

**Agreement of Lease**, made as of this 3rd day of October 1991, between  
ANCHOR SAVINGS BANK FSB, c/o Williams Real Estate Co. Inc., 530 Fifth Avenue, New York,  
New York 10036  
party of the first part, hereinafter referred to as OWNER, and COLUMBUS CONVERTIBLES INC. having an  
office at 245 Roger Avenue, Inwood, State of New York doing business as JENNIFER HOUSE  
party of the second part, hereinafter referred to as TENANT,

**Witnesseth:** Owner hereby leases to Tenant and Tenant hereby hires from Owner  
Store #8 and basement as per attached floor plans designated in Exhibit "A" and Exhibit "B"  
(the "demised premises")  
in the building known as 2420 Broadway (the "building")  
in the Borough of Manhattan City of New York, for the term of twelve (12) years, six (6) months  
(or until such term shall sooner cease and expire as hereinafter provided) to commence on the  
1st day of June nineteen hundred and ninety-two and to end on the  
26th day of December two thousand and four  
both dates inclusive, at an annual rental rate of

AS PROVIDED FOR IN ARTICLE 76 HEREOF

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 sale of sofas, convertible sofas and furniture

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 improve-  
ments, 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  
retained as Owner's property or may be removed from the premises  
by Owner 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 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 incon-  
venience, 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 there-  
after, 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,

\* and twenty-six (26) days (the "term")

\*\*except that Landlord shall not be excused from its or its agent's negligence which may arise  
arise by reason of Landlord or its agent's entering upon the demised premises for purposes  
specified in para-  
graph 4.

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subject to normal wear and tear

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 when the premises shall have been repaired and restored by Owner, 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 \*in a manner that does not interfere with

☒ Rider to be added if necessary.

Tenant's operations

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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 mortgagees of the building, and during the last six months of the term for the purpose of showing the same to prospective tenants and may, during said six months period, place upon the premises the usual notice "To Let" and "For Sale" which notices Tenant shall permit to remain thereon without molestation. If Tenant is not present to open and permit an entry into the premises, 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, if and when permitted by 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 \* 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 ten days notice upon Tenant specifying the nature of said default and upon the expiration of said ten 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 ten day period, and if Tenant shall not have diligently commenced curing such default within such ten 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.

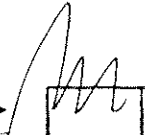

(2) If the notice provided for in (1) hereof shall have been given, and the term shall expire as aforesaid; or if Tenant shall make default in the payment of the rent reserved herein or any item of additional rent herein mentioned or any part of either or in making any other payment herein required; 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.

\*including, but not limited to,

**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.

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\*\*provided such default is not for the payment of rent or additional rent and further does not occasion a default under the master lease, then tenant shall have thirty (30) days notice to cure such default

Tenants Initials  Landlords Initials 

reasonable.

**Fees and Expenses:** 19. If Tenant shall default in performance 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 payment as rent be deemed an accord and satisfaction, and Owner

may accept such 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, \$METER for the use of such water. 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

Tenants  
Initials

Landlords  
Initials

required whether the work involved shall be structural or non-structural in nature. Tenant shall pay to Owner as additional rent the sum of \$ NONE 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 \$ 24,750.00\* 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

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.

Space to be filled in or deleted.

\*including interest

**In Witness Whereof,** Owner and Tenant have first above written.

Witness for Owner:

Witness for Tenant:

ANNEXED ARTICLES THROUGH 81 ARE HEREDY INCORPORATED INTO THIS LEASE. respectively signed and sealed this lease as of the day and year

ANCHOR SAVINGS BANK FSB

BY: [L.S.]

COLUMBUS CONVERTIBLES INC. [L.S.]

BY: BERNARD WINCIG, ASSISTANT SECRETARY



Tenants  
Initials

Landlords  
Initials

Exhibit 'A'

NOT TO SCALE; ALL DIMENSIONS APPROXIMATE; SUBJECT TO ACTUAL  
CONDITIONS

Area sublet  
is the area  
inside heavy black  
outline

Tenants  
Initials

Landlords  
Initials

BASEMENT  
2420-2438 BROADWAY

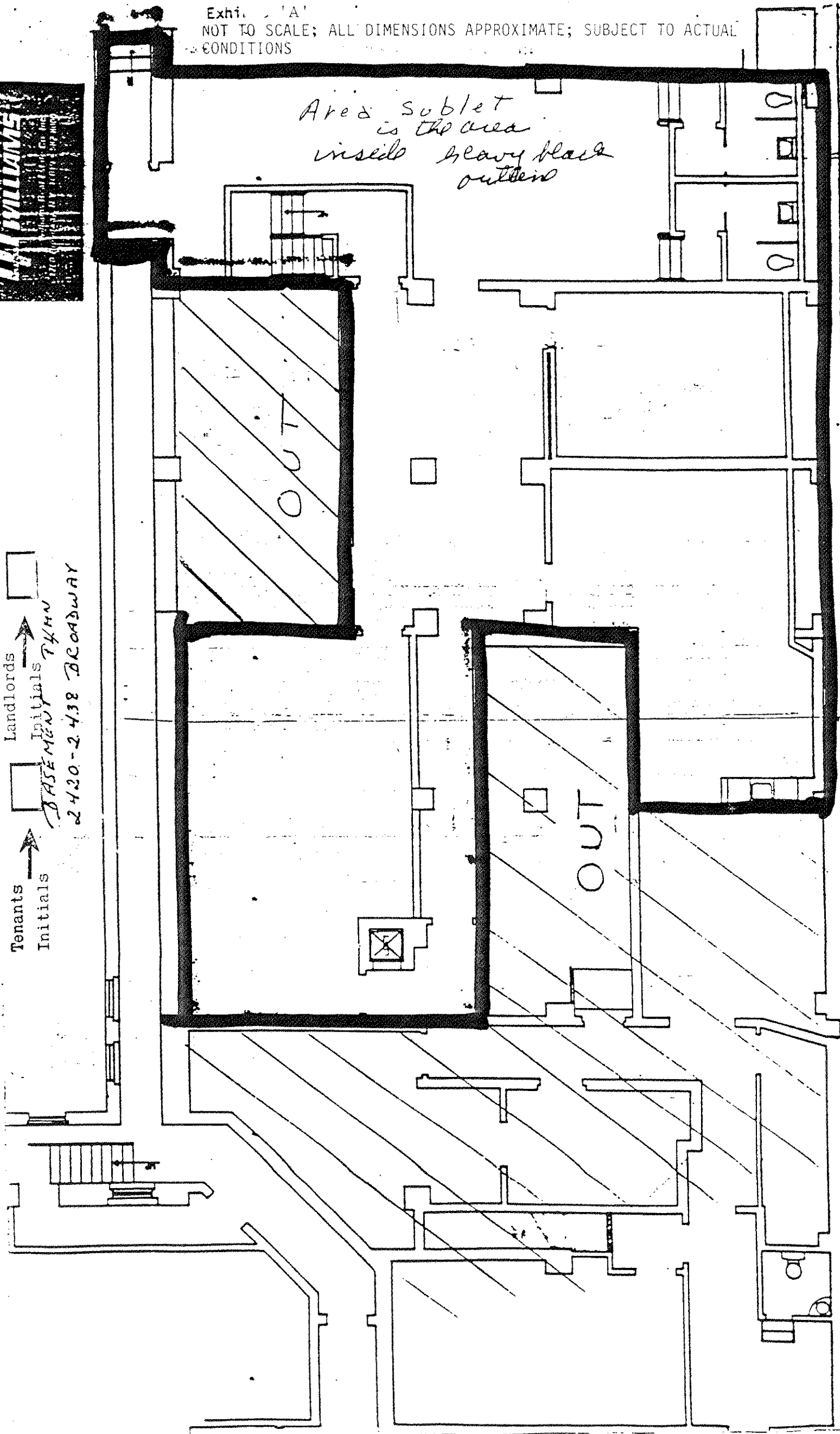
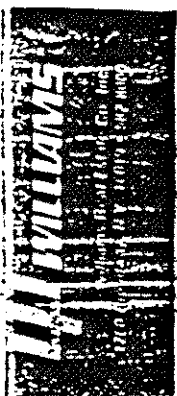


Exhibit 'B'  
 NOT TO SCALE; ALL DIMENSIONS APPROXIMATE; SUBJECT TO ACTUAL  
 CONDITIONS

FLOOR PLAN										FLOOR PLAN			
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Intentionally Omitted

**Assignment & Subletting (Article 11 continued)** 42. Tenant may sublet all or a portion of the demised premises or assign this lease with Landlord's prior written consent which shall not be unreasonably withheld, provided that:

**I**

(a) Tenant shall furnish Landlord with the name and business address of the proposed subtenant or assignee, a counterpart of the proposed subleasing or assignment agreement, and satisfactory information with respect to the nature and character of the business of the proposed subtenant or assignee together with current financial information and references reasonably satisfactory to Landlord.

(b) In the reasonable judgment of the Landlord the proposed subtenant or assignee is financially responsible with respect to its proposed obligations under the proposed agreement and is of a character and engaged in a business which is in keeping with the standards of the building and the floor or floors on which the demised premises are located.

(c) An executed duplicate original in a form satisfactory to Landlord for review by Landlord's counsel of such subleasing or assignment agreement shall be delivered to Landlord at least five (5) days prior to the effective date thereof. In the event of any assignment, Tenant will deliver to Landlord at least five (5) days prior to the effective date thereof an assumption agreement wherein the assignee agrees to assume all of the terms, covenants and conditions of this lease to be performed by Tenant hereunder and which provides that Tenant named herein and such assignee shall after the effective date of such assignment be jointly and severally liable for the performance of all of the terms, covenants and conditions of this lease.

