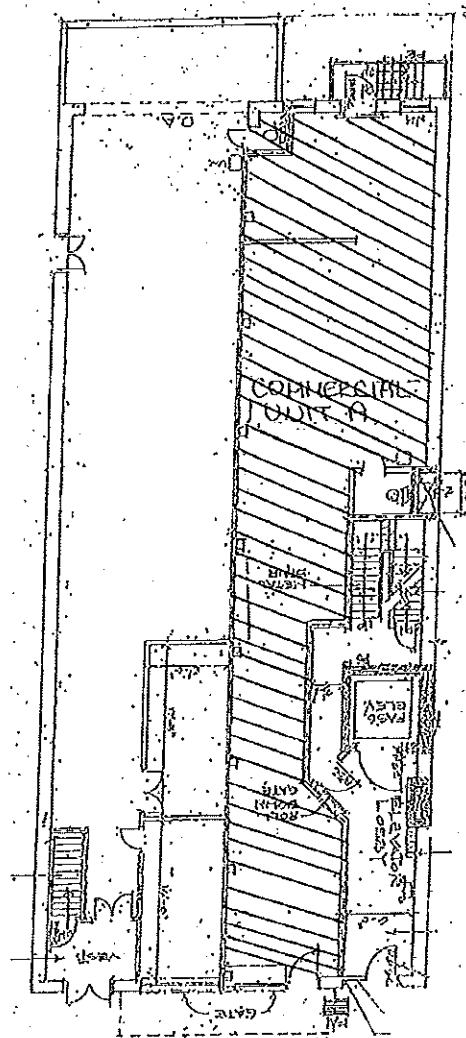
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Tenant's Tax ID Number

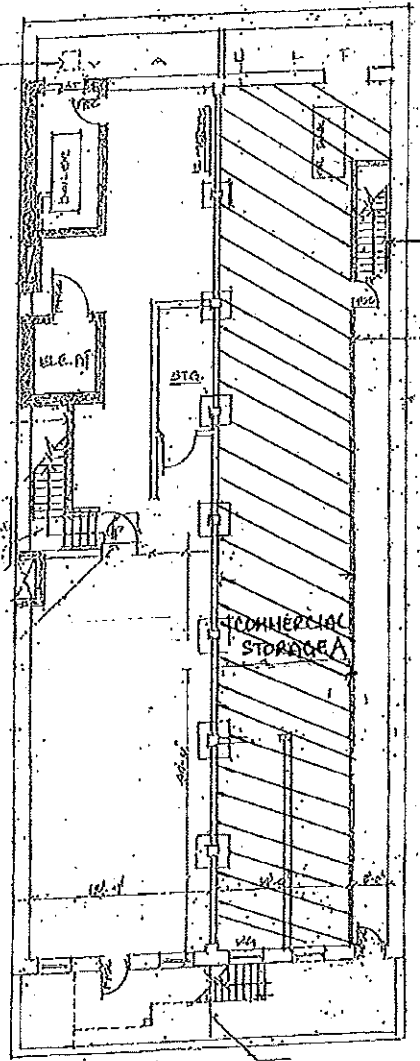
EXHIBIT 1

FLOOR PLAN OF PREMISES

THIS IS A SCHEMATIC PLAN AND IS INTENDED ONLY TO SHOW THE PROPOSED GENERAL LAYOUT OF THE PREMISES. ALL MEASURES, DISTANCES AND DIMENSIONS ARE APPROXIMATE AND NOT TO SCALE. THE DEPICTIONS HEREON DO NOT CONSTITUTE A WARRANTY OR REPRESENTATION OF ANY KIND.



1ST FLOOR PLAN 110 W. 26TH ST



CELLAR PLAN: 110 W. 26th ST.

