

## LEASE AGREEMENT

The Landlord and Tenant agree to lease the Premises at the Rent and for the Term stated below:

**LANDLORD:**  
Habra Associates LLC  
t/o Cortlandt Realty Inc.

**TENANT:** Studio DiModica Inc.

Federal I.D. #: 13 - 3435431

**ADDRESS FOR NOTICES:**  
For Landlord:  
140 Fulton Street - 5<sup>th</sup> Floor  
New York, New York 10038  
Attn.:

For Tenant:  
253 Church Street, ~~Apartment~~ -5<sup>th</sup> Floor COMM. unit  
New York, New York 10013

**PREMISES:** 253 Church Street, Apartment -5<sup>th</sup> Floor  
New York, New York 10013

**LEASE DATE:** See Rider

**TERM:** One (1) Year and Fifteen days with an option to renew for 1 year at a rental of \$6,695.00 per month. Tenant must notify Landlord ninety (90) days prior to the end of the lease by Certified Mail, Return Receipt Requested. Option renewable only so long as Tenant is not in default during notice period and through termination of initial term.

**RENT:** See Rider

**BROKER:** No Broker

1. See Rider

**2. Failure to Give Possession**

Tenant agrees that Landlord shall not be liable to Tenant for Tenant's damages and/or expense for failure to give Tenant possession of the Premises on the beginning date of the Term. Rent shall be payable when Landlord gives possession to Tenant. Landlord will notify Tenant as to the date possession is available. The ending date of the Term will not change. The Lease shall not be binding until it is executed by Landlord and delivered to Tenant.

**3 Rent, Added Rent**

Landlord and Tenant agree that The rent payment for each month must be paid in advance, on or before on the first day of that month. Landlord need not give notice to pay the rent. Rent must be paid in full and no amount subtracted from it. Rent shall be mailed or delivered to be received by Landlord in advance, on or before the first of the month. Funds shall be drawn on a New York City Bank. The first month's rent is due upon signing the lease.

The whole amount of rent for the entire term is due and payable when this Lease is signed. Payment of rent in installments is for Tenant's convenience only. If Tenant defaults under the terms of this lease, Landlord may give notice to Tenant that Tenant may no longer pay rent in installments. The entire rent for the remaining part of the Term will then be due and payable.

Tenant may be required to pay other charges to Landlord under the terms of this lease. They are to be called "added rent." This added rent is payable as rent, together with the next monthly rent due. If Tenant fails to pay the added rent on time, Landlord shall have the same

rights against Tenant as if it were a failure to pay rent.

If payment of rent is made by check and such check is returned unpaid to Landlord for any reason, Tenant shall pay an amount to Landlord as additional rent equal to twice the cost imposed upon Landlord by its bank or \$50.00, whichever is greater. If a check is returned unpaid more than two times during the term of the Lease, Tenant acknowledges that Landlord can then demand that all further rent payments be made by cashier's checks or certified funds.

Rent shall be deemed paid when such payment is actually received and collected by Owner.

No tenancy rights shall be conferred on any third party by the Owner's acceptance, willful or otherwise, of the third party's check or payment for rent, nor does such acceptance create a Landlord-Tenant relationship or waive any of Landlord's rights under this Lease or otherwise.

Any notations or writings on monetary instruments shall not be deemed incorporated into Lease and any conditions on the instruments shall not bind Landlord who may accept such instrument as if said notations or writings did not exist and without prejudice to its rights under this Lease.

Landlord may accept an amount less than all rent due, which amount shall be considered to be in payment of all or part of the earliest rent due.

#### 4. Notices

Landlord and Tenant agree that any bill, statement or notice must be in writing and delivered or mailed to the Tenant at the Premises and to the Landlord at the Address for Notices, except as otherwise provided in the Lease. It will be considered delivered five days after the day mailed or if delivered, on the date it is left at the proper address. Landlord shall send Tenant written notice if Landlord changes the Address for Notices. Complaints regarding the services in the Building shall be made in writing to the managing agent of Landlord and sent by certified mail, return receipt requested. Landlord must be immediately notified of any item(s) in the Premise that require(s) repair(s).