(d) Tenant shall grant Williams Real Estate Co. Inc. ("Williams") the sole and exclusive right to effect any sublet, assignment, release and other disposition of all or any part of the demised premises and any other space Tenant has under lease elsewhere in the building, and Tenant shall pay to Williams upon execution of such sublease, assignment, release or other disposition a commission computed in accordance with Williams' standard rates and rules then in effect for the locality in which the demised premises are located.

(e) Tenant, at Tenant's expense, shall provide and permit reasonably appropriate means of ingress to and egress from space sublet by Tenant.

(f) Except for any subletting or assignment by Tenant to Landlord, each subletting or assignment shall be subject to all the covenants, agreements, terms, provisions and conditions contained in this lease.

(g) Tenant covenants and agrees that notwithstanding any subletting or assignment to Landlord or to any other subtenant or assignee and/or acceptance of rent or additional rent by Landlord from any subtenant or assignee, Tenant shall and will remain fully liable for the payment of the annual rent and additional rent due and to become due hereunder and for the performance of all the covenants, agreements, terms, provisions and conditions contained in this lease on the part of the Tenant to be performed.

(h) Tenant further agrees that it shall not at any time publicly advertise at a rental rate less than the fixed annual rental rate plus any additional rent then payable hereunder, for assignment or sublease of all of the space demised herein, or for sublease of any portion of the space demised herein, but nothing herein contained shall be deemed to be Landlord's consent to any assignment or subletting.

(i) Notwithstanding anything herein contained to the contrary, Tenant shall have no right to assign this lease or to sublet the whole of the demised premises prior to or during the first 6 months following the commencement date hereof.

(j) Tenant shall have no right to assign this lease or sublet the whole or any part of the demised premises to any party who is dealing with or has dealt with Landlord or Landlord's agent with respect to space then still available for rent in the building within the 12 months immediately preceding Landlord's receipt of Tenant's notice pursuant to item II of this Article.

(k) Such subletting or assignment shall not cause Landlord any cost.

(l) Tenant shall have complied and shall comply with each of the provisions in this Article and Landlord shall not have made any election as provided in item II hereof.

**II**

If Tenant shall desire to sublet all or a portion of the demised premises or to assign this lease, Tenant shall send to Landlord a written notice by registered mail at least ninety (90) days prior to the date such assignment or subletting is to commence stating (w) that the intention is to assign the lease, (x) the portion of the premises that the Tenant desires to sublet, and if the portion intended to be sublet shall be less than the entire demised premises and other than an entire floor or multiple thereof, such notice shall be accompanied by a reasonably accurate floor plan of the premises to be sublet, (y) the term of such proposed subletting and (z) the proposed commencement date of such subletting or assignment.

(a) If Tenant desires to sublet all of the demised premises or to assign this lease, then within sixty (60) days after receipt of the aforesaid notice Landlord may notify Tenant that Landlord elects (1) to cancel this lease, in which event, such cancellation shall become effective on the date set forth pursuant to (z) above and this lease shall thereupon terminate on said date with the same force and effect as if said date were the expiration date of this lease; or (2) to require Tenant to assign this lease to Landlord effective from the date set forth pursuant to (z) above. In either event Tenant shall be obligated to surrender possession of the demised premises in the same condition as Tenant is obliged to surrender possession at the end of the term as provided in this lease. Such assignment to Landlord shall provide that the parties to such assignment expressly negate any intention that any estate created under such assignment be merged with any other estate held by either of said parties.

**Rent Escalation — Tax Increases** 40. The Tenant agrees to pay as additional rent annually during the terms of this lease 23.5 per cent of any increase in the Real Estate Taxes (as such term is hereinafter defined) above those for the fiscal year 1991 / 1992. Such additional rent shall be paid when the tax becomes fixed and within ten (10) days after demand therefor by the Landlord and shall be collectible as additional rent. For the final year of the lease term the Tenant shall be obligated to pay only a pro rata share of such percentage of any such increase in taxes. Tax bills (except as hereinafter provided) shall be conclusive evidence of the amount of such taxes and shall be used for the calculation of the amounts to be paid by the Tenant.

The term "Real Estate Taxes" shall mean all the real estate taxes and assessments, special or otherwise, levied, assessed or imposed by Federal, State or Local Governments against or upon the building of which the demised premises form a part and the land upon which it is erected. If due to a future change in the method of taxation, any franchise, income, profit or other tax, or other payment, shall be levied against Landlord in whole or in part in substitution for or in lieu of any tax which would otherwise constitute a Real Estate Tax, such franchise, income, profit, or other tax or payment shall be deemed to be a Real Estate Tax for the purposes hereof. If Landlord should incur expense in connection with Landlord's endeavor to reduce or prevent increase in assessed valuation, Tenant shall be obligated to pay as additional rent the amount computed by multiplying the percent set forth in line 2 hereof times such expense of Landlord, and such amount shall be due and payable upon demand by Landlord and collectible in the same manner as annual rent. The obligation to make any payments of additional rent pursuant to this Article shall survive the expiration or other termination of this lease.

**Exculpatory Clause** 41. In any action brought to enforce the obligations of Landlord under this lease, any judgment or decree shall be enforceable against Landlord only to the extent of Landlord's interest in the building of which the demised premises form a part, and no such judgment shall be the basis of execution on, or be a lien on, assets of Landlord or any assets of any party being a partner or stockholder in Landlord, other than the interest in said building.

SEE RIDER ARTICLE 68.

Tenants  
Initials

Landlords  
Initials

(b) If Tenant desires to sublet less than the demised premises then within sixty (60) days after receipt of the aforesaid notice Landlord may notify Tenant that Landlord elects to require Tenant to sublease to Landlord as subtenant of Tenant, the portion of the demised premises that Tenant had specified in its notice to Landlord, for the term, and from the commencement date specified in said notice. The annual rent and additional rent which Landlord shall pay to Tenant shall be a pro rata apportionment of the annual and additional rent payable hereunder and it is hereby expressly agreed that such sublease to Landlord shall be upon all the covenants, agreements, terms, provisions and conditions contained in this lease except for such thereof which are inapplicable and such sublease shall give Landlord the unqualified and unrestricted right without Tenant's permission to assign such sublease or any interest therein and/or to sublet the space covered by such sublease or any part or parts of such space and to make or cause to have made or permit to be made any and all changes, alterations, decorations, additions, and improvements in the space covered by such sublease, and that such may be removed, in whole or part, at Landlord's option, prior to or upon the expiration or other termination of such sublease provided that any damage or injury caused by such removal shall be repaired. Such sublease to Landlord shall also provide that the parties to such sublease expressly negate any intention that any estate created under such sublease be merged with any other estate held by either of said parties.

(c) Tenant covenants and agrees that any such assignment or subletting to Landlord or further assignment or subletting by Landlord or Landlord's assignee or sublessee may be for any purpose or purposes that Landlord, in Landlord's uncontrolled discretion, shall deem suitable or appropriate.

(d) If Landlord should fail to exercise any of the elections granted to it pursuant to the provisions of sub-paragraphs "a" or "b" of Item II of this Article and if Tenant should sublet all or a portion of the demised premises for a rental in excess of the sum of annual rental stipulated herein and additional rent arising hereunder, then Tenant shall pay to Landlord as additional rent 50% of such excess amount. In computing such excess amount appropriate pro rata adjustments shall be made with respect to a subletting of less than all of the demised premises.

(e) Tenant hereby waives any claim against Landlord for money damages which it may have based upon any assertion that Landlord has unreasonably withheld or unreasonably delayed any consent to an assignment or a subletting pursuant to this Article. Tenant agrees that its sole remedy shall be an action or proceeding to enforce such provision or for specific performance.

### III

If this lease is assigned and Landlord consents to such assignment, Tenant covenants and agrees that the terms, covenants and conditions of this lease may be changed, altered or modified in any manner whatsoever by Landlord and the assignee without the prior written consent of Tenant and that no such change, alteration or modification shall release Tenant from the performance by it of any of the terms, covenants and conditions on its part to be performed under this lease. Any such change, alteration or modification which would have the effect of increasing or enlarging Tenant's obligations or liabilities under this lease shall not, to the extent only of such increases or enlargement, be binding upon Tenant.

### IV

Tenant acknowledges that Williams from time to time may be obligated to endeavor to rent competitive space available in the building on behalf of and pursuant to the instructions of Landlord or another tenant of the building.