EXHIBIT 2

PROHIBITED USES

The following shall be deemed “Prohibited Uses”:

- Any use specifically prohibited in any other provision of this Lease.
- To sell or display or exhibit for sale any pornographic or obscene material.
- As a so-called “head shop” or a facility for the sale of paraphernalia for use with illicit drugs.
- As a gambling or gaming establishment such as, without limitation, an Off-Track Betting, sport gambling, casino gambling or similar establishment.
- As a pawn shop.
- To conduct or permit any fire, going-out-of-business or bankruptcy sale.
- To engage in any unethical or disreputable method of business operation.
- By any religious or union entity.
- As a billiards or pool hall.
- As an office, store, reading room, headquarters, center or other facility devoted or opposed to the promotion, advancement, representation, purpose or benefit of: (a) any political party, political movement or political candidate, (b) any religion, religious group or religious denomination, (c) foreign government, (d) any political party, political movement or political candidate, (e) any “cause” of any type or nature whatsoever.
- Commercial or non-profit establishment of any type or nature whatsoever: (a) the primary purpose of which is to sell, afford or permit on-premises sexual stimulation or sexual liaisons; (b) which permits or presents obscene, nude or semi-nude performances or modeling; (c) which sells, affords or permits body massages, whether or not of a sexual nature; (d) which sells “rubber goods” or other sexual or erotic products of a type not commonly found in high-quality, national chain pharmacies; (e) which sells, rents or permits the viewing of X-rated video, photographs, books or other material.
- For a ballroom, dance hall, discotheque.
- As a place of instruction, reading room or any operation catering primarily to students or trainees rather than to customers.
- As a funeral parlor.
- As an arcade.
- As a restaurant (whether sit down or for take-out) or any other type of cooking establishment.

- Any use which generates excessive noise, vibration, odor or fumes.

SCHEDULE A

RULES AND REGULATIONS

1. Tenant shall not encumber or obstruct, or permit the encumbrances or obstruction of any of the sidewalks, plazas, entrances, corridors, elevators, fire exits or stairways of the Building.

2. The water and wash closets and other plumbing fixtures shall not be used for any purposes other than those for which they were designed or constructed, and no sweepings, rubbish, rags, acids or other substances shall be deposited therein. All damages resulting from any misuse of the plumbing fixtures shall be borne by Tenant.

3. Upon the termination of the Lease, all keys of the Premises shall be delivered to Landlord. Tenant shall provide Landlord with appropriate means to access any electronic security system in the Premises.

4. Tenant, shall, at its expense, provide artificial light in its premises for Landlord's agents, contractors and employees while making repairs or alterations in said premises.

5. Tenant shall not cause or permit any odors of cooking or other processes or any unusual or objectionable odors to emanate from the Premises.

6. Tenant shall not generate, store, handle, discharge or otherwise deal with any hazardous or toxic waste, substance or material or oil or pesticide on or about the Real Property.

SCHEDULE B

DETERMINATION OF FAIR MARKET RENTAL VALUE

In determining the fair market rental value of the Premises in accordance with the provisions of Subsection J of Article 12, the following procedure shall apply:

(i) Together with Landlord's approval of the assignment of this Lease to a Permitted Transferee, Landlord shall send a notice (the "**Landlord's Notice**") to Tenant of Landlord's estimate of the fair market Minimum Rent for the Premises (the "**Landlord's Estimate**") as of the effective date of such assignment (the "**Assignment Date**"). If Tenant does not object to the Landlord's Estimate by written notice to Landlord within ten (10) days following Landlord's Notice, then Tenant shall be deemed to have accepted Landlord's Estimate and such amount shall be deemed to be the Minimum Rent as of the Assignment Date. If Tenant objects to Landlord's Estimate within the required ten (10) day period, time being of the essence, Landlord and Tenant shall attempt to agree upon the Minimum Rent to be paid as of the Assignment Date. In the event that Landlord and Tenant shall not have agreed upon the Minimum Rent as of the Assignment Date within thirty (30) days of Tenant's objection, such dispute shall be submitted to arbitration as provided below, and the arbitrators shall determine the Minimum Rent as of the Assignment Date.

(ii) If upon the Assignment Date, the Minimum Rent to be paid by the Permitted Transferee shall not have been determined, the Permitted Transferee shall, effective as of the Assignment Date, pay as Minimum Rent the amount estimated by Landlord as the appropriate Minimum Rent for the Premises as of the Assignment Date as set forth in Landlord's Notice, subject to adjustment upon determination of such Minimum Rent. Upon the final determination of such Minimum Rent, the Permitted Transferee shall promptly pay to Landlord any underpayment of Minimum Rent since the Assignment Date. In the event of any overpayment of such Minimum Rent by the Permitted Transferee since the Assignment Date, it shall receive a credit against the Minimum Rent next due under this Lease in the amount of such overpayment.