#### 5. Security

Upon signing this lease Tenant shall give Landlord security in the amount of *See River*

If Tenant complies with all the terms of this lease, Landlord will return the security after the term ends. If Tenant does not fully comply with the terms of this lease, Landlord may use the security to pay amounts owed by Tenant including damages. If Landlord sells the Premises, Landlord may give the security to the buyer. Tenant will look only to the buyer for the return of security.

The security shall be held in an interest bearing account if Landlord so wishes or is required by law. If held in an interest-bearing account, and Tenant carries out all terms of the Lease, at the end of each calendar year Landlord or the Bank shall pay Landlord 1% of the amount of the deposit for administrative costs and to Tenant all other interest earned on the security deposit.

Tenant acknowledges that the security deposit cannot be used to pay the last month's rent under the lease. If Tenant fails to pay the last month's rent, Tenant will be required to pay a special handling charge as additional rent of fifty (50%) percent of one month's rent in addition to damages, if any. This handling charge is due and payable on the last day of the last month of the term of the Lease. Tenant shall keep an amount equal to one or two months rent on deposit as security.

#### 6. Utilities and Services

Tenant must directly contract for the following utilities and services and pay when billed: water (if, and when, separately metered), gas, electric, cable television and telephone. HVAC units have been installed in the Premises. Laundry equipment has also been provided in the Premises. These units are individually operated and connected to Tenant's electric meter. Landlord will be responsible for the maintenance of the equipment unless damaged by the fault or negligence of the Tenant, guests, servants or invitees. The Tenant will not be permitted to install any other air conditioning equipment in the Premises nor shall Landlord be responsible for any damage, nor shall Tenant be entitled to an abatement of rent, due to the removal of or breakdown of the air conditioning or laundry equipment.

#### 7. Furnishings

The Premises are rented unfurnished.

8. Care, Repairs and Alterations

Tenant must keep and at the end of the Term return the Premises in broom clean condition and in the same condition as when Tenant first occupied it. All appliances must be clean and in good order and repair. Tenant is not responsible for ordinary wear. Landlord is responsible for structural repairs to the Premises and major repair or replacement of appliances, subject to the provisions set forth below. Landlord agrees to make repairs within a reasonable time after notice. If any damage to the appliance and/or the building is a result of misuse or negligence by Tenant then Tenant will be responsible for the entire repair or replacement cost. If Tenant defaults, Landlord has the right, but not the obligation, to make repairs and charge Tenant the cost. The cost will be added rent. Tenant must not alter, decorate, change or add to the Premises, including, but not limited to, wallpapering, painting, decorating and/or chemically treating without Landlord's prior written notice. Landlord represents that all appliances are in working order.

The adding of dishwasher machine(s), clothes washing or drying machines, electric stoves, no alterations to clothes washing, garbage disposal units, or any other electrical equipment which, in Landlord's reasonable opinion, will overload the existing plumbing and/or electrical wiring installation in the Building or interfere with the use of such plumbing and electrical wiring facilities by other tenants of the Building is prohibited. No water filled furniture may be placed in the Premises. Appliances may not be installed without prior permission.

9. Space "as is"

Tenant has inspected the Premises and the appliances. Tenant states that they are in good order and repair and takes the Premises "as is". Tenant acknowledges that an operable smoke detector is installed in the apartment and that Tenant is responsible for its maintenance and/or service. Tenant shall be liable to Owner for any damage resulting from Tenant's failure to keep it in working order. Landlord shall not be liable for the failure of the detector to operate properly.

10. Fire or Other Damage

Tenant must give Landlord immediate notice in case of fire or other damage to the Premises. Landlord will have the right to repair the damage within a reasonable time or cancel this Lease. If Landlord repairs, Tenant shall pay rent only to the date of the fire or damage and shall start to pay rent again when the Premises become usable. Alternatively, Landlord may cancel the Lease by giving Tenant ten (10) days' written notice. The Term shall be over at the end of the tenth day and all rent shall be paid to the date of the damage. In such instance, Tenant will look only to the insurance required under this Lease, whether obtained or not.

11. Liability

Landlord is not liable for loss, expense or damage to any person or property unless it is due to Landlord's negligence. Tenant must pay as additional rent upon demand, an amount equal to damages suffered and money spent by Landlord relating to any claim arising from any act or neglect of Tenant, Tenant's agents, servants, guests or licensees. Tenant is responsible for all acts of Tenant's family, employees, guests and invitees.