#### Tenant's Changes 43.

(a) Supplementing Article 3, Landlord's consent shall not be required for minor changes to the demised premises such as the installation of furniture, furnishings, cabinets and shelves which are not affixed to the realty. All other renovations, decorations, additions, installations, improvements and alterations of any kind or nature in or to the demised premises whether performed by Tenant or by Landlord ("Tenant Changes") shall require the prior written consent of Landlord which, in the case of non-structural interior Tenant Changes, Landlord agrees not to unreasonably withhold, provided Tenant first complies with all applicable requirements of this lease including any Workletter attached to this lease and the building Rules and Regulations Governing Tenant Alterations (herein called the "Alterations Rules"). In granting its consent to any Tenant Changes, Landlord may impose such conditions (as to guarantee of completion including, without limitation, requiring Tenant to post a bond to insure the completion of Tenant Changes, payment for Tenant Changes and other charges payable under this Article, restoration or otherwise), as Landlord may reasonably require. In no event shall Landlord be required to consent to any Tenant Changes which would affect the structure of the building, the exterior thereof, any part of the building outside of the demised premises or the mechanical, electrical, heating, ventilation, air conditioning, sanitary, plumbing or other service systems and facilities (including elevators) of the building, and such Tenant Changes shall be performed only by contractors designated or approved by Landlord. In connection with Landlord's agent's review, modification, approval, supervision and/or coordination of plans and specifications for Tenant Changes, agent shall endeavor to advise Tenant whether the proposed Tenant's Changes are compatible with building systems and facilities, in compliance with the requirements of this lease, in conformity with applicable legal requirements or likely to result in excessive cost to Tenant, but, notwithstanding the foregoing, Landlord's agent shall have no liability in connection with such advice. Tenant shall, promptly upon demand, reimburse Landlord's agent for any reasonable out-of-pocket fees, expenses and other charges incurred by Landlord or its agent in connection with the review, modification and/or approval of such plans and specifications by Landlord's agent and other professional consultants of Landlord and shall pay to Landlord's agent during the course of the work, as a charge of Landlord's agent for the supervision and coordination by Landlord's agent of any Tenant Changes for Landlord's benefit and without waiver of any of the requirements of this lease, the Workletter, if any, or the Alterations Rules, a fee of five percent (5%) of the cost of such Tenant Changes. Tenant shall promptly provide such evidence as Landlord or Landlord's agent may request to substantiate any such costs incurred by Tenant. Tenant shall, at its sole cost and expense, in making any Tenant Changes, comply with all requirements of the Alterations Rules.

b) Nothing in this lease is intended to constitute a consent by Landlord to the subjection of Landlord's or Tenant's interest in the building or the land on which the building is located to any lien or claim by any person which supplies any work labor, material, service or equipment to Tenant in performing any Tenant Changes. Landlord hereby notifies all such persons of such intent and each such person agrees that by performing any Tenant Changes for Tenant it accepts that Landlord has not granted such consent and that such person shall not have a right to file any lien or claim against such interest of Landlord or Tenant in the building or land upon which it is located. Tenant agrees to provide a copy of this Article to all such persons prior to entering into any contract for or otherwise having Tenant Changes performed. If Tenant's use of any contractor, subcontractor, vendor, supplier or other party causes or threatens to cause disharmony, labor disputes, strikes or picketing of any kind whatsoever, such party shall be dismissed, removed from the job site, and excluded from the building, and the work of such party shall be continued by Tenant by others satisfactory to Landlord.

**Electric Current** 44. If electric current be supplied to Tenant by the public utility corporation serving the part of the city where the building is located, Tenant agrees to purchase same from such public utility corporation. If electric current be supplied by Landlord, Tenant covenants and agrees to purchase the same from Landlord or Landlord's designated agent at charges, terms and rates set, from time to time, during the term of this lease by Landlord but not more than those specified in the service classification in effect on January 1, 1970 pursuant to which Landlord then purchased electric current from the public utility corporation serving the part of the city where the building is located. Said charges may be revised by Landlord in order to maintain the return to Landlord produced under the foregoing in the event that the Public Service Commission approves changes in service classifications, terms, rates or charges for such public utility during the term hereof. Where more than one meter measures the service of Tenant in the building, the service rendered through each meter may be computed and billed separately in accordance with the rates herein. Bills therefore shall be rendered at such times as Landlord may elect. In the event that such bills are not paid within five (5) days after the same are rendered, Landlord may, without further notice, discontinue the service of electric current to demised premises without releasing Tenant from any liability under this lease and without Landlord or Landlord's agent incurring any liability for any damage or loss sustained by Tenant by such discontinuance of service. At the option of Landlord, Tenant also agrees to purchase from Landlord or its agent all lamps or bulbs used in the demised premises and to pay the cost of installation thereof. Landlord shall not in any other wise be liable or responsible to Tenant for any loss or damage or expense which Tenant may sustain or incur if either the quantity or character of electric services is changed or is no longer available or suitable for Tenant's requirements. Any riser or risers to supply Tenant's electrical requirements, upon written request of Tenant, will be installed by Landlord, at the sole cost and expense of Tenant, if in Landlord's sole judgment, the same are necessary and will not cause permanent damage or injury to the building or demised premises or cause or create a dangerous or hazardous condition or entail excessive or unreasonable alterations, repairs or expense or interfere with or disturb other tenants or occupants. In addition to the installation of such riser or risers Landlord will also at the sole cost and expense of Tenant, install all other equipment proper and necessary in connection therewith subject to the aforesaid terms and conditions. Tenant covenants and agrees that at all times its use of electric current shall never exceed the capacity of existing feeders to the building or the risers or wiring installations. It is further covenanted and agreed by Tenant that all the aforesaid costs and expenses shall be paid by Tenant to Landlord within five (5) days after rendition of any bill or statement to Tenant therefor. Landlord may discontinue any of the aforesaid services upon thirty (30) days notice to Tenant without being liable to Tenant therefor or without in any way affecting this lease or the liability of Tenant hereunder or causing a diminution of rent and the same shall not be deemed to be a lessening or diminution of services within the meaning of any law, rule or regulation now or hereafter enacted, promulgated or issued. In the event Landlord gives such notice of discontinuance Landlord shall permit Tenant to receive such service direct from said public utility corporation, in which event, the Tenant will at its own cost and expense, furnish and install all risers, service wiring, and switches that may be necessary for such installation and required by the public utility company, and will at its own cost and expense, maintain and keep in good repair all such risers, wiring and switches. Tenant shall make no alterations or additions to the electric equipment and/or appliances without the prior written consent of Landlord in each instance. Rigid conduit only will be allowed. If any tax is imposed upon Landlord's receipts from the sale or resale of electric energy or gas or telephone service to Tenant by any Federal, State or Municipal Authority, Tenant covenants and agrees that, where permitted by law, Tenant's pro-rata share of such taxes shall be passed on to, and included in the bill of and paid by Tenant to Landlord. Any sums due and payable to Landlord under this Article shall be collectible as additional rent.

**Deposit of Checks** 45. Landlord's deposit of any checks delivered by Tenant simultaneously with Tenant's execution of this lease shall not constitute Landlord's execution and delivery of this lease.

**Partial Payment** 46. If Landlord receives from Tenant any payment (Partial Payment) less than the sum of the fixed annual rent, additional rent and other charges then due and owing pursuant to the terms of this lease, Landlord in its sole discretion may allocate such Partial Payment in whole or in part to any fixed annual rent, any additional rent and/or any other charges or to any combination thereof.

47. Whenever Landlord is required or permitted to send any notice or demand to Tenant under or pursuant to this lease it may be given by Landlord's Agent, attorney, executor, trustee or personal representative. Landlord hereby advises Tenant that Landlord's current agent is Williams Real Estate Co. Inc., 530 Fifth Avenue, New York, New York 10036.

Tenants  
Initials

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Landlord's  
Initials

48. LEASE NOT BINDING UNLESS EXECUTED AND DELIVERED

It is specifically understood and agreed that this lease is offered to Tenant by the managing agent of the building, solely in its capacity as such agent and subject to Landlord's acceptance and approval and that Tenant has hereunto affixed its signature with the understanding that the said lease shall not in any way bind Landlord or its agent until such time as the same has been approved and executed by Landlord and delivered to Tenant. The execution and delivery of this lease by Tenant shall constitute an irrevocable offer to enter into the lease on the part of Tenant and its representation that the Other Broker, if any, shall not seek compensation from Landlord if Landlord and Tenant do not approve, execute and deliver this lease.

49. 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".

50. SPECIAL SERVICES

Upon Tenant's request Landlord or its managing agent may, but, except as otherwise expressly provided in this lease, shall not be obligated to, perform or cause to be performed for Tenant from time to time various construction, repair and maintenance work, moving services and other types of work or services in or about the demised premises and the building. If such work or services shall be performed for Tenant, Tenant agrees to pay therefor either the standard charges of Landlord or its managing agent in effect from time to time, if any, or the amount agreed to be paid for such services. Tenant agrees to pay all such charges within ten days after Landlord or Landlord's managing agent has submitted a bill therefor and unless otherwise expressly provided in writing such charges shall be payable as additional rental under this lease and in the event of a default by Tenant in the payment thereof Landlord shall have all of the remedies hereunder that Landlord would have in the event of a default in the payment of annual rental.

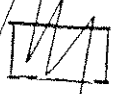

51. AS IS

Tenant acknowledges that it has inspected the building and the demised 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, except as may be provided on the Workletter annexed hereto as Exhibit A, if any.

52. ADDITIONAL ASSIGNMENT AND SUBLETTING PROVISIONS

The Article to this lease captioned "Assignment & Subletting (Article 11 continued)" is hereby amended by adding to Subdivision I thereof the following sub-paragraphs:

- (m) The consent by Landlord to any assignment, subletting, or occupancy shall not in any wise be construed to relieve Tenant from obtaining the express consent, in writing, of Landlord to any further assignment, subletting, sub-subletting, or occupancy, which consent Landlord shall have the right to withhold for any reason whatsoever.
- (n) Tenant shall have no right to assign this lease or sublet the whole or any part of the demised premises to any party which is then a tenant, subtenant, licensee or occupant of any part of the building in which the demised premises are located.
- (o) If Tenant hereunder shall be a corporation, the transfer of a majority of the stock of Tenant shall be deemed an assignment of this lease.
- (p) Each sublease of the demised premises shall be deemed to contain the following provisions, whether or not specifically included therein:
  - (1) "In the event of a default under any underlying lease of all or any portion of the premises demised hereby which results in the termination of such lease, or if the lessor under any such underlying lease shall exercise any right to cancel or terminate such underlying lease, the subtenant hereunder shall, at the option of the lessor under any such lease, attorn to and recognize such lessor as Landlord hereunder and shall, promptly upon such lessor's request, execute and deliver all instrument necessary or appropriate to confirm such attornment and recognition. The subtenant hereunder hereby waives all rights under present or future law to elect, by reason of the termination of such underlying lease, to terminate this sublease or surrender possession of the premises demised hereby. If the lessor under such underlying lease does not exercise the aforesaid option, the term of this sublease shall terminate simultaneously with the term of the underlying lease and subtenant hereby agrees to vacate the premises subleased on or before the effective date of termination of the underlying lease."
  - (2) "This sublease may not be assigned or the sublet premises further sublet, in whole or in part, without the prior written consent of the lessor under any underlying lease of all or any portion of the premises demised hereby."