(iii) Nothing contained herein shall affect the Permitted Transferee's obligation to pay Additional Rent under this Lease, and the Permitted Transferee shall pay all Additional Rent in accordance with the provisions of this Lease. After the Assignment Date, the Base Tax Amount shall remain unchanged, and the Minimum Rent (as re-calculated pursuant to this Schedule B) shall continue to be increased by three (3%) on each anniversary of the Commencement Date of the Lease. In determining the fair market Minimum Rent as of the Assignment Date, all relevant factors shall be taken into account, including the amount of Additional Rent then being paid by the Permitted Transferee on account of any escalations.

(iv) This Schedule B shall apply only to the determination of fair market Minimum Rent in the event of an assignment of this Lease to a Permitted Transferee, and shall not be deemed to apply to any other determination or dispute arising out of this Lease.

(v) In determining the Minimum Rent in case of an assignment to a Permitted Transferee by arbitration, the following procedures shall apply:

(1) The party invoking the arbitration procedure shall give a notice (the "**Arbitration Notice**") to the other party, stating that the party sending the Arbitration Notice desires to meet within ten (10) days to attempt to agree on a single arbitrator to determine the matter in dispute (the "**Arbitrator**"). If Landlord and Tenant have not agreed on the Arbitrator within twenty (20) days after the giving of the Arbitration Notice, then either Landlord or Tenant, on behalf of both, may apply to the

local office of the American Arbitration Association or any organization which is the successor thereof (the "AAA") for appointment of the Arbitrator, or, if the AAA shall not then exist or shall fail, refuse or be unable to act such that the Arbitrator is not appointed by the AAA within thirty (30) days after application therefor, then either party may apply to the appropriate court having jurisdiction over the matter (the "Court") for the appointment of the Arbitrator and the other party shall not raise any question as to the Court's full power and jurisdiction to entertain the application and make the appointment. The date on which the Arbitrator is appointed, by the agreement of the parties, by appointment by the AAA or by appointment by the Court, is referred to herein as the "Appointment Date". If any Arbitrator appointed hereunder shall be unwilling or unable, for any reason, to serve, or to continue to serve, a replacement arbitrator shall be appointed in the same manner as the original Arbitrator.

(2) The arbitration shall be conducted in accordance with the then prevailing commercial arbitration rules of the AAA, modified as follows:

(A) The Arbitrator shall be disinterested and impartial, shall not be affiliated with Landlord or Tenant and shall be an MAI appraiser with at least ten (10) years' experience in the determination of fair market rentals for retail space in buildings located in the borough of Manhattan, City of New York.

(B) Before hearing any testimony or receiving any evidence, the Arbitrator shall be sworn to hear and decide the controversy faithfully and fairly by an officer authorized to administer an oath and a written copy thereof shall be delivered to Landlord and Tenant

(C) Within thirty (30) days after the Appointment Date, Landlord and Tenant shall deliver to the Arbitrator a copy of their respective written determinations of the Minimum Rent (each, a "Determination"), together with such affidavits, appraisals, reports and other written evidence relating thereto as the submitting party deems appropriate. After the submission of the Determination, the submitting party may not make any additions to or deletions from, or otherwise change, the Determination or the affidavits, appraisals, reports and other written evidence delivered therewith. If either party fails to so deliver its Determination within such time period, time being of the essence with respect thereto, such party shall be deemed to have irrevocably waived its right to deliver a Determination and the Arbitrator shall accept the Determination of the submitting party. If each party submits a Determination within the thirty (30) day period described above, the Arbitrator shall, promptly after its receipt of the second Determination, deliver a copy of each party's Determination to the other party.

(D) If the matter in dispute has not been determined pursuant to subparagraph (C) above, then not less than three (3) days nor more than fifteen (15) days after the earlier to occur of (i) the expiration of the thirty (30) day period provided for in subparagraph (C) above, or (ii) the Arbitrator's receipt of both of the Determinations from the parties, the Arbitrator shall be instructed, and shall be empowered only, to select as the resolution to the dispute that one of the Determinations which the Arbitrator believes is the more accurate Determination of such amount. Without limiting the generality of the foregoing, in rendering his or her decision, the Arbitrator shall not add to, subtract from or otherwise modify the provisions of this Lease or either of the Determinations.