Landlord makes no representations and assumes no responsibility whatsoever with respect to the functioning or operation which any human or mechanical security system does or may provide. Tenant agrees that Landlord shall not be responsible or liable for any bodily harm or property loss or damage of any kind or nature which Tenant, Tenant's family, guests or invitees may suffer or incur by reason of any claim that Landlord, Landlord's agents, employees, mechanical or electronic systems could or should have prevented the bodily harm or property loss or damage.

12. Landlord's Consent

If Tenant requires Landlord's consent to any act and such consent is not given, Tenant's only right is to ask the Court to force Landlord to give consent. Tenant agrees not to make any claim against Landlord for money or subtract any sum from the rent because such consent was not given.

13. Assignment, Sublet

Tenant may not sublet all or part of the Premises, or assign this lease or permit any other person to use the Premises without the prior written consent of the Landlord obtained in accord with RPL 226-b, in advanced in each instance, cost and fees, including attorney fees, incurred by the Landlord as a result of the Tenant's request, must be paid by Tenant

whether or not approval is granted. Tenant is permitted to have overnight guests for short periods of time. Acceptance of rent from an unauthorized assignee or sublessee shall not be deemed a consent to the assignment or sublease or to the occupancy of Premises by such person

14. Landlord May Enter, Keys

Landlord may at reasonable times enter the Premises to examine, to make repairs or alterations, and to show it to possible buyers, lenders, insurers or tenants. Landlord is to obtain the consent of Tenant, which consent shall not be unreasonably withheld, to enter if Tenant will not be in, except in an emergency situation. Tenant must immediately provide Landlord keys to all locks. Locks may not be changed or additional locks installed without Landlord's consent. Doors must be locked at all times. Windows must be locked when Tenant is out. Landlord may decorate, make changes and repairs if Tenants substantially vacates Premises prior to end of the Lease without terminating the Lease or providing a reduction in rent.

14A. Lockout fees

The amount of \$100.00 will be due as added rent in the event that Tenant requires Landlord to unlock the Premises entrance doors due to Tenant's loss of Tenant's keys.

The above rate may be adjusted from time to time at the sole discretion of Landlord. This service will be provide only between the hours of 9:00 a.m. - 5:00 p.m., Monday through Friday when available (not including legal holidays), and if the Tenant is current in payment of previous lockout fees.

14B. Card Key

A card key in lieu of a key may be issued upon move in. If a card key is issued and is thereafter lost or needs replacement, a fee of \$100.00 will be charged.

15. Subordination

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

16. Condemnation and Public Taking

If all of the Premises is taken or condemned by a legal authority, the Term and Tenant's rights shall end as of the date the authority takes title to the Premises. If any part of the Premises is taken Landlord may cancel this Lease on notice to Tenant setting forth a cancellation date not less than 30 days from the date of the notice. If the Lease is canceled, Tenant must deliver the Premises to Landlord on the cancellation date together with all rent due to that date. The entire award for any taking belongs to Landlord. Tenant hereby irrevocably assigns to Landlord any interest Tenant might have to any part of the award and shall make no claim for the value of the remaining part of the Term.

17. Compliance with Authorities

Tenant must, at Tenant's cost, promptly comply with all present and future laws, orders, rules and directions of all governmental authorities, property owners associations, insurance carriers or Board of Fire Underwriters or similar group which affect the Building or Premises. Tenant may not do anything which may increase Landlord's insurance premiums. If Tenant does Tenant must pay the increase as added rent. Tenant shall not allow any window in the Building or Premises to be cleaned from the outside unless the equipment and safety device required by law are used and Tenant receives prior written permission from Landlord.

17A. Compliance with Lease and Rules

Tenant shall obey all rules listed in the Lease and all future reasonable rules of Landlord

and/or its agent. Regardless of any other provision in the Lease, Notice of all additional rules shall be delivered to Tenant or posted in the lobby or other public place in the Building. Landlord shall not be responsible for not enforcing any rules, regulation or provisions of another tenant's lease except to the extent require by law.