Tenants  
Initials →  Landlords  
Initials → 

53. HOLDING OVER

If Tenant holds over in possession after the expiration or sooner termination of the original term or of any extended term of this lease, such holding over shall not be deemed to extend the term or renew the lease, but such holding over thereafter shall continue upon the covenants and conditions herein set forth except that the charge for use and occupancy of such holding over for each calendar month or part thereof (even if such part shall be a small fraction of a calendar month) shall be the sum of:

- (a) 1/12 of the highest annual rent rate set forth on page one of this lease, times 2.5, plus
- (b) 1/12 of the net increase, if any, in annual fixed rental due solely to increases in the cost of the value of electric service furnished to the premises in effect on the last day of the term of the lease, plus
- (c) 1/12 of all other items of annual additional rental, which annual additional rental would have been payable pursuant to this lease had this lease not expired, plus
- (d) those other items of additional rent (not annual additional rent) which would have been payable monthly pursuant to this lease, had this lease not expired,

which total sum Tenant agrees to pay to Landlord promptly upon demand, in full, without set-off or deduction. Neither the billing nor the collection of use and occupancy in the above amount shall be deemed a waiver of any right of Landlord to collect damages for Tenant's failure to vacate the demised premises after the expiration or sooner termination of this lease. The aforesaid provisions of this Article shall survive the expiration or sooner termination of this lease.

54. LIMITATION ON RENT

If at the commencement of, or at any time during the term of this lease, the rent reserved in this lease is not fully collectible by reason of any Federal, State, County or City law, proclamation, order or regulation, or direction of a public officer or body pursuant to law, Tenant agrees to take such steps as Landlord may request to permit Landlord to collect the maximum rents which may be legally permissible from time to time during the continuance of such legal rent restriction (but not in excess of the amounts reserved therefor under this lease). Upon the termination of such legal rent restriction, Tenant shall pay to Landlord, to the extent permitted by law, an amount equal to (a) the rents which would have been paid pursuant to this lease but for such legal rent restriction less (b) the rents paid by Tenant to Landlord during the period such legal rent restriction was in effect.

55. BROKERAGE

Tenant warrants and represents to Landlord that it has had no dealings with any broker or agent except Williams Real Estate Co. Inc. and the broker listed below, if any, in connection with this lease and covenants and agrees to hold harmless and indemnify Landlord and Williams Real Estate Co. Inc. from and against any and all costs, expenses or liability for any compensation, commissions, fees and charges claimed by any other broker or agent with respect to this lease or the negotiation thereof. The obligation of Tenant contained in this Article shall survive the expiration or earlier termination of this lease.

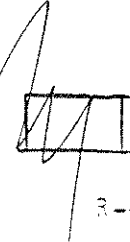

Other Broker: NEW SPECTRUM REALTY  
(if none, write none)

56. GOVERNMENTAL REGULATIONS

If, at any time during the term of this lease, Landlord expends any sums for alterations or improvements to the building which are required to be made pursuant to any law, ordinance or governmental regulation, or any portion of such law, ordinance or governmental regulation, which becomes effective after the date hereof, Tenant shall pay to Landlord, as additional rent, the same percentage of such cost as is set forth in the provision of this lease which requires Tenant to pay increases in Real Estate Taxes, within ten (10) days after demand therefor. If, however, the cost of such alteration or improvement is one which is required to be amortized over a period of time pursuant to applicable governmental regulations, Tenant shall pay to Landlord, as additional rent, during each year in which occurs any part of the lease term, the above-stated percentage of the reasonable annual amortization of the cost of the alteration or improvement made. For the purposes of this Article, the cost of any alteration or improvement made shall be deemed to include the cost of preparing any necessary plans and the fees for filing such plans.

57. BASEMENT SPACE

If any basement or sub-basement space is included in the premises demised hereunder, Tenant agrees that, notwithstanding anything to the contrary contained in this lease, such basement or sub-basement space (i) shall not be used for any purpose other than storage and (ii) shall not be sublet or used by anyone other than Tenant without the prior written consent of Landlord, which consent Landlord shall have the right to withhold for any reason whatsoever.

Tenants Initials →  Landlords Initials → 

## 58. LANDLORD'S MANAGING AGENT

Tenant agrees that all of the representations, warranties, waivers and indemnities made in this lease by Tenant for the benefit of Landlord shall also be deemed to inure to and be for the benefit of Williams Real Estate Co. Inc., its officers, directors, employees and independent contractors.

## 59. BUILDING DIRECTORY

At the written request of Tenant, Landlord shall list on the building's directory the name of Tenant, any trade name under which Tenant has the right to operate, any other entity permitted to occupy any portion of the demised premises under the terms of this lease, and the officers and employees of each of the foregoing entities, provided the number of names so listed does not exceed the same percentage of the capacity of such directory as is set forth in the provision of this lease which requires Tenant to pay increases in Real Estate Taxes. If requested by Tenant, Landlord may (but shall not be required to) list the name of Tenant's subsidiaries and affiliates; however, the listing of any name other than that of Tenant shall neither grant such party or entity any right or interest in this lease or in the demised premises nor constitute Landlord's consent to any assignment or sublease to, or occupancy of the demised premises by, such party or entity. Except for the name of Tenant, any such listing may be terminated by Landlord, at any time, without notice.

## 60. INTEREST ON SECURITY

Landlord agrees to deposit the security referred to in the Article of this lease captioned "Security" in an interest bearing ~~account in a bank located in New York State~~.\* To the extent not prohibited by law, Landlord shall be entitled to receive and retain as an administrative expense that portion of the interest received on such account which represents the maximum fee permitted under applicable law, which fee Landlord shall have the right to withdraw from time to time, as Landlord may determine. The balance of the interest shall be added to and held as part of the security under this lease subject to and in accordance with the provisions of the foregoing Article. Landlord shall not be required to credit Tenant with any interest for any period during which Landlord does not receive interest on the security deposited.

\*Day-of-Deposit Day-of Withdrawal account in a bank located in New York State, including Landlord.

## 61. ADDITIONAL RENT

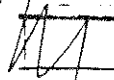
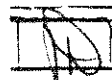
All payments other than the annual rental to be made by Tenant pursuant to this lease shall be deemed additional rent and, in the event of any nonpayment thereof, Landlord shall have all rights and remedies provided for herein or by law for nonpayment of rent. Tenant shall have fifteen (15) days from its receipt of any additional rent statement to notify Landlord, by certified mail, return receipt requested, that it disputes the correctness of such statement. After the expiration of such fifteen (15) day period, such statement shall be binding and conclusive upon Tenant. If Tenant disputes the correctness of any such statement, Tenant shall, as a condition precedent to its right to contest such correctness, make payment of the additional rent billed, without prejudice to its position. If such dispute is finally determined in Tenant's favor, Landlord shall refund to Tenant the amount overpaid.

## 62. SUBMISSION TO JURISDICTION, ETC.

This lease shall be deemed to have been made in New York County, New York, and shall be construed in accordance with the laws of the State of New York. All actions or proceedings relating, directly or indirectly, to this lease shall be litigated only in courts located within the County of New York. Tenant, any guarantor of the performance of its obligations hereunder ("Guarantor") and their successors and assigns hereby subject themselves to the jurisdiction of any state or federal court located within such county, waive the personal service of any process upon them in any action or proceeding therein and consent that such process be served by certified or registered mail, return receipt requested, directed to the Tenant and any successor at Tenant's address hereinabove set forth, to Guarantor and any successor at the address set forth in the instrument of guaranty and to any assignee at the address set forth in the instrument of assignment. Such service shall be deemed made two days after such process is so mailed.

If (i) Landlord commences any action or proceeding against Tenant, or (ii) Landlord is required to defend any action or proceeding commenced by Tenant, in connection with this lease and such action or proceeding is disposed of, by settlement, judgment or otherwise, favorably to Landlord, Landlord shall be entitled to recover from Tenant in such action or proceeding, or a subsequently commenced action or proceeding, Landlord's reasonable attorneys' fees and disbursements incurred in connection with such action or proceeding and all prior and subsequent discussions and negotiations and correspondence relating thereto.

If any monies owing by Tenant under this lease are paid more than fifteen (15) days after the date such monies are payable pursuant to the provisions of this lease, Tenant shall pay Landlord interest thereon, at the then maximum legal rate, for the period from the date such monies were payable to the date such monies are paid.

