

STANDARD FORM OF STORE LEASE

The Real Estate Board of New York, Inc.

Agreement of Lease, made as of this 4th day of February 19 99, between
 PIER 29 LOFTS CORP., 434 Greenwich Street, New York, New York
 party of the first part, hereinafter referred to as OWNER, and
 PIER LESSOR GROUP PARTNERS, 434 Greenwich Street, New York, New York
 party of the second part, hereinafter referred to as TENANT,

Witnesseth: Owner hereby leases to Tenant and Tenant hereby hires from Owner

FIRST FLOOR and rear half of basement
 in the building known as 434 Greenwich Street
 in the Borough of Manhattan, City of New York, for the term ~~of~~ until September 30, 2081
 (or until such term shall sooner cease and expire as hereinafter provided) to commence on the
 4th day of March nineteen hundred and ninety nine, and to end on the
 30th day of September ~~nineteen hundred and~~ two thousand eighty one
 both dates inclusive, at an annual rental rate of See Rider Paragraph 40.

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

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

- Rent:** 1. Tenant shall pay the rent as above and as hereinafter provided.
Occupancy: 2. Tenant shall use and occupy demised premises for *any legal use.*

and for no other purpose. Tenant shall at all times conduct its business in a high grade and reputable manner, shall not violate Article 37 hereof, and shall keep show windows and signs in a neat and clean condition.

Alterations: 3. Tenant shall make no changes in or to the demised premises of any nature without Owner's prior written consent. Subject to the prior written consent of Owner, and to the provisions of this article, Tenant at Tenant's expense, may make alterations, installations, additions or improvements which are non-structural and which do not affect utility services or plumbing and electrical lines, in or to the interior of the demised premises by using contractors or mechanics first approved by Owner. Tenant shall, before making any alterations, additions, installations or improvements, at its expense, obtain all permits, approvals and certificates required by any governmental or quasi-governmental bodies and (upon completion) certificates of final approval thereof and shall deliver promptly duplicates of all such permits, approvals and certificates to Owner and Tenant agrees to carry and will cause Tenant's contractors and sub-contractors to carry such workman's compensation, general liability, personal and property damage insurance as Owner may require. If any mechanic's lien is filed against the demised premises, or the building of which the same forms a part, for work claimed to have done for, or materials furnished to, Tenant, whether or not done pursuant to this article, the same shall be discharged by Tenant within ten days thereafter, at Tenant's expense, by filing the bond required by law. All fixtures and all paneling, partitions, railings and like installations, installed in the premises at any time, either by Tenant or by Owner in Tenant's behalf, shall, upon installation, become the property of Owner and shall remain upon and be surrendered with the demised premises unless Owner, by notice to Tenant no later than twenty days prior to the date fixed as the termination of this lease, elects to relinquish Owner's rights thereto and to have them removed by Tenant, in which event, the same shall be removed from the premises by Tenant prior to the expiration of the lease, at Tenant's expense. Nothing in this article shall be construed to give Owner title to or to prevent Tenant's removal of trade fixtures, moveable office furniture and equipment, but upon removal of any such from the premises or upon removal of other installations as may be required by Owner, Tenant shall immediately and at its expense, repair and store the premises to the condition existing prior to installation and repair any damage to the demised premises or the building due to such removal. All property permitted or required to be removed by Tenant at the end of the term remaining in the premises after Tenant's removal shall be deemed abandoned and may, at the election of Owner, either be

Owner's property or may be removed from the premises at Tenant's expense.

Repairs: 4. Owner shall maintain and repair the public portions of the building, both exterior and interior, except that if Owner 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 and shall cause the same to be operated in a good and workmanlike manner and shall make all repairs thereto necessary to keep same in good order and condition, at Tenant's own cost and expense, and shall cause the same to be covered by the insurance provided for hereafter in Article 8. Tenant shall, throughout the term of this lease, take good care of the demised premises and the fixtures and appurtenances therein, and the sidewalks adjacent thereto, and at its sole cost and expense, make all non-structural repairs thereto as and when needed to preserve them in good working order and condition, reasonable wear and tear, obsolescence and damage from the elements, fire or other casualty, excepted. If the demised premises be or become infested with vermin, Tenant shall at Tenant's expense, cause the same to be exterminated from time to time to the satisfaction of Owner. Except as specifically provided in Article 9 or elsewhere in this lease, there shall be no allowance to the Tenant for the diminution of rental value and no liability on the part of Owner by reason of inconvenience, annoyance or injury to business arising from Owner, Tenant or others making or failing to make any repairs, alterations, additions or improvements in or to any portion of the building or the demised premises or in and to the fixtures, appurtenances or equipment thereof. The provisions of this article 4 with respect to the making of repairs shall not apply in the case of fire or other casualty which are dealt with in article 9 hereof.

Window Cleaning: 5. Tenant will not clean nor require, permit, suffer or allow any window in the demised premises to be cleaned from the outside in violation of Section 202 of the New York State Labor Law or any other applicable law or of the Rules of the Board of Standards and Appeals, or of any other Board or body having or asserting jurisdiction.

Requirements of Law, Fire Insurance: 6. Prior to the commencement of the lease term, if Tenant is then in possession, and at all times thereafter, Tenant at Tenant's sole cost and expense, shall promptly comply with all present and future laws, orders and regulations of all state, federal, municipal and local governments, departments, commissions and boards and any direction of any public officer pursuant to law, and all orders,

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

Subordination: 7. This lease is subject and subordinate to all ground or underlying leases and to all mortgages which may now or hereafter affect such leases or the real property of which demised premises are a part and to all renewals, modifications, consolidations, replacements and extensions of any such underlying leases and mortgages. This clause shall be self-operative and no further instrument of subordination shall be required by any ground or underlying lease or by any mortgagee, affecting any lease or the real property of which the demised premises are a part. In confirmation of such subordination, Tenant shall execute promptly any certificate that Owner may request.

Tenant's Liability Insurance Property Loss, Damage, Indemnity: 8. Owner or its agents shall not be liable for any damage to property of Tenant or of others entrusted to employees of the building, nor for loss of or damage to any property of Tenant by theft or otherwise, nor for any injury or damage to persons or property resulting from any cause of whatsoever nature, unless caused by or due to the negligence of Owner, its agents, servants or employees. Owner or its agents will not be liable for any such damage caused by other tenants or persons in, upon or about said building or caused by operations in construction of any private, public or quasi public work. Tenant agrees, at Tenant's sole cost and expense, to maintain general public liability insurance in standard form in favor of Owner and Tenant against claims for bodily injury or death or property damage occurring in or upon the demised premises, effective from the date Tenant enters into possession and during the term of this lease. Such insurance shall be in an amount and with carriers acceptable to the Owner. Such policy or policies shall be delivered to the Owner. On Tenant's default in obtaining or delivering any such policy or policies or failure to pay the charges therefor, Owner may secure or pay the charges for any such policy or policies and charge the Tenant as additional rent therefor. Tenant shall indemnify and save harmless Owner against and from all liabilities, obligations, damages, penalties, claims, costs and expenses for which Owner shall not be reimbursed by insurance, including reasonable attorneys fees, paid, suffered or incurred as a result of any breach by Tenant. Tenant's agents, contractors, employees, invitees, or licensees, of any covenant on condition of this lease, or the carelessness, negligence or improper conduct of the Tenant, Tenant's agents, contractors, employees, invitees or licensees. Tenant's liability under this lease extends to the acts and omissions of any subtenant, and any agent, contractor, employee, invitee or licensee of any subtenant. In case any action or proceeding is brought against Owner by reason of any such claim, Tenant, upon written notice from Owner, will, at Tenant's expense, resist or defend such action or proceeding by Counsel approved by Owner in writing, such approval not to be unreasonably withheld.