18. Tenant's Defaults and Landlord's Remedies

- A. Landlord may give seven (7) days written notice to Tenant to correct any of the following defaults:
1. Improper assignment of the lease, improper subletting of all or part of the Premises, or allowing another to use the Premises.
  2. Improper conduct by Tenant or other occupant of the Premises.
  3. Failure to fully perform any other term in the Lease.
  4. Breach of a substantial obligation of tenancy.
  5. Failure to take possession or move into the Premises fifteen (15) days after the beginning of the Lease.
- B. If Tenant fails to correct the defaults in Section A within the seven (7) days pursuant to Notice, Landlord may cancel the Lease by giving Tenant a written three (3) day notice stating the date the Term will end. On that date the Term and Tenant's rights in this Lease automatically end and Tenant must leave the Premises and give Landlord the keys. Tenant continues to be responsible for rent, expenses, damages, losses, costs and fees including, but not limited to, legal fees.
- C. If the Lease is canceled, or rent or added rent is not paid on time, or Tenant vacates the Premises, Landlord may in addition to other remedies take any of the following steps:
1. Enter the Premise and remove Tenant and any person or property.
  2. Use dispossession, eviction or other lawsuit method to take back the Premises.
- D. If the Lease is ended or Landlord takes back the Premises, rent and added rent for the unexpired Term becomes due and payable immediately. Landlord may re-rent the Premises and anything in it for any Term. Landlord may re-rent for a lower rent and give allowances to the new tenant. Tenant shall be responsible for Landlord's cost of re-renting. Landlord's cost shall include the cost of repairs, decorations, broker's fees, attorney's fees, advertising and preparation for renting. Tenant shall continue to be responsible for rent, expenses, damages and losses. Any rent received from the re-renting shall be applied to the reduction of money Tenant owes. Tenant waives all rights to return to the Premises after possession is given to the Landlord by a Court.
- E. Additionally and without prejudice to the rights set forth above, in the case of default in payment of rent and/or additional rent Landlord can make a demand for such rent and/or additional rent and if such amount is not paid in full within three (3) calendar days after demand, Landlord can commence a summary nonpayment proceeding. No other notice is required.
- F. All remedies provided for herein are cumulative and can be exercised separately or at the same time.

19. Bankruptcy

If (1) Tenant assigns property for the benefit of creditors, (2) Tenant files a voluntary petition or an involuntary petition is filed against Tenant under any bankruptcy or insolvency law, or (3) a trustee or receiver of Tenant or Tenant's property is appointed, Landlord may give Tenant 30 days notice of cancellation of the Term of this Lease. If any of the above is not fully dismissed within the 30 days, the Term shall end as of the date stated in the notice. Tenant must continue to pay rent, damages, losses and expenses without offset through the cancellation date as long as Tenant vacates the Premises on or before the cancellation date.

20. Correcting Tenant's Default

If Tenant fails to correct a default after notice from Landlord, Landlord may correct it for Tenant at Tenant's expense. The sum Tenant must repay to Landlord will be added rent.

21. Waiver of Jury, Counterclaim, Set off

Landlord and Tenant waive trial by a jury in any matter which comes up between the parties under or because of this Lease (except for a personal injury or property damage claim). In a proceeding to get possession of the Premises Tenant shall not have the right to make a counterclaim or set off. In any action or proceeding brought by Landlord against Tenant, Tenant shall not, and shall not have the right to: (a) interpose any defense based upon a breach by Landlord of any of the terms, covenants and conditions of this Lease on the part of the Landlord to be performed, or (b) interpose a counterclaim or set-off for damages which may have been sustained by Tenant, by reason of the Landlord's failure to perform any of the terms, covenants and conditions of this lease on the part of the Landlord to be performed, or by reason of any other ground. Tenant shall be relegated to an independent action for damages or for any other relief Tenant may seek, including but not limited to claims for breach of lease, reformation or rescission and such independent action shall not at any time be joined or consolidated with, or otherwise interposed in, such action or proceeding for nonpayment of rent and/or breach of lease (holdover) by Tenant.

22. Written Instructions

Landlord has given or may give written instructions about the care and use of the appliances in the Premises and/or have common areas of the building in which the Premises is located. Tenant must obey the instructions.

23. Broker

Tenant represents that no broker was involved in the lease of these Premises and agrees to indemnify and hold Landlord harmless against any claims by any third party for brokerage commissions.