Tenants  Landlord's   
Initials Initials

63. During the Term and at all other times (if any) that Tenant has possession of the demised premises, Tenant shall pay for and keep in force comprehensive general liability policies with broad form endorsements and water damage legal liability coverage against any and all liability occasioned by accident or occurrence, such policies to be written by recognized and well-rated insurance companies authorized to transact business in the State of New York, in the minimum amount of \$1,000,000 combined single limit for personal injuries, death and loss of, and damage to property. Tenant shall obtain "All Risk" insurance having extended coverage for fire and other casualties for its personal property, fixtures and equipment for the full replacement value thereof and such insurance policies, and any other property damage policies of Tenant, shall have an appropriate clause or endorsement whereby the insurer waives subrogation or consents to a waiver of the right of recovery against Landlord and Landlord's agent, and, to the extent permitted by law, Tenant hereby agrees not to make any claim against, or seek to recover from Landlord or Landlord's agent for any loss of, or damage to property of the type covered by such insurance without regard to whether Tenant's claims exceed the coverage limits of its insurance policies. If the waiver and release set forth in the previous sentence shall be prohibited by law, the liability of any party that would have been released shall be secondary to the other's insurance. If at any time during the Term it appears that public liability or property damage limits in the City of New York for premises similarly situated, due regard being given to the use and occupancy thereof, are higher than the foregoing limits, then Tenant shall increase the foregoing limits accordingly. Landlord and its agent shall be named as additional insureds in the aforesaid general liability insurance policies. All policies shall provide that Landlord shall be afforded thirty (30) days' prior notice of cancellation of such insurance. Tenant shall deliver certificates of insurance evidencing such policies. All premiums and charges for the aforesaid insurance shall be paid by Tenant and if Tenant shall fail to make such payment when due, Landlord may make it and the amount thereof shall be repaid to Landlord by Tenant on demand and the amount thereof may, at the option of Landlord be added to and become a part of the additional rent payable hereunder. Tenant shall not violate or permit to be violated any condition of any of said policies and Tenant shall perform and satisfy the requirements of the companies writing such policies.

Tenants  
Initials



Landlord's  
Initials



64. With regard to paragraphs 12 and 44 herein, it shall be the Tenant's obligation to install its own electric meter and obtain power from the public utility servicing the building after Landlord separates the building circuits and installs an electrical meter panel for the Tenant's use. Tenant may utilize existing lines to the extent available to bring power to the premises. Any power requirements that necessitate additional wiring shall be at Tenant's own expense. During the period prior to the installation of electric meter directly from the public utility and while the premises are being serviced from the lessor's meter, the lessor shall have the right to estimate the value of the current consumed by the tenant and charge for the same as additional rent thereunder.

65. Signs

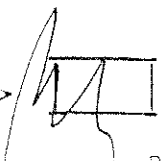

(A) Tenant shall have the right to install, at its sole cost and expense, a sign ("Sign") on the exterior portion of the Building, provided Tenant complies with all of the applicable terms and conditions of this lease and the Alteration Regulations and further provided that Tenant obtains Landlord's prior written approval\* of the dimensions, materials, colors, content, location, design and manner of installation of the Sign. Notwithstanding the foregoing, Tenant shall not have the right to place on any exterior portion of the Building or interior portion of the Building which can be seen from the street level, a sign using moving parts, flashing, oscillating or moving lights, neon lights or lights having variable lighting intensities. Additionally, the Sign may not derive light from sources other than from a concealed source; that is, the Sign shall not contain any exposed globes or tubing.

(B) In no event may the Tenant attach letters to the fascia existing above the glass window of the Ground Floor Premises.

(C) In the installations of the Sign, Tenant shall retain as a consultant, at its sole cost and expense, a graphic designer designated or approved by Landlord.

(D) Tenant shall maintain the Sign in a neat and clean condition and shall pay for and obtain all governmental and underwriting organization permits and approvals deemed necessary or desirable by Landlord for the installation, maintenance or removal of the Sign. Tenant expressly agrees that the Sign shall be union-made and shall not be installed until all such approvals and permits are first obtained and copies thereof have been delivered to Landlord with evidence of payment of any fees pertaining thereto. Tenant shall pay all governmental and other fees, taxes and charges, if any, pertaining to the Sign and shall furnish proof of such payment to Landlord promptly after payment. On or before the Expiration Date or sooner termination of the Term, Tenant shall, at its sole cost and expense, remove the Sign and repair all damage caused by or resulting from the installation, maintenance or removal of the Sign and shall restore the area about the Sign to its original condition.

\*which Landlord shall not unreasonably withhold

Tenants →  Landlords →   
Initials Initials  
-R7-

A. The annual rent reserved in this lease shall be subject to upward adjustment, as of the times and in the manner set forth in this Article.

B. Definitions: For the purposes of this Article, the following definitions shall apply:

(1) The term "Base Month" shall mean the month of June , 1992

(2) The term "Anniversary Month" shall mean the month of June , 1993 and each subsequent June during the term of this lease

(3) The term "Price Index" shall mean the "Consumer Price Index for Urban Wage Earners and Clerical Workers for New York, New York-Northeastern New Jersey-All Items," as published by the Bureau of Labor Statistics of the United States Department of Labor using the years 1982-84 as a base of 100. In the event that the Price Index ceases to use 1982-84 equals 100 as the basis of calculation, or if a substantial change is made in the terms or number of items contained in the Price Index, then the Price Index shall be adjusted to the figure that would have been arrived at had the manner of computing the Price Index in effect at the date of this lease not been altered. In the event that the Price Index (or its successor or substitute Index) is not available, a reliable governmental or other non-partisan publication shall be used in lieu thereof to achieve the intent and purpose of this Article.

C. The adjustment of the annual rent to be made, if any, shall be effective as of the first day of an Anniversary Month and shall be based on the percentage difference, if any, between the Price Index for such Anniversary Month and the Price Index for the Base Month. In the event that the Price Index for such Anniversary Month is more than the Price Index for the Base Month, the annual rent reserved hereunder shall be adjusted upward by an amount which shall be computed as follows: The annual rent reserved hereunder shall be multiplied by the percentage derived by dividing (i) the difference between the Price Index for the Base Month and the Price Index for such Anniversary Month by (ii) the Price Index for the Base Month. The resultant product shall be added to the Annual Rent and the sum thereof shall be hereinafter referred to as the "Adjusted Annual Rent." The Adjusted Annual Rent shall be payable in equal monthly installments, in advance, on the first day of the Anniversary Month, and on the first day of each and every month thereafter, until further adjusted pursuant to the provisions of this Article.


D. In the event of an upward adjustment as provided in this Article, Landlord shall send to Tenant a statement setting forth (a) the Price Index for the Base Month; (b) the Price Index for the Anniversary Month; (c) the percentage difference between the Price Index for the Anniversary Month and the Price Index for the Base Month; (d) the amount of the adjusted Annual Rent; and (e) the amount of the adjustment hereunder. The statement furnished to Tenant shall constitute a final determination as between Landlord and Tenant of the cost of living adjustment for the period represented thereby if Tenant shall fail to object to same, in writing, within ten (10) days after its receipt of such statements in each instance.

E. In no event shall the annual rent or any additional rent reserved hereunder be reduced by reason of the provisions of this Article.

F. Any delay or failure of Landlord in computing, billing or issuing a statement for the rent adjustments hereinabove provided shall not constitute a waiver of or in any way impair the continuing obligation of Tenant to pay such rent adjustments hereunder.

G. Notwithstanding any expiration or termination of this lease prior to the lease expiration date (except in the case of a cancellation by mutual agreement) Tenant's obligation to pay the annual rent as adjusted under this Article theretofore computed or not yet computed and whether theretofore due or not yet due shall continue and shall cover all periods up to the lease expiration date, and shall survive any expiration or termination of this lease.

Tenants  
Initials



Landlords  
Initials



67. ADDITIONAL DEFINITION

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".

68. Tenant acknowledges that this lease is actually a sublease and is subject and subordinate to all of the terms, covenants and conditions of that certain lease dated December 27, 1979 between Court Tower Corp., as Landlord and New York and Suburban Federal Savings & Loan Association, as Tenant.

69. For the purposes of Article 40, the building shall be deemed to include only that portion thereof as is leased to Landlord under the Lease referred to in Article 68 hereof.

70. With regard to Article 9, Landlord herein agrees that it will not cancel this lease unless its master lease is cancelled by the over-landlord pursuant to Article 9 of the master lease.


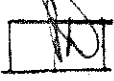
71. With regard to Article 16, Landlord will not seek to terminate this lease in the event that the occurrences set forth in Article 16 occur provided that all other conditions of this lease have not been violated by Tenant and that the rent is paid when due.

72. With regard to Article 17, and provided the default is not for the payment of rental or additional rent and further does not occasion a default under the Over-Lease, then Tenant shall have thirty days after noticed to cure such a default. Rent defaults shall be cured within ten days after notice.

73. Notwithstanding the provisions of Article 42, Tenant shall have the right to assign the demised premises to a franchisee or licensee for the same retail purposes so long as such franchisee or licensee agrees to operate under the name of Jennifer House or Jennifer Convertible. All advertising pertaining to the demised premises shall be included with advertising for other Jennifer House or Jennifer Convertible store locations in the New York Metropolitan area. In such event and solely to accomplish the above assignment, the provisions of sections ID, II and III of Paragraph 43 shall not apply to such assignment.

74. Landlord agrees that it will not rent other space that it controls in this building to a similar business set forth in the use clause herein.

75. Landlord shall have access to the air conditioning room located in the basement area to the East of Tenant's premises at such times as is necessary for the proper maintenance and servicing of said equipment.