(E) The Arbitrator shall render his or her determination as to the selection of a Determination in a signed and acknowledged written instrument which sets forth the rationale for the conclusion reached with respect to such determination, original counterparts of which shall be sent simultaneously to Landlord and Tenant, within ten (10) days after his or her determination of the dispute.

GUARANTY

GUARANTY dated as of Jan 26, 2012 by LI FANG LI having a residence at 136-73 41st Ave, 3B, Flushing, NY 11355 and YU YAN ZHOU, having a residence at 428 West 26th Street, 4F NY, NY 10001 ("Guarantor").

RECITALS

A. YU & LI NAIL SALON, INC. ("Tenant") is a party to a lease ("Lease"), with RANDALL CO. LLC ("Landlord"), whereby Tenant has leased from Landlord a portion of the ground floor and basement, as more particularly described in the Lease (the "Demised Premises") in the building known as 110 West 26th Street, New York, New York.

B. Landlord has requested Guarantor to guaranty to Landlord that if Tenant defaults under the Lease, Tenant will vacate the Demised Premises, and to personally guaranty the payment of all rent and additional rent owed by Tenant until Tenant has surrendered the Demised Premises, as provided for herein.

C. Accordingly, Guarantor agrees as follows:

1. Guarantor guarantees to Landlord the payment and performance of Tenant's obligations under and in accordance with the Lease, including, without limitation, the payment of fixed and additional rent (the "Obligations"). This is a guaranty of payment and not only of collection. Guarantor's liability pursuant to this Guaranty shall be limited to the sum of Obligations which accrue up to the date that is the last to occur of: (a) Tenant vacating the Demised Premises; (b) Tenant removing its property from the Demised Premises; (c) Tenant delivering the keys to Landlord and surrendering the Demised Premises in accordance with the Lease; and (d) the expiration of ninety (90) days after Tenant has given Landlord written notice that it will surrender possession of the Demised Premises. Landlord may, at its option, proceed against Guarantor and Tenant, jointly and severally, or Landlord may proceed against Guarantor under this Guaranty without commencing any suit or proceeding of any kind against Tenant or, without having obtained any judgment against Tenant. Any security deposit under the Lease shall not be credited against amounts payable by Tenant or by Guarantor under this Guaranty.

2. The obligations of Guarantor under this Guaranty are unconditional, are not subject to any set-off or defense based upon any claim Guarantor may have against Landlord, and will remain in full force and effect without regard to any circumstance or condition, including, without limitation: (a) any modification or extension of the Lease (except that the liability of Guarantor hereunder will apply to the Lease as so modified or extended); (b) any exercise or non-exercise by Landlord of any right or remedy in respect of the Lease, or any waiver, consent or other action, or omission, in respect of the Lease; (c) any transfer by Landlord or Tenant in respect of the Lease or any interest in the Demised Premises; (d) any bankruptcy, insolvency, receivership, reorganization, composition, adjustment, dissolution, liquidation or other like proceeding involving or affecting Landlord or Tenant or their obligations, properties or creditors, or any action taken with respect to such obligations or properties or the Lease, by any trustee or receiver of Landlord or Tenant, or by any court, in any such proceeding; (e) any defense to or limitation on the liability or obligations of Tenant under the Lease, or any invalidity or unenforceability, in whole or in part, of any obligation of Tenant under the Lease or of any term of the Lease; or (f) any transfer by Guarantor of any or all of the capital stock, membership interests or other ownership interests of Tenant or the control thereof.

3. Guarantor waives presentment and demand for payment, notice of non-payment or non-performance, and any other notice or demand to which Guarantor might otherwise be entitled.

4. Guarantor will reimburse Landlord for all costs and expenses incurred by Landlord in connection with the enforcement of this Guaranty, including, without limitation, reasonable attorneys' fees.

5. Should Landlord be obligated in any bankruptcy proceeding to repay to Tenant or Guarantor or to any trustee, receiver or other representative of Guarantor any amounts previously paid, then this Guaranty shall be reinstated in the amount of such repayment. Landlord shall not be required to litigate or otherwise dispute its obligation to make such repayment if it in good faith on the advice of counsel believes that such obligation exists.

6. Guarantor and Landlord each waive trial by jury of all issues arising in any action, suit or proceeding to which Landlord and Guarantor may be parties in connection with this Guaranty.