Destruction, Fire and Other Casualty: 9. (a) If the demised premises or any part thereof shall be damaged by fire or other casualty, Tenant shall give immediate notice thereof to Owner and this lease shall continue in full force and effect except as hereinafter set forth. (b) If the demised premises are partially damaged or rendered partially unusable by fire or other casualty, the damages thereto shall be repaired by and at the expense of Owner and the rent, until such repair shall be substantially completed, shall be apportioned from the day following the casualty according to the part of the premises which is usable. (c) If the demised premises are totally damaged or rendered wholly unusable by fire or other casualty, then the rent shall be proportionately paid up to the time of the casualty and thenceforth shall cease until the date the premises shall have been repaired and restored by Owner. Tenant shall be subject to Owner's right to elect not to restore the same as


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

Eminent Domain: 10. If the whole or any part of the demised premises shall be acquired or condemned by Eminent Domain for any public or quasi public use or purpose, then and in that event, the term of this lease shall cease and terminate from the date of title vesting in such proceeding and Tenant shall have no claim for the value of any unexpired term of said lease.

Assignment, Mortgage, Etc.: 11. Tenant, for itself, its heirs, distributees, executors, administrators, legal representatives, successors and assigns expressly covenants that it shall not assign, mortgage or encumber this agreement, nor underlet, or suffer or permit the demised premises or any part thereof to be used by others, without the prior written consent of Owner in each instance. If this lease be assigned, or if the demised premises or any part thereof be underlet or occupied by anybody other than Tenant, Owner may, after default by Tenant, collect rent from the assignee, under-tenant or occupant, and apply the net amount collected to the rent herein reserved, but no such assignment, underletting, occupancy or collection shall be deemed a waiver of the covenant, or the acceptance of the assignee, under-tenant or occupant as tenant, or a release of Tenant from the further performance by Tenant of covenants on the part of Tenant herein contained. The consent by Owner to an assignment or underletting shall not in any wise be construed to relieve Tenant from obtaining the express consent in writing of Owner to any further assignment or underletting.

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

Access to Premises: 13. Owner or Owner's agents shall have the right (but shall not be obligated) to enter the demised premises in any emergency at any time, and, at other reasonable times, to examine the same and to make such repairs, replacements and improvements as Owner may deem necessary and reasonably desirable to any portion of the building or which Owner may elect to perform, in the premises, following Tenant's failure to make repairs or perform any work which Tenant is obligated to

 Rider to be added if necessary.

perform under this lease, or for the purpose of complying with laws, regulations and other directions of governmental authorities. Tenant shall permit Owner to use and maintain and replace pipes and conduits in and through the demised premises and to erect new pipes and conduits therein, provided they are within the walls, Owner may, during the progress of any work in the demised premises, take all necessary materials and equipment into said premises without the same constituting an eviction nor shall the Tenant be entitled to any abatement of rent while such work is in progress nor to any damages by reason of loss or interruption of business or otherwise. Throughout the term hereof Owner shall have the right to enter the demised premises at reasonable hours for the purpose of showing the same to prospective purchasers of mortgages of the building, and during the last six months of the term for the purpose of showing the same to prospective tenants and may, during said six months period, place upon the premises the usual notice "To Let" and "For Sale" which notices Tenant shall permit to remain thereon without molestation. If Tenant is not present to open and permit an entry into the premises, Owner or Owner's agents may enter the same whenever such entry may be necessary or permissible by master key or forcibly and provided reasonable care is exercised to safeguard Tenant's property and such entry shall not render Owner or its agents liable therefor, nor in any event shall the obligations of Tenant hereunder be affected. If during the last month of the term Tenant shall have removed all or substantially all of Tenant's property therefrom, Owner may immediately enter, alter, renovate or redecorate the demised premises without limitation or abatement of rent, or incurring liability to Tenant for any compensation and such act shall have no effect on this lease or Tenant's obligations hereunder. Owner shall have the right at any time, without the same constituting an eviction and without incurring liability to Tenant therefor to change the arrangement and/or location of public entrances, passageways, doors, doorways, corridors, elevators, stairs, toilets, or other public parts of the building and to change the name, number or designation by which the building may be known.

Vault, Vault Space, Area: 14. No Vaults, vault space or area, whether or not enclosed or covered, not within the property line of the building is leased hereunder, anything contained in or indicated on any sketch, blue print or plan, or anything contained elsewhere in this lease to the contrary notwithstanding. Owner makes no representation as to the location of the property line of the building. All vaults and vault space and all such areas not within the property line of the building, which Tenant may be permitted to use and/or occupy, is to be used and/or occupied under a revocable license, and if any such license be revoked, or if the amount of such space or area be diminished or required by any federal, state or municipal authority or public utility, Owner shall not be subject to any liability nor shall Tenant be entitled to any compensation or diminution or abatement of rent, nor shall such revocation, diminution or requisition be deemed constructive or actual eviction. Any tax, fee or charge of municipal authorities for such vault or area shall be paid by Tenant.

Occupancy: 15. Tenant will not at any time use or occupy the demised premises in violation of, Articles 2 or 37 hereof, or of, the certificate of occupancy issued for the building of which the demised premises are a part. Tenant has inspected the premises and accepts them as is, subject to the riders annexed hereto with respect to Owner's work, if any. In any event, Owner makes no representation as to the condition of the premises and Tenant agrees to accept the same subject to violations whether or not of record.

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

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

reason of such termination, an amount equal to the maximum allowed by any statute or rule of law in effect at the time when, and governing the proceedings in which, such damages are to be proved, whether or not such amount be greater, equal to, or less than the amount of the difference referred to above.

Default: 17. (1) If Tenant defaults in fulfilling any of the covenants of this lease other than the covenants for the payment of rent or additional rent; or if the demised premises become vacant or deserted; or if any execution or attachment shall be issued against Tenant or any of Tenant's property whereupon the demised premises shall be taken or occupied by someone other than Tenant; or if this lease be rejected under Section 365 of Title 11 of the U.S. Code (Bankruptcy Code); or if Tenant shall fail to move into or take possession of the premises within fifteen (15) days after the commencement of the term of this lease, of which fact Owner shall be the sole judge; then, in any one or more of such events, upon Owner serving a written five (5) days notice upon Tenant specifying the nature of said default and upon the expiration of said five (5) days, if Tenant shall have failed to comply with or remedy such default, or if the said default or omission complained of shall be of a nature that the same cannot be completely cured or remedied within said five (5) day period, and if Tenant shall not have diligently commenced curing such default within such five (5) day period, and shall not thereafter with reasonable diligence and in good faith proceed to remedy or cure such default, then Owner may serve a written three (3) days notice of cancellation of this lease upon Tenant, and upon the expiration of said three (3) days, this lease and the term thereunder shall end and expire as fully and completely as if the expiration of such three (3) day period were the day herein definitely fixed for the end and expiration of this lease and the term thereof and Tenant shall then quit and surrender the demised premises to Owner but Tenant shall remain liable as hereinafter provided.

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

Remedies of Owner and Waiver of Redemption: 18. In case of any such default, re-entry, expiration and/or dispossession by summary proceedings or otherwise, (a) the rent, and additional rent, shall become due thereupon and be paid up to the time of such re-entry, dispossession and/or expiration. (b) Owner may re-let the premises or any part or parts thereof, either in the name of Owner or otherwise, for a term or terms, which may at Owner's option be less than or exceed the period which would otherwise have constituted the balance of the term of this lease and may grant concessions or free rent or charge a higher rental than that in this lease, and/or (c) Tenant or the legal representatives of Tenant shall also pay Owner as liquidated damages for the failure of Tenant to observe and perform said Tenant's covenants herein contained, any deficiency between the rent hereby reserved and/or covenanted to be paid and the net amount, if any, of the rents collected on account of the subsequent lease or leases of the demised premises for each month of the period which would otherwise have constituted the balance of the term of this lease. The failure of Owner to re-let the premises or any part or parts thereof shall not release or affect Tenant's liability for damages. In computing such liquidated damages there shall be added to the said deficiency such expenses as Owner may incur in connection with re-letting, such as legal expenses, attorneys' fees, brokerage, advertising and for keeping the demised premises in good order or for preparing the same for re-letting. Any such liquidated damages shall be paid in monthly installments by Tenant on the rent day specified in this lease. Owner, in putting the demised premises in good order or preparing the same for re-rental may, at Owner's option, make such alterations, repairs, replacements, and/or decorations in the demised premises as Owner, in Owner's sole judgement, considers advisable and necessary for the purpose of re-letting the demised premises, and the making of such alterations, repairs, replacements, and/or decorations shall not operate or be construed to release Tenant from liability. Owner shall in no event be liable in any way whatsoever for failure to re-let the demised premises, or in the event that the demised premises are re-let, for failure to collect the rent thereof under such re-letting, and in no event shall Tenant be entitled to receive any excess, if any, of such net rent collected over the sums payable by Tenant to Owner hereunder. In the event of a breach or threatened breach by Tenant or any of the covenants or provisions hereof, Owner shall have the right of injunction and the right to invoke any remedy allowed at law or in equity as if re-entry, summary proceedings and other remedies were not herein provided for. Mention in this lease of any particular remedy, shall not preclude Owner from any other remedy, in law or in equity. Tenant hereby expressly waives any and all rights of redemption granted by or under any present or future laws.