Tenants  
Initials →  Landlords  
Initials → 

-R9-

76. THE ANNUAL RENTAL PAYABLE HEREUNDER SHALL BE:

a) One hundred Sixty-Five Thousand Six Hundred (\$165,600.00) Dollars per year from June 1, 1992 to and including May 31, 1993;

b) One Hundred Seventy-Four Thousand Two Hundred Twenty-Five (\$174,225.00) Dollars per year from June 1, 1993 to and including May 31, 1994;

c) One Hundred Eighty-Two Thousand Eight Hundred Fifty (\$182,850.00) Dollars per year from June 1, 1994 to and including May 31, 1995;

d) One Hundred Ninety-Six Thousand Seventy-Five (\$196,075.00) Dollars per year from June 1, 1995 to and including May 31, 1996;

e) Two Hundred Thousand One Hundred (\$200,100.00) Dollars per year from June 1, 1996 to and including May 31, 1997;

f) Two Hundred Six Thousand Seven Hundred Seventy (\$206,770.00) Dollars per year from June 1, 1997 to and including May 31, 1998;

g) Two Hundred Thirteen Thousand Six Hundred Sixty-One (\$213,661.00) Dollars per year from June 1, 1998 to and including May 31, 2001;

h) Two Hundred Thirty-Five Thousand Twenty-Two (\$235,022.00) Dollars per year from June 1, 2001 to and including May 31, 2004; and

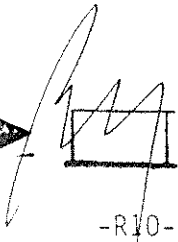
i) Two Hundred Fifty-Eight Thousand Five Hundred Thirty (\$258,530.00) Dollars per year from June 1, 2004 to and including December 26, 2004,

(the foregoing is referred to as the "rent" or "annual rental rate" herein and shall be paid in equal monthly installments in advance on the first day of each month during the term).

77. For purposes of this clause the term Subtenant shall mean "Jennifer House", the term Tenant shall mean "Anchor Savings Bank FSB", and the term Landlord shall mean "Court Tower Corp. or its successors". The term "Subleased Space" means the space lease by Anchor Savings Bank FSB to Jennifer House.

With respect to the Subleased Space, Tenant agrees to and hereby does assume all the obligations of the Lease, Exhibit "C", except with respect to rent and other charges as expressed therein, rent and other charges to be paid by Subtenant to Tenant as set forth in this sublease. The rights and remedies available to Landlord under the Lease against Tenants shall also be available to Tenant against Subtenant with regard to the Lease and under this agreement. To the extent possible without creating any separate or new obligations of Tenant will make available to Subtenant all the rights and remedies possessed by Tenant against Landlord under the Lease, said rights and remedies of Subtenant to be exercisable only against Landlord directly, or against Tenant only if same shall not create a separate and primary obligation of Tenant to Subtenant. Tenant will cooperate with Subtenant in the enforcement of any such rights and remedies against Landlord, even to the extent of subrogation if lawfully permitted, in the event of a violation of the Lease terms by Landlord which violation impairs Subtenant's rights or the Subleased space. The cooperation of Tenant hereunder shall be at Subtenant's expense. A violation by Subtenant of any of Tenant's covenants or by Tenants of any of Landlord's covenants of the Lease with respect to the Subleased Space shall constitute a violation of this agreement also. The Lease has been exhibited and a copy furnished to Tenant.

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Tenants →  Landlords →   
Initials → Initials

78. CONDITIONAL LITIGATION

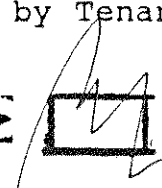

If Tenant shall default in the payment of the rent reserved herein, or any item of additional rent herein mentioned, or any part of either, during any two months, whether or not consecutive, in any twelve (12) months period, and (i) such default continued for more than five (5) days after written notice of such default by Landlord to Tenant, and (ii) Landlord, after the expiration of such five (5) day grace period, served upon Tenant petitions and notice of petition to dispossess Tenant by summary proceedings in each such instance, then, notwithstanding that such defaults may have been cured prior to the entry of a judgment against Tenant, any further default in the payment of any money due Landlord hereunder which shall continue for more than five (5) days after Landlord shall give a written notice of such default shall be deemed to be deliberate and Landlord may thereafter serve a written three (3) days' notice of cancellation of this lease and the term hereunder 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 quite and surrender the demised premises to Landlord, but Tenant shall remain liable as elsewhere provided in this lease.

In addition, if Tenant shall have defaulted in the performance of the same or a substantially similar covenant hereunder, other than a covenant for the payment of rent or additional rent, twice during any consecutive twelve (12) month period and Owner, in each case, shall have given a default notice in respect of such default, then, regardless of whether Tenant shall have cured such defaults within any applicable grace period, if Tenant shall again default in respect of the same or a substantially similar covenant hereunder within a twelve (12) month period after Owner gave the second such default notice, Owner, at its option, and without further notice to Tenant or opportunity for Tenant to cure such default, may elect to cancel this lease by serving a written three (3) days' notice of cancellation of this lease and the term hereunder 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 hereof, and Tenant shall then quit and surrender the demised premises to Owner, but Tenant shall remain liable as elsewhere provided in this lease.

79. EXCULPATION

If Tenant shall request Landlord's consent or approval and Landlord shall fail or refuse to give such consent or approval, Tenant shall not be entitled to any damages for any withholding by Landlord of its consent or approval, it being agreed that Tenant's sole remedy shall be an action for specific performance or an injunction, and that such remedy shall be available only in those cases where Landlord has expressly agreed in writing not to unreasonably withhold its consent or approval or where as a matter of law, Landlord may not unreasonably withhold its consent or approval.

Tenant acknowledges and agrees that if Landlord shall be an individual, joint venture, tenancy-in-common, firm or partnership, general or limited, there shall be no personal liability on such individual or on the members of such joint venture, tenancy-in-common, firm or partnership in respect of any of the covenants or conditions of this lease. In addition, notwithstanding anything to the contrary contained in this lease, it is agreed and understood that Tenant shall look solely to the estate and property of Landlord in the Building for the enforcement of any judgment (or other judicial decree) requiring the payment of money by Landlord to Tenant by reason of any default or breach by Landlord in the performance of its obligations under this lease, it being intended hereby that no other assets of Landlord or its principals shall be subject to levy, execution, attachment or other such legal process for the enforcement or satisfaction of the remedies pursued by Tenant in the event of such default or breach.

Tenants Initials →  Landlords Initials → 

Tenant occupies the demised premises under this lease pursuant to a prior lease which expires on the date immediately prior to the commencement date of this lease. If such prior lease shall expire or be terminated or cancelled as of a date earlier than the present expiration date of such prior lease then, unless the Landlord and Tenant otherwise agree in writing, this lease shall automatically and without notice be cancelled as of the earlier expiration, termination or cancellation date of such prior lease. If Landlord shall have received any payments on account of Tenant's obligations under this lease such sums may first be applied by Landlord to any sums then due and payable by Tenant under such prior lease, then to any sums which may be due and payable by Tenant under this lease and the balance, if any, shall be repaid to Tenant.

81. TENANT'S EXISTING LEASE

In order to induce Landlord to enter into this lease with Tenant prior to the expiration of Tenant's existing lease for the demised premises (or part thereof) for a term to commence at the expiration of said existing lease Tenant hereby waives, to the extent permitted by law, any and all claims which Tenant may have against Landlord and Landlord's managing agent, whether such claims have arisen out of, through, or under Tenant's existing lease, or otherwise.

Tenants  
Initials →



Landlords  
Initials →



CKNOWLEDGMENTS

Corporate Owner  
State of New York, } ss.:  
County of

On this            day of            , 19            , before me  
personally came  
to be known, who being by me duly sworn, did depose and say that  
he resides in  
that he is the            of  
the corporation described in and which executed the foregoing  
instrument, as OWNER, that he knows the seal of said corporation;  
that the seal affixed to said instrument is such corporate seal; that it  
was so affixed by order of the Board of Directors of said  
corporation, and that he signed his name thereto by like order.

Individual Owner  
State of New York, } ss.:  
County of

On this            day            , 19            , before me  
personally came  
to me known and known to me to be the individual described in  
and who, as OWNER, executed the foregoing instrument and  
acknowledged to me that he            executed the same.

Corporate Tenant  
State of New York, } ss.:  
County of

On this            day of            , 19            , before me  
personally came  
to me known, who being by me duly sworn, did depose and say that  
he resides in  
that he is the            of  
the corporation described in and which executed the foregoing in-  
strument, as TENANT, that he knows the seal of said corporation;  
that the seal affixed to said instrument is such corporate seal; that it  
was so affixed by order of the Board of Directors of said  
corporation, and that he signed his name thereto by like order.

Individual Tenant  
State of New York, } ss.:  
County of

On this            day of            , 19            , before me  
personally came  
to me known and known to me to be the individual            described in  
and who, as TENANT, executed the foregoing instrument and  
acknowledged to me that he            executed the same.