24. Landlord Unable to Perform

If due to labor trouble, government order, lack of supply, Tenant's act or neglect, or any other cause not fully within Landlord's reasonable control Landlord is delayed or unable to (a) carry out any of Landlord's promises or agreements, (b) supply any service to be supplied, (c) make any required repair or change in the Premises, or (d) supply any equipment or appliances, this Lease shall not be ended or Tenant's obligations affected.

25. Illegality

If any part of this Lease is not legal, the rest of the Lease will be unaffected.

26. No waiver

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

27. Quiet enjoyment

Landlord agrees that if Tenant pays the rent and additional rent and is not in default under this Lease, Tenant may peaceably and quietly have, hold and enjoy the Premises for the Term of

this Lease.

28. Successors

This Lease is binding on all parties who lawfully succeed to the rights or take the place of the Landlord or Tenant.

29. Representations, Changes in Lease

Tenant has read this Lease. All promises made by the Landlord are in this Lease. There are no others. This Lease may be changed only by an agreement in writing signed by and delivered to each party.

30. Insurance

Tenant agrees that he is obligated to, and will insure all of his personal property and that of any other residents at his own cost and expense, to its full insurable value to protect against damage resulting from fire, water damage, theft and other causes. Tenant waives any claims for property damage or personal injury claimed against Landlord to the extent permitted by law and to the extent any claim would be covered by the insurance required hereby to be obtained, whether or not Tenant actually obtains such insurance. Landlord is to be added as additional insured on that policy.

Tenant agrees that he is obligated to and will carry a general liability policy at his sole cost and expense covering the negligence of Tenant, Tenant's agents, servants, guests and licensees for personal injury and/or death and/or damage that may be occasioned to the Premises or Tenant's or Landlord's possessions or to any person because of negligence. Landlord is to be added as additional insured on that policy.

A copy of this policy or policies, in full force and effect, with premiums prepaid for one year, will be presented upon signing of the Lease. The insurance policy will be with a company licensed to do business in the State of New York and will have the highest rating afforded by "Best's" rating service. The insurance policy will contain an undertaking to notify Landlord at least thirty (30) days in advance of expiration. If Tenant fails to obtain or maintain such insurance, Landlord can obtain such insurance and the costs of the premiums will be due as added rent. Maintaining insurance is a substantial obligation of tenancy.

31. Showing of Premises

At least three (3) months prior to the expiration of the Lease term, the Landlord and/or agent may show the Premises to any prospective new tenants or purchasers and the tenant agrees that the Premises may be shown at all reasonable times upon reasonable notice.

32. Rent Regulations

Tenant acknowledges that the Premises is not subject to any form of Rent Regulation.

33. Late Fees

Any rent payments received after the eighth of the month will incur a late penalty of \$100.00. Any amounts remaining unpaid for more than one month incur additional charges for interest at the annual rate of 10% until such amounts are paid.

34. Legal Fees

If Tenant defaults in performing any obligation under this lease and as a result of the default, Landlord pays or incurs any legal fees for the services rendered, Tenant acknowledges that Tenant is responsible to pay the fees and that such fees are deemed added rent.

35. Paragraph Headings

The Paragraph headings are for convenience only.

36. Storage

Tenant agrees not to store any personal items in the entry way or common hallway to the Premises. Landlord has advised Tenant that such is a fire hazard.

37. Garbage Removal/Recycling

Tenant shall be responsible for the removal of all garbage and trash from the Premises.

Tenant acknowledges that Tenant must comply with all current and future recycling requirements at Tenant's sole cost and expense. The garbage and trash shall be placed in the area designated by Landlord during the hours designated by Landlord. Where permitted by law, Landlord reserves the right to require Tenant to arrange for such garbage and trash collection at Tenant's sole cost and expense. Tenant shall pay all costs associated with or imposed on Landlord or Tenant for Tenant's failure to comply with the provisions in this paragraph, including, but not limited to, legal fees, summons and tickets.

38. Moving

Tenant agrees to schedule all moving of furniture, appliances, televisions, stereo equipment and other large or heavy items into or out of the Premises with Landlord so as to minimize noise and disruption to other tenants of the building and damage to the Building. All movers must be licensed and insured and proof of such must be provided to Landlord prior to any move.