Fees and Expenses: 19. If Tenant shall default in the observance or performance of any term 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, then, unless otherwise provided elsewhere in this lease, Owner may immediately or at any time thereafter and without notice perform the obligation of Tenant thereunder, and if Owner, in connection therewith or in connection with any default by Tenant in the covenant to pay rent hereunder, makes any expenditures or incurs any obligations for the payment of money, including but not limited to attorney's fees, in instituting, prosecuting or defending any actions or proceeding, such sums so paid or obligations incurred with interest and costs shall be deemed to be additional rent hereunder and shall be paid by Tenant to Owner within five (5) days of rendition of any bill or statement to Tenant therefor, and if Tenant's lease term shall have expired at the time of making of such expenditures or incurring of such obligations, such sums shall be recoverable by Owner as damages.

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

End of Term: 21. Upon the expiration or other termination of the term of this lease, Tenant shall quit and surrender to Owner the demised premises, broom clean, in good order and condition, ordinary wear excepted, and Tenant shall remove all its property. Tenant's obligation to observe or perform this covenant shall survive the expiration or other termination of this lease. If the last day of the term of this lease or any renewal thereof, falls on Sunday, this lease shall expire at noon on the preceding Saturday unless it be a legal holiday in which case it shall expire at noon on the preceding business day.

Quiet Enjoyment: 22. Owner 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 hereby demised, subject, nevertheless, to the terms and conditions of this lease including, but not limited to, Article 33 hereof and to the ground leases, underlying leases and mortgages hereinbefore mentioned.

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

No Waiver: 24. The failure of Owner 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 or hereafter adopted by Owner, 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 Owner of 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 Owner unless such waiver be in writing signed by Owner. No payment by Tenant or receipt by Owner of a lesser amount than the monthly rent herein stipulated shall be deemed to be other than on account of the earliest stipulated rent, nor shall any endorsement or statement of any check or any letter accompanying any check or rent as rent be deemed an accord and satisfaction, and Owner

may accept such check or payment without prejudice to Owner's right to recover the balance of such rent or pursue any other remedy in this lease provided. No act or thing done by Owner or Owner's agents during the term hereby demised shall be deemed in acceptance of a surrender of said premises and no agreement to accept such surrender shall be valid unless in writing signed by Owner. No employee of Owner or Owner'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.

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

Inability to Perform: 26. This lease and the obligation of Tenant to pay rent hereunder and perform all of the other covenants and agreements hereunder on part of Tenant to be performed shall in no wise be affected, impaired or excused because Owner is unable to fulfill any of its obligations under this lease or to supply or is delayed in supplying any service expressly or impliedly to be supplied or is unable to make, or is delayed in making any repair, additions, alterations or decorations or is unable to supply or is delayed in supplying any equipment or fixtures if Owner is prevented or delayed from so doing by reason of strike or labor troubles, government preemption in connection with a National Emergency or by reason of any rule, order or regulation of any department or subdivision thereof of any government agency or by reason of the conditions of supply and demand which have been or are affected by war or other emergency, or when, in the judgement of Owner, temporary interruption of such services is necessary by reason of accident, mechanical breakdown, or to make repairs, alterations or improvements.

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

Water Charges: 28. If Tenant requires, uses or consumes water for any purpose in addition to ordinary lavatory purposes (of which fact Tenant constitutes Owner to be the sole judge) Owner may install a water meter and thereby measures Tenant's water consumption for all purposes. Tenant shall pay Owner for the cost of the meter and the cost of the installation thereof and throughout the duration of Tenant's occupancy Tenant shall keep said meter and installation equipment in good working order and repair at Tenant's own cost and expense. Tenant agrees to pay for water consumed, as shown on said meter as and when bills are rendered. Tenant covenants and agrees to pay the sewer rent, charge or any other tax, rent, levy or charge which now or hereafter is assessed, imposed or a lien upon the demised premises or the realty of which they are part pursuant to law, order or regulation made or issued in connection with the use, consumption, maintenance or supply of water, water system or sewage or sewage connection or system. The bill rendered by Owner shall be payable by Tenant as additional rent. If the building or the demised premises or any part thereof be supplied with water through a meter through which water is also supplied to other premises Tenant shall pay to Owner as additional rent, on the first day of each month, % (\$) of the total meter charges, as Tenant's portion. Independently of and in addition to any of the remedies reserved to Owner hereinabove or elsewhere in this lease.

Sprinklers: 29. Anything elsewhere in this lease to the contrary notwithstanding, if the New York Board of Fire Underwriters or the Insurance Services Office or any bureau, department or official of the federal, state or city government require or recommend the installation of a sprinkler system or that any changes, modifications, alterations, or additional sprinkler heads or other equipment be made or supplied in an existing sprinkler system by reason of Tenant's business, or the location of partitions, trade fixtures, or other contents of the demised premises, or for any other reason, or if any such sprinkler system installations, changes, modifications, alterations, additional sprinkler heads or other such equipment, become necessary to prevent the imposition of a penalty or charge against the full allowance for a sprinkler system in the fire insurance rate set by any said Exchange or by any fire insurance company. Tenant shall, at Tenant's expense, promptly make such sprinkler system installations, changes, modifications, alterations, and supply additional sprinkler heads or other equipment as

required whether the work involved shall be structural or non-structural in nature. Tenant shall pay to Owner as additional rent the sum of \$ _____, on the first day of each month during the term of this lease, as Tenant's portion of the contract price for sprinkler supervisory service.

Heat, Cleaning: 30. As long as Tenant is not in default under any of the covenants of this lease Owner shall, if and insofar as existing facilities permit furnish heat to the demised premises, when and as required by law, on business days from 8:00 a.m. to 6:00 p.m. and on Saturdays from 8:00 a.m. to 1:00 p.m. Tenant shall at Tenant's expense, keep demised premises clean and in order, to the satisfaction to Owner, and if demised premises are situated on the street floor, Tenant shall, at Tenant's own expense, make all repairs and replacements to the sidewalks and curbs adjacent thereto, and keep said sidewalks and curbs free from snow, ice, dirt and rubbish. Tenant shall pay to Owner the cost of removal of any of Tenant's refuse and rubbish from the building. Bills for the same shall be rendered by Owner to Tenant at such times as Owner may elect and shall be due and payable when rendered, and the amount of such bills shall be deemed to be, and be paid as, additional rent. Tenant shall, however, have the option of independently contracting for the removal of such rubbish and refuse in the event that Tenant does not wish to have same done by employees of Owner. Under such circumstances, however, the removal of such refuse and rubbish by others shall be subject to such rules and regulations as, in the judgment of Owner, are necessary for the proper operation of the building.