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

1. The sidewalks, entrances, driveways, passages, courts, elevators, vestibules, stairways, corridors or halls shall not be obstructed or encumbered by any Tenant or used for any purpose other than for ingress to and egress from the demised premises and for delivery of merchandise and equipment in a prompt and efficient manner using elevators and passageways designated for such delivery by Owner. There shall not be used in any space, or in the public hall of the building, either by any tenant or by jobbers, or others in the delivery or receipt of merchandise, any hand trucks except those equipped by rubber tires and safeguards.
2. If the premises are situated on the ground floor of the building Tenant thereof shall further, at Tenant's expense, keep the sidewalks and curb in front of said premises clean and free from ice, snow, etc.
3. The water and wash closets and plumbing fixtures shall not be used for any purposes other than those for which they were designed or constructed.
4. Tenant shall not use, keep or permit to be used or kept any foul or noxious gas or substance in the demised premises, or permit or suffer the demised premises to be occupied or used in a manner offensive or objectionable to Owner or other occupants of the building by reason of noise, odors and/or vibrations or interfere in any way with other Tenants or those having business therein.
5. No sign, advertisement, notice or other letting shall be exhibited, inscribed, painted or affixed by any Tenant on any part of the outside of the demised premises or the building or on the inside of the demised premises if the same is visible from the outside of the premises without the prior written consent of Owner, except that the name of Tenant may appear on the entrance door of the premises. In the event of the violation of the foregoing by any Tenant, Owner may remove same without any liability, and may charge the expense incurred by such removal to Tenant or Tenants violating this rule. Signs on interior doors and directory tablet shall be inscribed, painted or affixed for each Tenant by Owner at the expense of such Tenant and shall be of a size, color and style acceptable to Owner.
6. No Tenant shall mark, paint, drill into, or in any way deface any part of the demised premises or the building of which they form a part. No boring,

cutting or stringing of wires shall be permitted, except with the prior written consent of Owner, and as Owner may direct. No Tenant shall lay linoleum, or other similar floor covering, so that the same shall come in direct contact with the floor of the demised premises, and, if linoleum or other similar floor covering is desired to be used an interlining of builder's deadening felt shall be first affixed to the floor, by a paste or other material, soluble in water, the use of cement or other similar adhesive material being expressly prohibited.

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

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

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

10. Tenant shall not bring or permit to be brought or kept in or on the demised premises, any inflammable, combustible or explosive fluid, material, chemical or substance, or cause or permit any odors of cooking or other processes, or any unusual or other objectionable odors to permeate in or emanate from the demised premises.

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

GUARANTY

The undersigned Guarantor guarantees to Owner, Owner's successors and assigns, the full performance and observance of all the agreements to be performed and observed by Tenant in the attached Lease, including the "Rules and Regulations" as therein provided, without requiring any notice to Guarantor of nonpayment or, nonperformance, or proof, or notice of demand, to hold the undersigned responsible under this guaranty, all of which the undersigned hereby expressly waives and expressly agrees that the legality of this agreement and the agreements of the Guarantor under this agreement shall not be ended, or changed by reason of the claims to Owner against Tenant of any of the rights or remedies given to Owner as agreed in

the attached Lease. The Guarantor further agrees that this guaranty shall remain and continue in full force and effect as to any renewal, change or extension of the Lease. As a further inducement to Owner to make the Lease Owner and Guarantor agree that in any action or proceeding brought by either Owner or the Guarantor against the other on any matters concerning the Lease or of this guaranty that Owner and the undersigned shall and do waive trial by jury.

Guarantor

Address

Premises

TO

STANDARD FORM OF

Store  
Lease

The Real Estate Board of New York, Inc.  
© Copyright 1979, All Rights Reserved.  
Reproduction in whole or in part prohibited.

Dated

Rent per Year

Rent per Month

Term  
From  
To

Drawn by            Checked by           

Entered by            Approved by           

Tenants  
Initials

Landlords  
Initials

December 14, 2004

**Washington Mutual**

Jennifer House  
2420 Broadway  
New York, NY 10024

RE: Lease dated March 10, 1982 for premises located at 2420 Broadway, New York, NY

Dear Sir or Madam:

The term of the subject lease is set to expire at midnight on December 26, 2004. However, Jennifer House and Washington Mutual are currently in negotiations to extend the lease and desire to push the current lease termination date to January 31, 2005. Rent will remain at its current rate.

Please indicate your acceptance of this extension below and return this letter to Mr. Michael Stein, of Newmark of Long Island LLC, 999 Walt Whitman Road, Melville, NY 11747, phone 631.424.4800, and facsimile 631.424.0146.

Should you have any questions please feel free to contact Mr. Stein or me at 206.377.6944.

Sincerely,


WASHINGTON MUTUAL BANK, FA



H. Arthur West  
Vice President

HAW/mh

AGREED AND ACKNOWLEDGED:  
JENNIFER HOUSE



By: EDWARD R. DELANEY  
Its: EXECUTIVE VICE PRESIDENT

cc: Mr. Michael Stein, Newmark of Long Island LLC  
Ms. Sheryl Bisogno, CB Richard Ellis

UN1043

1111 3rd Ave.  
Seattle, WA 98101

Received

Jan-05-05 08:31am

From-831 461 2158

To-CB RICHARD ELLIS

Page 002

TOTAL P.02

ORIGINAL  
Number 1 of  
2 execution  
COLUMBIA

EXTENSION AND MODIFICATION AGREEMENT

Agreement dated as of January 31, 2005, between WASHINGTON MUTUAL BANK, FA, having an office at 1111 Third Avenue EET 2900, Seattle, Washington 98101, Attn: Corporate Property Services Manager ("Landlord"), and COLUMBUS CONVERTIBLES INC., d/b/a JENNIFER HOUSE, 245 Roger Avenue, Inwood, New York ("Tenant").

WHEREAS, by a lease agreement dated as of October 3, 1991 (the "Original Lease"), Tenant leased from Anchor Savings Bank, FSB, predecessor-in-interest to The Dime Savings Bank of New York FSB, Landlord's predecessor-in-interest, Store #8 and basement as further described in the original Lease (the "Demised Premises") in the building known as 2420 Broadway, New York, New York (the "Building") for a term which expired December 27, 2004;

WHEREAS, by a letter agreement dated December 14, 2004, the term of the Original Lease was extended through and including January 31, 2005 (with the Original Lease, as amended by such letter, being referred to as the "Lease");

WHEREAS, Landlord and Tenant now desire to extend the term of the Lease and to otherwise modify the Lease in the manner hereinafter provided.

Now, THEREFORE, in consideration of the mutual covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. The term of the Lease is hereby further extended for a period of ten (10) years, commencing on February 1, 2005, and continuing through and including December 26, 2014, subject, however to all of the provisions of the Lease. Except as set forth in this Agreement, or as may be inapplicable or inconsistent herewith, such extension shall be upon all the same terms, provisions, covenants and conditions as are contained in the Lease. Tenant acknowledges and agrees that Landlord shall not be required to perform any work or alterations to the Demised Premises or the Building in connection with this Agreement and/or the extension of the term of the Lease.
2. Effective from and after February 1, 2005, the Lease shall be modified as follows:
  - (a) The reference to "fiscal year 1991/1992" in Article 40 of the Lease shall be deleted and replaced with "fiscal year 2004/2005".
  - (b) The reference to "\$1,000,000" in Article 63 shall be deleted and replaced with "3,000,000";

(c) The reference to "June, 1992" in Section 66 B(1) shall be deleted and replaced with "January, 2005";

(d) The reference to "June, 1993" in Section 66 B(2) shall be deleted and replaced with "January, 2006";

(e) The reference to "June" in Section 66 B(2) shall be deleted and replaced with "January";

(f) Article 76 shall be deleted in its entirety and replaced with the annual rental rate payable hereunder shall be as set forth below:

<u>Period</u>	<u>Annual Rental Rate</u>	<u>Monthly Rental Rate</u>
2/1/05 – 1/31/06	\$317,760.00	\$26,480.00
2/1/06 – 1/31/07	\$324,115.20	\$27,009.60
2/1/07 – 1/31/08	\$330,597.50	\$27,549.79
2/1/08 – 1/31/09	\$337,209.45	\$28,100.79
2/1/09 – 1/31/10	\$343,953.63	\$28,662.80
2/1/10 – 1/31/11	\$350,832.70	\$29,236.06
2/1/11 – 1/31/12	\$357,849.35	\$29,820.78
2/1/12 – 1/31/13	\$365,006.33	\$30,417.19
2/1/13 – 1/31/14	\$372,306.45	\$31,025.54
2/1/14 – 12/26/14	\$379,752.57	\$31,646.05

(The foregoing is referred to as the "rent" or "annual rental rate" herein and shall be paid in equal monthly installments, in advance, without deduction or offset, in advance on the first day of each month during the term. Notwithstanding anything to the contrary contained herein, and without in any way modifying any other agreement between Landlord and Tenant, other than the Lease, provided that Tenant shall not then be in default of any obligation under the Lease on Tenants part to be observed or performed, Tenant shall not be required to pay annual rental under this Lease for the period commencing on February 1, 2005, and continuing through and including April 30, 2005;

(g) Articles 80 and 81 shall be deleted in their entirety; and

(h) The following shall be inserted as Article 80:

"This Lease is actually a sublease and is subject and subordinate to all of the terms, covenants and conditions of the mean lease dated December 27, 1979, as the same has been and may heretofore be amended "the "Master Lease") between Court Tower Corp. as Landlord, and New York and Suburban Federal Savings and Loan Association, as Tenant, as the same has been assigned by mesne assignment to Washington Mutual Bank, FA."

3. (a) In the event that Landlord shall, in its sole discretion and at its sole option, elect to renew the term of the Master Lease, and provided that the term of such Master Lease shall be renewed, Tenant shall have the right to further extend the term of the Lease for a single renewal term (the "Renewal Term") of ten (10) years by notice (the "Renewal Notice") delivered to Landlord not less than six (6) months prior to the expiration date of the Lease, time being of the essence; provided however, that on both the date the Renewal Notice is given and on the Renewal Term Commencement Date (as hereinafter defined) (a) no default shall exist, (b) the Tenant initially named herein shall not have assigned this Lease, and shall be in occupancy of the entire Demised Premises and (c) there shall not have occurred any material adverse change in the financial condition of any guarantor from the condition described on the financial statements submitted by in connection with this lease (any of which conditions Landlord may waive). Upon the giving of the Renewal Notice, subject to the continuing satisfaction of the foregoing conditions, the Lease shall be deemed renewed for the Renewal Term with the same force and effect as if the Renewal Term had originally been included in the term of the Lease. The Renewal Term shall commence on the date after the expiration date of the Lease (the "Renewal Term Commencement Date") and shall terminate on the day preceding the tenth (10<sup>th</sup>) anniversary of the Renewal Term Commencement Date or such earlier date as the Lease shall terminate pursuant to any of the terms of the Lease.