7. Guarantor, at its expense, will execute, acknowledge and deliver all instruments and take all action as Landlord from time to time may request for the assuring to Landlord the full benefits intended to be created by this Guaranty.

8. No delay by Landlord in exercising any right under this Guaranty nor any failure to exercise the same will waive that right or any other right.

9. Any notice or other communication hereunder must be in writing and will be deemed duly served on the date it is mailed by registered or certified mail in any post office station or letter box in the continental United States or via overnight courier service, addressed if to Guarantor, to the address of Guarantor set forth herein or such other address as Guarantor shall have last designated by notice to Landlord, and addressed if to Landlord, to it at c/o Century Realty, Inc., 140 Fulton Street, New York, New York 10038 or such other address as Landlord shall have last designated by notice to Guarantor.

10. This Guaranty may not be modified or terminated orally or in any manner other than by an agreement in writing signed by Guarantor and Landlord, or their respective successors and assigns.

11. This Guaranty and any issues arising hereunder will be governed by the laws of the State of New York, and Guarantor consents to the jurisdiction of the Courts of the State of New York, concerning all issues arising hereunder.

12. All remedies of Landlord by reason of this Guaranty are separate and cumulative remedies and no one remedy, whether exercised by Landlord or not, will be in exclusion of any other remedy of Landlord and will not limit or prejudice any other legal or equitable remedy which Landlord may have.

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

14. Guarantor represents and warrants to Landlord that:

(A) Guarantor has full power, authority and legal right to cause this Guaranty to be signed and delivered, and to perform and observe the provisions of this Guaranty, including, without limitation, the payment of all moneys hereunder.

(B) This Guaranty constitutes the legal, valid and binding obligation of Guarantor, and is enforceable in accordance with its terms, subject to applicable bankruptcy or other similar laws.

(C) Guarantor, to the best of his/her knowledge, as of the date hereof, is not in violation of any decree, ruling, judgment, order or injunction applicable to it nor any law, ordinance, rule or regulation of whatever nature, nor are there any actions, proceedings or investigations pending or threatened against or affecting Guarantor (or any basis therefor known to Guarantor) before or by any court, arbitrator, administrative agency or other governmental authority or entity, any of which, if adversely decided, would materially or adversely affect its ability to carry out any of the terms, covenants and conditions of this Guaranty.

(D) No authorization, approval, consent or permission (governmental or otherwise) of any court, agency, commission or other authority or entity is required for the due execution, delivery, performance or observance by Guarantor of this Guaranty or for the payment of any sums hereunder.

(E) Neither the execution and delivery of this Guaranty, nor the consummation of the transactions herein contemplated, nor compliance with the terms and provisions hereof, conflict or will conflict with or result in a breach of any of the terms, conditions or provisions of any order, writ, injunction or decree of any court or governmental authority, or of any agreement or instrument to which Guarantor is a party or by which it is bound, or constitutes or will constitute a default thereunder.

(F) Guarantor is not entitled to immunity from judicial proceedings and agrees that, in the event Landlord brings any suit, action or proceeding in New York or any other jurisdiction to enforce any obligation or liability of Guarantor arising, directly or indirectly, out of or relating to this Guaranty, no immunity from such suit, action or proceedings will be claimed by or on behalf of Guarantor.

15. This Guaranty will inure to the benefit of and may be enforced by Landlord and its successors or assigns, and will be binding upon and enforceable against Guarantor and its successors, assigns, heirs and personal representatives. If there is more than one Guarantor, Guarantor's obligations and liabilities under this Guaranty will be joint and several.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, Guarantor has duly executed this Guaranty as of the day and year first above written.

LI FANG LI
LI FANG LI

056-84-2003
Social Security Number

YU YAN ZHOU
079-68-7006
Social Security Number

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

On this 26 day of Jan, in the year 2012, before me, the undersigned, a Notary Public in and said State, personally appeared LI FANG LI, 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.

[Signature]
Notary Public

Notary Public - Jay Lau
State of New York
Comm#: 02LA6105271
Nassau County
Expiration: 02/09/2012

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

On this 26 day of Jan, in the year 2012, before me, the undersigned, a Notary Public in and said State, personally appeared YU YAN ZHOU, 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.

[Signature]
Notary Public

Notary Public - Jay Lau
State of New York
Comm#: 02LA6105271
Nassau County
Expiration: 02/09/2012