Security: 31. Tenant has deposited with Owner the sum of \$ _____ as security for the faithful performance and observance by Tenant of the terms, provisions and conditions of this lease; it is agreed that in the event Tenant defaults in respect of any of the terms, provisions and conditions of this lease, including, but not limited to, the payment of rent and additional rent. Owner may use, apply or retain the whole or any part of the security so deposited to the extent required for the payment of any rent and additional rent or any other sum as to which Tenant is in default or for any sum which Owner 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 this lease, including but not limited to, any damages or deficiency in the re-letting of the premises, whether such damages or deficiency accrued before or after summary proceedings or other re-entry by Owner. In the event that Tenant shall fully and faithfully comply with all of the terms, provisions, covenants and conditions of this lease, the security shall be returned to Tenant after the date fixed as the end of the Lease and after delivery of entire possession of the demised premises to Owner. In the event of a sale of the land and building or leasing of the building, of which the demised premises form a part, Owner shall have the right to transfer the security to the vendee or lessee and Owner shall thereupon be released by Tenant from all liability for the return of such security, and Tenant agrees to look to the new Owner solely for the return of said security; and it is agreed that the provisions hereof shall apply to every transfer or assignment made of the security to a new Owner. Tenant further covenants that it will not assign or encumber or attempt to assign or encumber the monies deposited herein as security and that neither Owner nor its successors or assigns shall be bound by any such assignment, encumbrance, attempted assignment or attempted encumbrance.

Captions: 32. The Captions are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this lease nor the intent of any provision thereof.

Definitions: 33. The term "Owner" as used in this lease means only the Owner, or the mortgagee in possession, for the time being of the land and building (or the Owner of a lease of the building or of the land and building) of which the demised premises form a part, so that in the event of any sale or sales of said land and building or of said lease, or in the event of a lease of said building, or of the land and building, the said Owner shall be and hereby is entirely freed and relieved of all covenants and obligations of Owner hereunder, and it shall be deemed and construed without further agreement between the parties or their successors in interest, or between the parties and the purchaser, at any such sale, or the said lessee of the building, or of the land and building, that the purchaser or the lessee of the building has assumed and agreed to carry out any and all covenants and obligations of Owner hereunder. The words "re-enter" and "re-entry" as used in this lease are not restricted to their technical legal meaning. The term "business days" as used in this lease shall exclude Saturdays (except such portion thereof as is covered by specific hours in Article 30 hereof), Sundays and all days

☒ Space to be filled in or deleted.

designated as holidays by the applicable building service union employees service contract or by the applicable Operating Engineers contract with respect to HVAC service.

Adjacent Excavation—Shoring: 34. If an excavation shall be made upon land adjacent to the demised 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 demised premises for the purpose of doing such work as said person shall deem necessary to preserve the wall or the building of which demised premises form a part from injury or damage and to support the same by proper foundations without any claim for damages or indemnity against Owner, or diminution or abatement of rent.

Rules and Regulations: 35. Tenant and Tenant's servants, employees, agents, visitors, and licensees shall observe faithfully, and comply strictly with the Rules and Regulations as Owner or Owner's agents may from time to time adopt. Notice of any additional rules or regulations shall be given in such manner as Owner may elect. In case Tenant disputes the reasonableness of any additional Rule or Regulation hereafter made or adopted by Owner or Owner's agents, the parties hereto agree to submit the question of the reasonableness of such Rule or Regulation for decision to the New York office of the American Arbitration Association, whose determination shall be final and conclusive upon the parties hereto. 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 Owner within ten (10) days after the giving of notice thereof. Nothing in this lease contained shall be construed to impose upon Owner any duty or obligation to enforce the Rules and Regulations or terms, covenants or conditions in any other lease, as against any other tenant and Owner shall not be liable to Tenant for violation of the same by any other tenant, its servants, employees, agents, visitors or licensees.

Glass: 36. Owner shall replace, at the expense of Tenant, any and all plate and other glass damaged or broken from any cause whatsoever in and about the demised premises. Owner may insure, and keep insured, at Tenant's expense, all plate and other glass in the demised premises for and in the name of Owner. Bills for the premiums therefor shall be rendered by Owner to Tenant at such times as Owner may elect, and shall be due from, and payable by, Tenant when rendered, and the amount thereof shall be deemed to be, and be paid as, additional rent.

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

Estoppel Certificate: 38. Tenant, at any time, and from time to time, upon at least 10 days' prior notice by Owner, shall execute, acknowledge and deliver to Owner, and/or to any other person, firm or corporation specified by Owner, a statement certifying that this lease is unmodified and in full force and effect (or, if there have been modifications, that the same is in full force and effect as modified and stating the modifications), stating the dates which the rent and additional rent have been paid, and stating whether or not there exists any defaults by Owner under this lease, and, if so, specifying each such default.

Successors and Assigns: 39. The covenants, conditions and agreements contained in this lease shall bind and inure to the benefit of Owner and Tenant and their respective heirs, distributees, executors, administrators, successors, and except as otherwise provided in this lease, their assigns.

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

Witness for Owner:
.....

Witness for Tenant:
.....

Pier 29 Hofts Corp.
Andrea Barnett
by: Andrea Barnett, Pres.



.....[L.S.]
Pier Less Group Partners
.....[L.S.]

Mary Lynne Aikman
by: Mary Lynne Aikman, Partner



**RIDER TO LEASE BETWEEN
PIER 29 LOFTS CORP., LANDLORD
and
PIER LESS GROUP PARTNERS, TENANT**

40. Tenant shall pay to Landlord, in addition to any other charges and payments to be paid by Tenant under this lease, fixed rent at the following:

(a) for each year of the lease term, 19.5% of the Landlord's total operating expenses on an annualized basis. Landlord shall determine its total operating expenses based on the preceding year's total operating expenses with anticipated increases as reflected in a projected budget to be prepared annually by Landlord. Such rent shall be payable, without notice or demand, in equal monthly installments, in advance, on the first day of each month, unless the Landlord at the time of its determination of the operating expenses shall otherwise direct. The Tenant shall also pay when due such additional rent as may be provided for herein.

At the end of the fiscal year, Landlord shall prepare an annual report of the financial affairs, including a statement of income and expenses, certified by an independent certified public accountant. If Tenant has overpaid rent for the year based on the projected budget, Landlord shall credit Tenant with the amount of said overpayment within thirty (30) days from the issuance of the Landlord's financial statement showing the actual operating expenses.

If Tenant has underpaid rent for the preceding year based on the projected budget, Tenant agrees to pay, on thirty (30) days' written notice by Landlord, any sums due and owing as result of said underpayment.

41. OPERATING EXPENSES DEFINED

Operating Expenses, whenever used herein shall mean the estimated amount in cash which the Landlord shall from time to time in its judgment determine to be necessary or proper for 1) the operation, maintenance, care, alteration and improvement of the property during the year or portion of the year in which such determination is made (including capital improvements); 2) the creation of such reserve for contingencies as it may deem proper; 3) the payment of any obligations, liabilities or expenses incurred (even though incurred during a prior period) or to be incurred, after giving consideration to (i) income expected to be received during such period and (ii) cash on hand which the Landlord in its discretion may choose to apply. The Landlord may from time to time modify its prior determination and increase or diminish the amount previously determined as Operating Expenses of the Landlord for a year or portion thereof. No determination of Operating Expenses shall have any retroactive effect on the amount of the rent payable by the Tenant for any period prior to the date of such determination except as otherwise provided herein. All determinations of Operating Expenses shall be conclusive as to Tenant.

42. INTENTIONALLY DELETED.

43. INSURANCE

Supplementing the provisions of the Lease, the Tenant agrees:

(a) Tenant shall, at its own cost and expense, carry fire insurance on leasehold improvements and on all personal property on the Demised Premises or used in connection with the store, including the store front and doors, the air conditioners and air conditioning system and the decorations within the premises in a reasonable amount without co-insurance. If obtainable, such insurance policy or policies shall be obtained from the same company or companies which insure the Building in which the Demised Premises are a part, of it not, with good and solvent insurance companies licensed to do business in the State of New York having an A.M. Best's rating of at least B.

Tenant shall also carry plate glass, liability, and all other kinds of insurance reasonably necessary for the conduct of its business.