39. Disturbance of Other Occupants of the Building

Tenant agrees that they will not make nor permit others to make excessive noise nor create foul smells nor use excessive lights so as to disturb the other occupants of the building. Tenant may not engage in any objectionable conduct which includes interfering with the rights of others to properly and peacefully enjoy their Apartment, or cause conditions that are dangerous, unsanitary and detrimental to other tenants of the Building.

40. Effective date

This Lease is effective when Landlord delivers to Tenant a copy signed by all parties. Tenant acknowledges receipt of a fully signed copy of the lease.

41. Lead Paint Rider annexed to this Lease and made a part hereof

42. Moving Out

When the Lease ends or terminates, Tenant shall remove all of Tenant's property and, at Tenant's expense, any and all wall and floor coverings, furnishings, decorations, bookcases, cabinets, mirrors, painted murals or any other installation or attachments Tenant may have installed in the Premises, even if it was done with Landlord's consent. Tenant must restore and repair Premises to its original condition, including, but not limited to, those portions of the Premises affected by those installations and removals.

If property is left in the Premises after the Lease ends, Landlord may treat Tenant as if Tenant is still in occupancy and charge Tenant for use, or Landlord may consider the property as ownerless and abandoned and retake possession of the Premises. In either event, Landlord may discard the property without incurring any liability to the Tenant and/or store it at Tenant's expense. The provisions of this paragraph shall survive and continue to be in effect after the end of the Lease.

43. Terraces and Balconies

The terms of this lease applies to any terraces and/or balconies in the Premises as if it was a part of the Premises. The terrace and/or balcony must be free of snow, ice, leaves, garbage and Tenant must keep all screens and drains in good repair. No cooking with gas or charcoal grills is allowed on the terrace and/or balcony. No fences, changes or additions may be made. Installation of furniture and plants requires approval by Landlord. For sanitary and health purposes, Tenant may not provide food for wild birds from the terrace, balcony and/or window sills.

44. Pets

No pets or animals of any kind may be kept or harbored in the Premises, except for dogs that assist the vision impaired, except as otherwise permitted by Landlord. No dog shall be allowed in the passenger elevator or public common ways without an leash. Dogs are not permitted on any terrace or balcony under any condition. Violation of this paragraph shall be deemed a serious breach of the Lease. Landlord reserves the right to revoke Landlord's consent to a Tenant's pet at any time but this provisions shall not be construed as permitting pets in the first instance.



45. Hallways

Tenant shall not decorate or furnish any public hall of the Building nor shall any article in the halls, staircase landings, elevator, nor shall anything be hung from doors, windows, terraces, balconies nor shall anything be placed upon the window sills or facade of the building.

46. Roof Garden/Sundeck

If there is a roof garden and/or sundeck, (1) pets are not allowed on the roof or sundeck (2) Tenants must remove all personal effects and debris after using the roof or sundeck, (3) Landlord may close off the roof or sundeck from Tenants for any reason, including, but not limited to, safety, noise and disturbance, (4) children under 13 years of age must be accompanied by an adult (18 years or older) on the roof or sundeck, and (5) use of the roof and/or sundeck shall only be in compliance with house rules of the Building.

47. Mechanics Liens

In case a notice of mechanic's lien against the Building shall be filed purporting to be for labor or material furnished or delivered at the Building or the Premises for Tenant or anybody claiming or active for Tenant, Tenant shall immediately cause such lien to be discharged in payment, bonding or otherwise, and if Tenant fails to do so within ten (10) days after notice from Landlord, then Landlord may cause such lien to be discharged by payment, bonding or otherwise, without investigating as to the validity of same or of any offsets or defenses thereto, and Landlord shall have the right to collect from Tenant as additional rent all amount so paid and all costs and expenses paid or incurred in connection with same including attorney's fees and disbursements, together with interest from the time or times of payment.

48. Signs

No signs, notice or advertisement shall be inscribed or exposed on or at any window or any part of the Building except as shall have been first approved in writing by the Landlord.

49. Military Service

Tenant represent that Tenant is not in the military service nor is Tenant being supported by anyone in the military at this time. If Tenant shall enter military service, or be supported by anyone in the military service, Tenant will immediately give Landlord notice of this change as provided for in the Lease.