(b) All of the terms, covenants and conditions of the Lease shall continue on full force and effect during the Renewal Term, except that the annual rental rate shall be set forth below:

<u>Period</u>	<u>Annual Rental Rate</u>	<u>Monthly Rental Rate</u>
12/27/14 – 12/26/15	\$387,347.67	\$32,278.97
12/27/15 – 12/25/16	\$395,094.62	\$32,924.55
12/26/16 – 12/25/17	\$402,996.51	\$33,583.04
12/26/17 – 12/25/18	\$411,056.44	\$34,254.70
12/27/18 – 12/26/19	\$419,277.57	\$34,939.80
12/27/19 – 12/25/20	\$427,663.12	\$35,638.59
12/26/20 – 12/25/21	\$436,216.39	\$36,351.37
12/26/21 – 12/25/22	\$444,940.71	\$37,078.39
12/27/22 – 12/26/23	\$453,839.53	\$37,819.96
12/27/23 – 12/25/24	\$462,913.32	\$38,576.36

4. Except as expressly modified herein, Landlord and Tenant affirm that the Lease is in full force and effect, and Tenant represents that all obligations of Landlord under the Lease as of this date have been fully performed and complied with by Landlord. By entering into this Agreement, Landlord does not and shall not be deemed either (i) to waive or forgive any default, rent arrearages or other condition with respect to the Lease or the use of the Demised Premises, whether or not in existence or known to Landlord at the

date hereof, or (ii) to consent to any matter as to which Landlord's consent is required under the terms of the Lease, except such as may heretofore have been waived in writing or consented to in writing, by Landlord.

5. Tenant represents and warrants to Landlord, to induce Landlord to enter into this Agreement in reliance thereon, that Tenant has not employed, dealt with or negotiated with any broker in connection with this Agreement, except Newmark & Company Real Estate Inc., ("Broker"), and Tenant agrees to indemnify, protect, defend and hold Landlord harmless from and against any and all liability, damage, cost and expense (including attorneys' fees and disbursements) arising out of a claim for a fee or commission by any broker (excluding Broker) or other party in connection with this transaction.

6. All capitalized terms and other terms not otherwise defined herein shall have the meanings ascribed to them in the Lease.

7. Tenant acknowledges that it is in possession of the Demised Premises, represents that it has not sublet or assigned the Demised Premises or any portion thereof.

8. This Agreement shall be construed without regard to any presumption or other rule requiring construction against the party causing this Agreement to be drafted.

9. If any provision of this Agreement, or the application thereof to any person or circumstances is invalid or unenforceable to any extent, the remainder of this Agreement, or the applicability of such provision to other persons or circumstances, shall be valid and enforceable to the fullest extent permitted by law and shall be deemed to be separate from such invalid or unenforceable provisions and shall continue in full force and effect.

10. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns.

11. Except as may be expressly modified or amended by this Agreement, all of the terms, covenants and conditions of the Lease are hereby ratified and confirmed and, except insofar as reference to the contrary is made in any such instrument, all references to the "Lease" in any future correspondence or notice shall be deemed to refer to the Lease as modified by this Agreement.

In WITNESS WHEREOF, the parties hereto have executed the Agreement as of the day and year first above written.

WASHINGTON MUTUAL BANK, FA

By:   
Lorie P. Reno - VP

COLUMBUS CONVERTIBLES INC. d/b/a  
JENNIFER HOUSE

By:   
Lorie P. Reno - VP

1/27/05 11:25 AM ()

RECEIVED

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Prop. - 144061  
Lease - 23819

Rec'd  
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LEASE ADMINISTRATION

LEASE MODIFICATION AGREEMENT

**AGREEMENT** (this "Agreement") made as of the 1<sup>st</sup> day of April, 2009 by and between JPMORGAN CHASE BANK, N.A. ("Landlord"), successor in interest to Washington Mutual Bank, FA ("WMB"), a national banking association, having an office at 270 Park Avenue, New York, New York 10017 and COLUMBUS CONVERTIBLES, INC., d/b/a Jennifer Convertibles, a New York corporation having an address at 190-10 Northern Boulevard, Flushing, New York 11358 ("Tenant").

**WITNESSETH**

**WHEREAS**, Anchor Savings Bank, FSB, predecessor in interest to WMB, entered into a lease on the 3<sup>rd</sup> day of October, 1991 (the aforesaid lease, along with all subsequent renewals, modifications and amendments thereto, hereinafter called the "Lease") with Tenant for premises consisting of 1,986 rentable square feet (the "Demised Premises") in the building located at 2424 Broadway, New York, New York (the "Building") as more fully described therein; and

**WHEREAS**, the parties hereto desire to modify the terms of the Lease upon the terms and conditions contained herein.

**NOW, THEREFORE**, for Ten and 00/100 (\$10.00) Dollars and other good and valuable consideration, paid by Tenant to Landlord (receipt of which is hereby acknowledged) the parties hereto intending to be legally bound hereby agree as follows:

1. New Rental. Notwithstanding any provision to the contrary in the Lease, Landlord agrees that during the period beginning April 1, 2009 and ending March 31, 2010, the monthly fixed rent reserved under the Lease shall be reduced from \$28,662.80 per month to \$19,000.00 per month.

2. Notices. Notwithstanding anything contained in the Lease, effective as of the date hereof, copies of all notices to Landlord shall be sent as follows: JPMorgan Chase Lease Administration, 1111 Polaris Parkway, Suite 1J, Mail Code OH1-0241, Columbus, Ohio 43240, Attn: Lease Administration Manager, with a copy to JPMorgan Chase Bank, N.A., 270 Park Avenue, 10<sup>th</sup> Floor, Mail Code NY1-K281, New York, New York, Attention: Director of Real Estate, and to JPMorgan Chase Bank, N.A., Legal Department, 245 Park Avenue, 12<sup>th</sup> Floor, Mail Code NY1-Q657, New York, New York 10167, Attn: Real Estate Counsel. Rent payments under the Lease should be made to JPMorgan Chase, Lease Administration, P.O. Box 71-1720, Columbus, Ohio 43271-1720. Notices to the Tenant shall be sent as follows: Columbus Convertibles, Inc., 190-10 Northern Boulevard, Flushing, New York 11358, with a copy to Wincig & Wincig, Esqs., 137 Fifth Avenue, 9<sup>th</sup> Floor, New York, New York 10010, Attn: Owen Wincig, Esq.

3. Brokerage. Tenant represents and warrants to Landlord that no real estate broker or person acting as such was consulted or dealt with by Tenant in connection with this Agreement or the Demised Premises and that neither Tenant nor its representatives have performed any act or made any agreements or promises which will in any way obligate Landlord for the payment of any fee, charge, commission or other compensation or award to any party in connection with this Agreement or the Lease. In any event, Tenant agrees forever to indemnify and hold Landlord harmless from any liability or expense (including but not limited to Landlord's counsel fees and disbursements) incurred by Landlord because of any claim for commissions, fees or other compensation made by any real estate broker or person acting as such based on

claims contrary to the foregoing representation and warranty.

4. Miscellaneous.

(a) Counterparts. This Agreement may be executed in multiple counterparts, and each counterpart when fully executed and delivered shall constitute an original instrument, and all such multiple counterparts shall constitute but one and the same instrument.

(b) Entire Agreement. This Agreement sets forth all covenants, agreements and understandings between Landlord and Tenant with respect to the subject matter hereof and there are no other covenants, conditions or understandings, either written or oral, between the parties hereto except as set forth in this Agreement.

(c) Full Force and Effect. Except as expressly amended hereby, all other items and provisions of the Lease remain unchanged and continue to be in full force and effect and are hereby ratified and confirmed.

(d) Conflicts. The terms of this Agreement shall control over any conflicts between the terms of the Lease and the terms of this Agreement.

(e) Defined Terms. All terms used herein which are defined in the Lease and not otherwise defined herein shall have the meanings assigned to them in the Lease.

(f) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

(g) Authority. Landlord and Tenant each represents to the other that all consents or approvals required for the execution, delivery and performance of this Agreement have been obtained and that all persons executing this Agreement on behalf of each party has the full power, right and authority to do so.

5. OFAC Certification.

(a) Certification. Tenant certifies that:

(i) Tenant is not acting, directly or indirectly, for or on behalf of any person, group, entity, or nation named by any Executive Order or the United States Treasury Department as a terrorist, "Specially Designated National and Blocked Person," or other banned or blocked person, entity, nation, or transaction pursuant to any law, order, rule, or regulation that is enforced or administered by the Office of Foreign Assets Control; and

(ii) Tenant is not engaged in this transaction, directly or indirectly on behalf of, or instigating or facilitating this transaction, directly or indirectly, on behalf of any such person, group, entity or nation.

(b) Indemnification. Tenant hereby agrees to defend, indemnify, and hold harmless Landlord from and against any and all claims, damages, losses, risks, liabilities, and expenses (including attorney's fees and costs) arising from or related to any breach of the foregoing certifications.

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


Landlord:

JPMORGAN CHASE BANK, N.A.

By:   
Name: MATTHEW J SCALLAN  
Title: VP

Tenant:

COLUMBUS CONVERTIBLES, INC.

By:   
Name: EDWARD B. SEIDNER  
Title: EXECUTIVE V.P.