Public liability insurance shall be in the amounts of at least a combined single limit of \$2,000,000.00 for bodily injury and property damage. This combined single limit may be accomplished by a \$1,000,000 umbrella policy with a \$1,000,000 base policy. The amount of insurance Tenant must carry may be increased by Landlord every five (5) years provided that (i) Landlord, in the exercise of its reasonable judgment, shall deem the same necessary for adequate protection, (ii) such increase is consistent with industry standards for similar operations and (iii) such increase shall be limited to an increase of \$1,000,000 per increase.

(b) In the case of the failure of Tenant (after notice from Landlord and a five (5) day period to cure) to procure or pay for any insurance required by the terms of this Lease, Landlord may, in addition to any other remedies it may have, procure the same and pay the premium therefor, and any sums expended by Landlord for this purpose, together with interest thereon, shall be and become due and payable to Landlord as "additional rent" and shall be paid together with the rent for the month next succeeding such payment or any subsequent month, plus interest at the prime Citibank, N.A. rate plus two (2%) per cent per annum, and Landlord shall have the same remedies for the non-payment thereof as for the non-payment of rent.

(c) All insurance policies shall be for the benefit and in favor of the Landlord and Tenant "as interest may appear". Any policies procured pursuant to the above provisions shall be fully paid for by Tenant when obtained and receipted bills therefor shall be exhibited to Landlord. All copies of insurance policies for fire, plate glass and liability shall be delivered to Landlord. Renewal policies shall be procured and such policies or certificates thereof submitted to Landlord with receipted bills showing proof of payment of premiums therefor at least twenty (20) days prior to the expiration of the existing policies.

(d) The Landlord and the Tenant shall each, if possible, secure an appropriate clause in, or an endorsement upon, each fire and extended coverage policy obtained by it covering

the Building, the Demised Premises or the personal property, fixtures, furnishings and equipment located therein or thereon, pursuant to which the respective insurance companies waive rights of subrogation and permit the insured, prior to any loss, to agree with any third party to waive any claim it might have against said third party. The waiver of subrogation or permission for waiver of any claim hereinabove referred to shall extend to the agents of each party and its employees and, in the case of the Tenant, to all other persons and entities occupying or using the Demised Premises in accordance with the terms of this Lease. To the extent that such waiver or permission can be obtained only upon the payment of an additional premium or charge, the party requesting such waiver or permission may agree to pay such additional premium or charge and require that such clause or endorsement be included as part of the insurance policy. If such requesting party does not agree to pay such additional premium, then the other party may elect not to maintain such clause or endorsement.

(e) Subject to the foregoing provisions and insofar as may be permitted by the terms of the insurance policies carried by the Tenant, the Tenant hereby releases the Landlord with respect to any claim (including a claim for negligence) which it might otherwise have against the Landlord for loss, damages or destruction with respect to its property by fire or other insured casualties (including business interruptions) occurring during the Term of this Lease.

(f) The Tenant shall not do or permit any act or thing to be done in or to the Demised Premises which is contrary to law or to invalidate or be in conflict with public liability, fire, extended coverage or other policies of insurance at any time carried by or for the benefit of the Landlord with respect to the Demised Premises or the Building or which shall or might subject the Landlord to any liability or responsibility to any person or for property damage, nor shall the Tenant keep anything in the Demised Premises except as permitted by the Fire Department of the City of New York, New York Fire Insurance Rating Organization or other similar body or other authority having jurisdiction of the Demised Premises or the Building, and then only in such manner and such quantity so as not to increase the rate for fire insurance applicable to the Building, nor use the Demised Premises in a manner which will increase the insurance rate for the Building or any property located therein over that which is in effect prior to the Commencement Date. The Tenant shall pay all costs, expenses, fines, penalties or damages which may be imposed upon the Landlord by reason of the Tenant's failure to comply with the provisions of this Section. The terms and provisions of this Section shall survive the expiration or earlier termination of this Lease.

(g) The Tenant shall indemnify and save the Landlord harmless from and against all liabilities, obligations, damages, fines, penalties, claims, costs and expenses for which the Landlord shall not be reimbursed by insurance, including reasonable attorneys' fees, paid, suffered or incurred as a result of any default by the Tenant, its employees, agents, contractors or invitees under this Lease, or by the moving or installing of any furniture, equipment, materials, fixtures, supplies or other property or by any misconduct, act, omission, negligence or carelessness of the Tenant, its employees, agents, contractors or invitees. The terms and provisions of this Section shall survive the expiration or earlier termination of the Term of this Lease.

(h) Notwithstanding anything heretofore set forth to the contrary, the Tenant shall, in any claim it may have against the Landlord, first look to its own insurance before making any claim against the Landlord or the Landlord's insurance carrier.

44. UTILITIES

Tenant shall provide its own, utilities, and air conditioning at its sole cost and expense. Additionally, it will, at its sole cost and expense, maintain all air conditioning units (and replace same if necessary) in first-class working order.

45. ACCESS TO PREMISES

Tenant will provide access thereto at all times to Landlord in the case of an emergency and at reasonable times on advanced notice. In addition, Tenant shall provide access hereto for Consolidated Edison employees, city inspectors and repairmen. Further, Tenant shall forthwith provide Landlord with a full set of keys to all locks to the premises and all parts thereof, together with the keys and/or code to any burglar or fire alarm system on the premises so that Landlord shall have access thereto at all times. A failure to deliver such keys and code shall entitle Landlord to enter the premises forcibly in the case of emergency. The damage, if any, shall be promptly repaired and/or replaced at Tenant's sole cost and expense. Tenant shall have no right to enter the boiler room nor shall it store any boxes, equipment or inventory therein.

46. Intentionally omitted.

47. TENANT'S ADDITIONAL COVENANTS

(a) Tenant shall provide extermination service for the Demised Premises, as and when necessary, as determined by Landlord, all at Tenant's own expense.

(b) Tenant shall not permit or bring or keep in or on the Demised Premises any inflammable, combustible or explosive fluid, material, chemical or substance except for routine cleaning materials.

(c) Tenant shall not install or be permitted to install in the Demised Premises any electrical or other equipment, apparatus or device which might disturb, impair or interfere with the use or enjoyment by any other occupant of the Building of such occupant's premises. The standard used to determine whether Tenant has complied with this paragraph shall be the levels permissible as set forth in the Administrative Code of the City of New York. Tenant shall be afforded a right to cure such conditions as provided for non-monetary defaults in Paragraph 17.

(d) The entrances, vestibules, stairways, corridors, halls or any other part of the Building in which the Demised Premises are located shall not be obstructed, encumbered or used by Tenant for any purpose other than demised to Tenant by this Lease.

(e) All entrance doors and windows in the Demised Premises shall be locked when the Demised Premises are not in use.

(f) Tenant shall be required to maintain the Demised Premises in good order and condition and make all non-structural repairs to the Demised Premises which may become necessary.

48. SIGNS AND WINDOWS

(a) Tenant shall not place or install any sign on the exterior of the Building, nor shall place in any display case, windows, entrance doors or any other area visible to public view from the outside of the Building, any signs, flashing signs, or otherwise, without first obtaining in each instance, Landlord's prior written consent and approval, provided, however, that Tenant may utilize dignified interior signs which are neat, professionally printed and in good taste without obtaining Landlord's approval, to the extent, only, however, that same do not detract from the dignity and character of the Building on the express condition, however, that Tenant agrees to promptly remove any sign if Landlord shall reasonably object thereto. Tenant acknowledges that the foregoing is an essential condition of this Lease, it being Landlord's intention not to permit the diminishing of the dignity and character of the Building by Tenant's exhibiting or posting signs which in Landlord's sole discretion, would impede upon and lessen such character and dignity of the Building. Landlord shall not unreasonably withhold or delay consent to requests to install any signs or window displays.

(b) All ceiling lights, draperies, and other such installations, affecting the appearance of the Building, or which are visible from the exterior shall be subject to the prior written approval of the Landlord which shall not be unreasonably withheld.

(c) Tenant shall wash and keep clean the front windows of the Demised Premises and not block or cover any portion of such windows, except with such professionally prepared signs or other advertising as per (a) of this paragraph.