50. Window Guards

Tenant represents that there will not be a child or children who are members of Tenant's immediate family that are ten (10) years old or under who shall be residing in the Premises. If such a child does become a resident, Tenant shall immediately notify Landlord. Tenant acknowledges that Tenant received notice that under the New York City Health Code, and any other applicable statutes or regulations, that Landlord is required to install window guards in an apartment if a child ten (10) years or under lives or visits in the Apartment. Unless and until the aforesaid notice is given, Landlord may rely of the aforesaid representation by Tenant for not installing any such window guards.

51. Holdover

In the event Tenant holds over after the expiration of this Lease or earlier termination thereof, Tenant acknowledges and agrees that the fair market value for the use and occupancy of the Premises shall be 150% of the monthly rent agreed to in the Lease for the time Tenant holds over. This agreement as to the value of the use and occupancy shall not be construed as permission or consent by Landlord to holdover at the expiration of the Lease term or termination thereof.

52. Without the necessity of, at any time, resorting to or exhausting any other security or collateral or remedy or enforcing any other right. Successive recoveries may be had hereunder. No invalidity, irregularity or unenforceability of all or any part of the within Lease shall effect, impair or be a defense to this Guaranty and this Guaranty shall constitute a primary obligation of the Guarantor.

Guarantor agrees that if Tenant becomes insolvent or shall be adjudicated a bankrupt or shall file for similar relief under the Federal Bankruptcy Code neither the Guarantor's obligations under this guaranty and this lease shall be impaired, modified, changed or released or limited by

such filing or adjudication.

As a further inducement to Landlord to make this Lease and in consideration thereof, Landlord and the Guarantor covenant and agree that in any action or proceeding brought by one against the other, Landlord and Guarantor shall and do hereby waive trial by jury and Guarantor shall be responsible for payment of any legal fees incurred by Landlord in enforcing this Guarantee or any provision of the Lease.

53. Application of rent in the event of Partial Payment

If at any time Landlord receives from Tenant any payment (Partial Payment) less than the sum of the fixed annual rent or additional rent then due and owing pursuant to the terms of the lease, Landlord in its sole discretion may allocate such Partial Payment in whole or in part to any fixed annual rent or additional rent or to any combination thereof.

54. Acceptance of Checks

All checks tendered to the Landlord as and for the rent of the demised Premises shall be deemed payments for the account of the Tenant. Acceptance by the Landlord of rent from anyone other than the Tenant shall not be deemed to operate as an attornment to the Landlord by the payor of such rent or as a consent of the Landlord to assignment or subletting by the Tenant of the Premises to such payor, or as a modification of the provisions of this Lease.

Signatures. The parties have entered into this Lease on the date first above stated.

LANDLORD



TENANT



GUARANTOR



1. Use

Tenant represents that use of the Premises will be commercial and not residential. Tenant recognizes that the existing improvements made to the Premises are suitable for residential use including the kitchen and bathrooms. Nevertheless Tenant intends to use the Premises as a gallery for display of sculptural pieces and related design product and as a studio for creating and finishing his work. Tenant represents that bathrooms with showers are necessary to clean up after working and as changing rooms for models. Further the fact that the Premises are used at irregular hours cannot be construed as residential use.

Tenant's principal, Arturo DiModica, resides in Sicily, Italy and visits New York frequently, sometimes for extended stays. On those occasions when he is in New York he resides at a hotel like facility operated by one of his clients.

Landlord can inspect the unit at any time to confirm the above.

2. Term

The term is one year and one month commencing August 1, 2004 and ending September 30, 2005.

3. The Rent during the term of the Lease is \$4,300.00 per month, due in advance.

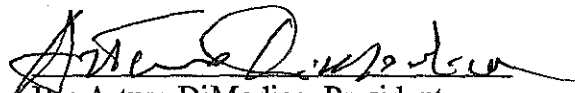
4. Tenant's name [Studio DiModica] can be posted in the lobby.

5. Tenant will place a security deposit equal to one months rent with Landlord (\$4,300.00) by August 10, 2004.

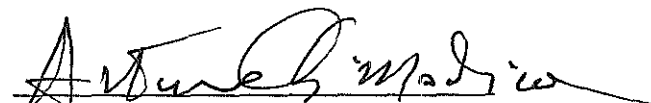
Landlord

Tenant  
Studio DiModica, Inc.

By: \_\_\_\_\_

  
By: Arturo DiModica, President

Guarantor:

  
Arturo DiModica