(d) Tenant, at Tenant's sole cost and expense, prior to installing or displaying any sign shall first apply for, obtain and thereafter maintain throughout the term of this Lease all such sign permits as shall be required by any law, rule or regulation presently existing or hereafter enacted of any governmental authority or agency or department thereof having jurisdiction, for or the installation, display and maintenance of any such sign.

(e) On the expiration or sooner termination of the term hereof, Tenant, at Tenant's sole cost and expense, shall promptly remove all signs installed or displayed by Tenant and Tenant also, at Tenant's sole cost and expense, shall promptly repair in a good and workmanlike manner in conformity with law and all applicable provisions of this Lease, all damage to the Building caused by such removal.

(f) It is expressly understood and agreed that any failure or refusal on the part of Tenant to comply with its obligations and agreements contained in this Article shall constitute a material default under this Lease.

(g) Tenant shall not place any signs, displays, stands, equipment, merchandise, food or beverages of any kind whatsoever on the sidewalk in front of the Building or utilize such sidewalk for any purpose whatsoever, except for ingress or egress to and from the Demises Premises. Notwithstanding the provisions of this paragraph, in the event Tenant obtains a permit from the City of New York for a sidewalk cafe, Tenant may place the necessary tables and equipment on the sidewalk to accomplish same.

49. SUBLETTING

The parties agree that Tenant shall not sublet any portion of the Demises Premises without the consent of Landlord.

50. DELIVERIES OF MERCHANDISE; REMOVAL OF REFUSE, ETC.

Tenant agrees that all merchandise, supplies, etc., delivered to or removed from the Demised Premises shall be delivered or removed only through the freight entrance. Tenant shall be given a key to the freight entrance. Tenant shall be responsible for and pay the cost of removal of its own refuse, which shall also be removed through the freight entrance. If there be more than one entrance to the Demised Premises one of which shall be an entrance from the street (as opposed to an entrance from the lobby or other portion of the Building) then Tenant shall only use such street entrance for delivery or removal of any and all merchandise, supplies, etc. as well as removal of refuse. Tenant covenants that all refuse, garbage and rubbish shall be kept in proper containers packages or bags, securely covered or tied, within the Demised Premises until after 8:00 p.m. each evening, when Tenant shall removal all refuse for carting away by Tenant's carting contractor, all such removing and carting away to be at Tenant's sole cost and expense (so as to prevent the escape of objectionable* fumes and odors and the spread of vermin); and Tenant further covenants that no refuse and/or garbage shall be permitted to remain on the sidewalks adjacent to the Building between the hours of 8:30 a.m. to 8:00 p.m. daily. Tenant may place such refuse, garbage and rubbish, as described above, on the sidewalk after the close of business on the nights when Tenant's private sanitation company is scheduled for a pickup. Any violation received for the placing of refuse, garbage and rubbish on the sidewalk by Tenant shall be paid by Tenant. Tenant shall be afforded a right to cure such conditions as provided for non-monetary defaults in Paragraph 17. *Odors and fumes shall be deemed objectionable if said odors and fumes violate the standards set forth in the Administrative Code of the City of New York.

51. INTENTIONALLY DELETED.

52. PERMITS

Tenant shall at Tenant's cost and expense obtain and maintain each and every permit, license, franchise or other authorization required by any branch or department of the Borough, County, City, State or Federal Government for the installation, maintenance and operation at the Demised Premises of all of Tenant's equipment.

53. ATTORNMENT

At the option of the Landlord or any successor landlord or the holder of any mortgage affecting the Demised Premises, Tenant agrees that neither the cancellation nor termination of any ground or underlying lease to which this Lease is now or may hereafter become subject or subordinate, nor any foreclosure of a mortgage affecting said premises, nor the institution of any suit, action, summary or other proceeding against the Landlord herein or any successor landlord, or any foreclosure proceedings brought by the holder of any such mortgage to recover possession of such property, shall by operation of law or otherwise result in cancellation or termination of this Lease or the obligations of the Tenant hereunder, and upon the request of any such Landlord, successor landlord, or the holder of such mortgage, or to the purchaser of the mortgaged premises in foreclosure. Landlord will use its best efforts, providing no cost need be incurred by Landlord, to obtain a Subordination, Attornment and Non-disturbance Agreement from any current or subsequent lender or holder of any ground lease.

54. MECHANIC'S LIEN

Notwithstanding anything to the contrary contained in this Lease, Tenant hereunder, its successor and assigns, warrants and guarantees to Landlord named in the within Lease, its successor and assigns, that if any mechanic's lien shall be file filed against the building of which the Demised Premises forms a part, for work claimed to have been done for, or materials furnished to, Tenant, the same shall be discharged by Tenant, by either payment or by bond, at the sole cost of Tenant, within sixty (60) days following the filing of such mechanic's lien.

In the event such mechanic's lien is not discharged timely as aforesaid, Landlord, on ten (10) days prior notice to Tenant, may discharge same for the account of and at the expense of Tenant and Tenant shall promptly reimburse Landlord as additional rent for all costs, disbursements, fees and expenses including, without limitation, reasonable legal fees incurred in connection with so discharging said mechanic's lien.

55. LIMITATION OF LANDLORD'S LIABILITY

If Landlord or any successor in interest of Landlord be an individual, joint venture, tenancy in common, co-partnership, unincorporated association, or other unincorporated aggregate of individuals, then, anything elsewhere in this Lease to the contrary notwithstanding, Tenant shall look solely to the estate and property of such unincorporated Landlord in the land and Building

and, where expressly so provided in this Lease, to offset against the rents payable under this Lease, for the satisfaction of Tenant's remedies for the collection of a judgment (or other judicial process) requiring the payment of money by Landlord in the event of any default by Landlord hereunder, and no other property or assets of such unincorporated Landlord shall be subject to levy, execution or other enforcement procedure for the satisfaction of Tenant's remedies.

56. ESTOPPEL CERTIFICATE

Tenant and Landlord agree, at any time, and from time to time, upon not less than fourteen (14) days prior written notice from the other, to execute, acknowledge and deliver to the other, a statement in writing addressed to Landlord or Tenant, as the case may be, certifying that this Lease is unmodified and in full force and effect (or, if there have been modifications, that the same is in full force and effect as modified and stating the modifications), stating the dates to which rent, additional rent and other charges have been paid, and stating whether or not to the best knowledge of the signer of such certificate, there exists any default in the performance of any covenant, agreement, term, provision or condition contained in this Lease and, if so, specifying each such default of which the signer may have knowledge, it being intended that any such statement delivered pursuant hereto may be relied upon by Landlord or Tenant and by any mortgagee or prospective mortgagee of any mortgage affecting the Building or the Building and the land, and by any landlord under a ground or underlying lease affecting the land or Building, or both and by any proposed assignee of the Lease.

57. ALTERATIONS

Supplementing Article 3 of this Lease: the Tenant shall not make any structural alterations, installations, additions, improvements or physical changes of any sort exceeding a cost of \$25,000, except for decorating or display of inventory if non structural, (collectively, "Alterations" and singularly, an "Alteration") in or to the Demised Premises without first obtaining the prior written consent of the Landlord. If consent to any Alteration is given by the Landlord, then, whether or not any such consent contains the same, it shall be a condition of such consent that all approved Alterations shall be made at the sole cost and expense of the Tenant, in a first class, workmanlike manner, in accordance with detailed plans and specifications first submitted to the Landlord for its approval and in accordance with all laws, statutes, ordinances, rules and regulations applicable to the Demised Premises.

Landlord shall promptly review and execute all applications for any required permits and/or authorizations and will cooperate, to the extent reasonably required, in Tenant's prosecution of such applications.

Prior to commencing any work for any Alterations in or to the Demised Premises, the Tenant shall obtain all permits, licenses, and approvals required by law for such work.

Tenant agrees that all alterations shall be performed during the hours permitted by

the City of New York and otherwise in accordance with all federal, state and municipal laws, rules and regulations.

The Tenant shall indemnify the Landlord and hold it harmless from and against all claims, liens, costs (including attorneys' fees) and other liabilities which the Landlord may incur, arising out of or due to any such Alterations. The provisions of the preceding sentence shall survive the expiration or earlier termination of the Term of this Lease. The Tenant shall carry and shall cause its contractors and subcontractors to carry, during the course of any such work, worker's compensation insurance, as required by law or as the Landlord may reasonably require. All such insurance for bodily injury and property damage shall name the Landlord as an additional insured thereunder; and the copies of the policies therefor shall be submitted to the Landlord for its approval of the coverage and insurer before any work is commenced.

The Tenant, at its sole cost and expense, shall obtain forthwith the cancellation or discharge of all notices of violation issued against the Demised Premises or the Building by any department of the City of New York or any other governmental or quasi-governmental agency for violation of any building, fire, safety, health, sanitary or other code, statute, ordinance or rule or regulation promulgated under them, which may have arisen from or otherwise been connected with any work performed by or on behalf of the Tenant with respect to the Demised Premises.

The Tenant agrees that in the exercise of any rights pursuant to the provisions of this Article, any other provision of this Lease and/or pursuant to any consent to any Alteration in or to the Demised Premises, it shall perform its work in a diligent and expeditious manner and in a manner which would not create any work stoppage, picketing, labor disruption or dispute or violate any of the Landlord's union or collective bargaining agreements affecting the Building or the land nor interfere with the business of the Landlord or of any other tenant of the Building. If any such condition shall arise, the Tenant shall, after notice forthwith halt its work or immediately remove or cure the condition giving rise to the disruption, dispute or interference referred to above. In addition to any and all other rights which Landlord may have hereunder or at law, the Landlord may obtain an injunction against any such activity without notice.

It is further agreed between the parties that the Tenant shall not, during the continuance of this Lease, use the premises, or any part thereof, or allow them to be used, for any business which shall be deemed extra-hazardous by the New York Board of Fire Underwriters or any other similar agency having jurisdiction.

The Landlord hereby gives notice that no owner or landlord of the Demised Premises, nor the Demised Premises themselves, nor any part thereof, are or can be at any time liable or responsible for the cost in whole or in part, of any alteration or improvement or other work of any kind (whether for labor or materials or whether required to be done pursuant to the terms of this Lease) in connection with or upon the Demised Premises, nor can any mechanic's lien accrue against or be filed against the Demised Premises or any part thereof, all irrespective of whether the owner or Landlord shall give consent, it being the intention of the Landlord than

no alterations and improvements or other work shall be made on or to the Demised Premises at the request of Tenant except on the credit of the Tenant alone, notice being hereby further given that any and all consents that are or may be given by the Landlord are subject to the provisions of this notice forbidding mechanics' or other similar liens, and that no consent or waiver of the notice or of any other provision in this Lease is valid unless in writing signed by the Landlord. Nothing contained in the preceding sentence shall be deemed to diminish the Tenant's specific obligations and undertakings hereunder.

The Demised Premises are leased subject to zoning ordinances and resolutions and any modifications thereof and any restrictions of record and all ordinances, laws and requirements of any local, state, municipal and federal departments and agencies.

The Tenant agrees promptly to comply with any and all laws, ordinances, or orders of any and all municipal, state and federal authorities, boards, commissions, and other governmental agencies, with respect to the Demised Premises, to the sidewalks adjacent thereto under all rules and regulations as they now substantially exist, and the Tenant will, at his own cost and expense, promptly comply with any such orders or ordinances involving and including all alterations or additions to the Demised Premises of whatever size or description. Structural alterations and repairs to the premises shall be the responsibility of and paid for by the Landlord unless such structural alteration or repair is required in consequence of changes to the Demised Premises made by Tenant. The Tenant further agrees to comply with and immediately execute the rules, orders, regulations and recommendations, whenever issued, of the New York Board of Fire Underwriters or any other similar board or organization which may now or hereafter exercise similar power for the prevention of fires.

All common areas and facilities not within the leased premises, which Tenant may be permitted to use and occupy, are to be used and occupied under a revocable license, and if the amount of such areas be diminished, Landlord shall not be subject to any liability nor shall Tenant be entitled to any compensation or diminution or abatement of rent, nor shall such diminution of such areas be deemed constructive or actual eviction.

The waiver by Landlord of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition of any subsequent breach of the same or any other term, covenant or condition herein contained. The subject acceptance of rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach of the same or any other term, covenant or condition of this lease other than the failure of Tenant to pay the particular rental so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such rent. No covenant, term or conditions of this Lease shall be deemed to have been waived by Landlord unless such waiver be in writing by Landlord.

No payment by Tenant or receipt by Landlord of a lesser amount than the monthly rent herein stipulated shall be deemed to be other than on account of the earliest stipulated rent,

nor shall any endorsement or statement 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.

58. EVENT OF DEFAULT

(a) If during the term any one or more of the following acts or occurrences (any one of such occurrences or acts being hereinafter called and Event of Default) shall happen:

- (i) The Tenant shall default in making any payment of any base rent or additional rent as and when the same shall become due and payable;
- (ii) The Tenant shall default in the performance of or compliance with any of the other covenants, agreements, terms or conditions of this Lease to be performed by the Tenant (other than any default curable by payment of money) and such default shall continue for a period of ten (10) days after written notice thereof from the Landlord to the Tenant, or, in the case of a default which cannot with due diligence be cured within ten (10) days, the Tenant shall fail to proceed in good faith after the giving of such notice and with all due diligence to cure such default and thereafter to prosecute the curing thereof, with all due diligence (it being intended that as to a default not susceptible of being cured with due diligence within ten(10) days, the time which such default may be cured shall be extended only for such period as may be reasonably necessary to permit the same to be cured with all due diligence); or
- (iii) the Tenant shall file a voluntary petition in bankruptcy or shall be adjudicated a bankrupt or insolvent, or shall file any petition or answer seeking any reorganization, composition, readjustment or similar relief under any present or future bankruptcy or other applicable law, and in such case the provisions of this Lease are not specifically adhered to, or shall seek or consent to or acquiesce in the appointment of any trustee, receiver, or liquidator of the Tenant of all or any substantial part of its properties or of all or any part of the Demised Premises; or
- (iv) If within sixty (60) days after the filing of an involuntary petition in bankruptcy against the Tenant or the commencement of any proceeding against the Tenant or seeking reorganization, composition, readjustment or similarly relief under any law, such proceeding shall not have been dismissed, or if, within sixty (60) days after the appointment, without the consent or acquiescence of Tenant, of any trustee, or liquidator of the Tenant or of all or any substantial part of the properties of the Tenant such

appointment shall not have been vacated, or if within sixty (60) days after the taking possession, without the consent or acquiescence of the Tenant, of the property of the Tenant by any governmental office or agency pursuant to statutory authority for the dissolution or liquidation of the Tenant, such taking shall not have been vacated or stayed on appeal; or

then, and in any such event, and during the continuance thereof, the Landlord may at its option, then or thereafter while any such Event of Default shall continue and notwithstanding the fact that the Landlord may have any other remedy hereunder or at law or in equity, by notice to the Tenant, designate a date, not less than ten (10) days after the giving of such notice, on which this Lease shall terminate; and thereupon, the term of this Lease and the estate hereby granted shall expire and terminate upon the date specified in such notice with the same force and effect as if the date specified in such notice was the date hereinbefore fixed for the expiration of the term of this Lease, and all rights of the Tenant hereunder shall expire and terminate, but the Tenant shall remain liable as hereinafter provided.

(B) If this Lease is terminated as provided in this paragraph or as permitted by law, the Tenant shall peaceably quit and surrender the Demised Premises to the Landlord, and the Landlord may, without further notice, enter upon, re-enter, possess and repossess the same by summary proceedings, ejectment or other legal proceedings, and again have, repossess and enjoy the same as if this Lease had not been made, and in such event neither the Tenant by virtue of any law or an order of any court shall be entitled to possession or to remain in possession of the Demised Premises. Nothing herein contained shall limit or prejudice the right of the Landlord, in any bankruptcy or reorganization or insolvency proceeding, to prove for and obtain as liquidated damages by reason of such termination an amount equal to the maximum allowed by any bankruptcy or reorganization or insolvency proceeding, or to prove for and obtain as liquidated damages by reason of such termination, an amount equal to the maximum allowed by any statute or rule of law whether such amount shall be greater or less than the excess referred to above.

(C) If the Landlord re-enters and obtains possession of the Demised Premises, as provided in this paragraph, following an Event of Default, the Landlord shall have the right, without notice, to repair or alter the Demised Premises in such manner as the Landlord may deem necessary or advisable so as to put the Demised Premises in good order and to make the same rentable, and shall have the right, at the Landlord's option, to re-let the Demised Premises or a part thereof, and the Tenant shall pay to the Landlord on demand all expenses incurred by the Landlord in obtaining possession, and in altering, repairing and putting the Demised Premises in good order and condition and in reletting the same, including reasonable fees of attorneys and architects, and all other reasonable expenses or commissions, and the Tenant shall pay to the Landlord upon the rent payment dates following the date of such re-entry and up to and including the date for the expiration or the term of this Lease in effect immediately prior to such re-entry, the sums of money which would have been payable by the Tenant as rent hereunder on such rent payment dates if the Landlord had not re-entered and resumed possession of the Demised

Premises, deducting only the net amount of rent, if any, which the Landlord shall actually receive (after deducting from the gross receipts the expenses, costs and payments of the Landlord which in accordance with the terms of the Lease would have been borne by the Tenant) in the meantime from and by any reletting of the Demised Premises, and the Tenant shall remain liable for all sums otherwise payable by the Tenant under this Lease, including but not limited to the expenses of the Landlord aforesaid, as well as for any deficiency aforesaid, and the Landlord shall have the right from time to time to begin and maintain successive actions or other legal proceedings against the Tenant for the recovery of such deficiency, expenses or damages or for a sum equal to any rent payment and additional rent. As an alternative remedy, the Landlord shall be entitled to damages against the Tenant for breach of this Lease, at any time (whether or not the Landlord shall have become entitled to or shall have received any damages as hereinabove provided) in an amount equal to the excess, if any, of the rent and additional rent which would be payable under this Lease at the date of the expiration of the term, less the amount of rent and additional rent received by the Landlord upon any reletting. The obligation and liability of the Tenant to pay the Base Rent and additional rent shall survive the commencement, prosecution and termination of any action to secure possession of the Demised Premises. Nothing herein contained shall be deemed to require the Landlord to wait to begin such action or other legal proceedings until the date when this Lease would have expired had there not been an Event of Default. Notwithstanding anything contained herein to the contrary, Landlord agrees to use its best efforts to re-rent the Demised Premises in the event Tenant defaults hereunder. Tenant shall have no right in any event, to otherwise dealing with the Demised Premises after Landlord re-enters and takes possession of the Premises.

In the event of a bankruptcy or other creditor-debtor proceeding against Tenant, all security shall be deemed to be applied first to the payment of rent and other charges due Landlord for all periods prior to the filing of such proceedings. Tenant covenants that it will not assign or encumber or attempt to assign or encumber the 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.

Notwithstanding anything herein contained to the contrary, Tenant shall have ten (10) days after written notice thereof to cure any default in the payment of rent, additional rent or any other charge payable hereunder by Tenant to Landlord; Tenant shall have thirty (30) days after written notice thereof to cure any non-monetary default; provided that in connection with an event of default which is not susceptible to being cured within said thirty (30) day period, the time within which that Tenant shall effectuate a cure thereof shall be extended for such time as shall be reasonably necessary to cure the same; provided, further, that Tenant shall commence curing such default within said thirty (30) day period and thereafter proceed diligently to cure the same; and in the event that Tenant shall have failed to cure a default within the applicable cure period, Landlord may serve a written seven (7) days' notice of cancellation of this lease upon Tenant.

59. NO MEMORANDUM OF LEASE.

Neither this nor any short form or memorandum of this Lease shall be recorded.

60. NOTICES.

All notices and other communications required or desired to be given under this Lease shall be in writing signed by the party serving the notice or other communication, and sent by registered or certified United States mail, return receipt requested to the address of the party to whom given as first set forth above; or to such other address as either party may designate in writing in the manner herein prescribed. Notwithstanding the foregoing, from and after the Commencement Date all such notices or other communications to be sent to the Tenant with respect to this Lease shall be sent to the Tenant at the Demised Premises. All such notices and other communication shall be deemed effective upon mailing.

61. INCREASE IN INSURANCE RATE.

(a) If by reason of the use or occupancy of the premises by the Tenant or the failure of the Tenant to comply with any of the terms, covenants and conditions on the part of the Tenant to be performed hereunder, or by reason of its negligence, carelessness, act or omission, the rate of fire insurance with extended coverage on the Building or equipment or other property of the Landlord shall be higher than it otherwise would be, then the Tenant shall reimburse the Landlord, upon demand, as additional rent hereunder, for that part of the premises for fire insurance and extended coverage paid by the Landlord because of such use or occupancy or acts on the part of the Tenant. A schedule or "make-up" of rates for the Building or the Demised Premises, as the case may be, issued by the New York Fire Insurance Rating Organization or other similar body making rates for fire insurance and extended coverage for the Building or the Demised Premises, shall be conclusive evidence of the facts therein stated and of the several items and charges in the first insurance rate with extended coverage and applicable to the Building or the Demised Premises, as the case may be.

62. NO WAIVER.

The Landlord's failure during the Term of this Lease to prepare and deliver any of the statements, notices or bills referred to in this Lease or the Landlord's failure to make a demand shall not, in any way, cause the Landlord to forfeit or surrender its rights to collect any of the foregoing items of additional rent which may have become due during the Term of this Lease. Liability for the amounts due under this Lease shall survive the expiration or earlier termination of the Term of his Lease, except as modified by paragraph 42(d) of Rider I.

63. INTENTIONALLY DELETED.

64. AS IS

Tenant acknowledges that it has inspected the building and the premises, agrees to

accept the demised premises in its "AS IS" physical condition as of the date possession is tendered to Tenant and acknowledges that Landlord shall not be obligated to make any improvements or alterations to the demised premises whatsoever. Tenant further agrees that any and all work necessary to correct any violations and/or any illegal condition in the Demised Premises shall be Tenant's obligation. Landlord does not represent that any machinery or equipment will be left on the premises by the present Tenant.

Notwithstanding the foregoing, Landlord represents that there are no violations of record against the demised premises; the demised premises are currently in compliance with all present local, state and federal laws, rules and regulations governing the demised premises; and there is a valid certificate of occupancy covering the demised premises. No representations are made, however, that the intended use to which Tenant intends for the demised premises is in conformance with the present certificate of occupancy or within present local, state and federal laws, rules and regulations governing the demised premises.

65. CONFLICT BETWEEN RIDER AND PRINTED LEASE

If and to the extent that any of the provisions of any rider to this lease conflict or are otherwise inconsistent with any of the printed provisions of this lease, whether or not such inconsistency is expressly noted in the rider, the provisions of the rider shall prevail. In the event the party of the first part is referred to in this lease as "Owner", the term "Landlord", as used herein, shall be deemed synonymous with the term "Owner".

66. COLLECTION OF RENT FROM SUBTENANT

If the Tenant shall at any time sublet the demised premises and shall default in the payment of any rent or additional rent, the Landlord may, at its option, as long as such default shall continue, demand and receive from the subtenant the rent due or becoming due from such subtenant to the Tenant, and apply the amount to pay sums due and to become due from the Tenant to the Landlord. Any payment by a subtenant to Landlord shall constitute a discharge of the obligation of such subtenant to the Tenant, to the extent of the amount so paid. The acceptance of rent from any subtenant shall not be deemed a consent to or approval of any subletting or assignment by the Tenant, or a release or discharge of any of the obligations of the Tenant hereunder.

PIER 29 LOFTS CORP.

By: _____
Andrea Barnet, President

PIER LESS GROUP PARTNERS

By: _____
Mary Lynne Aikman, Partner