

**Fill in this information to identify the case:**

Debtor SBG Universe Brands, LLC

United States Bankruptcy Court for the: \_\_\_\_\_ District of Delaware  
(State)

Case number 21-11209

Official Form 410  
**Proof of Claim**

04/19

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) that you received.

**Part 1: Identify the Claim**

1. **Who is the current creditor?** 1407 Broadway Real Estate LLC  
Name of the current creditor (the person or entity to be paid for this claim)  
Other names the creditor used with the debtor \_\_\_\_\_

2. **Has this claim been acquired from someone else?**  No  
 Yes. From whom? \_\_\_\_\_

3. **Where should notices and payments to the creditor be sent?**

Where should notices to the creditor be sent?	Where should payments to the creditor be sent? (if different)
See summary page	

Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)

Contact phone 212-843-7226 Contact phone \_\_\_\_\_  
Contact email rragoff@Shorenstein.com Contact email \_\_\_\_\_

**(see summary page for notice party information)**  
Uniform claim identifier for electronic payments in chapter 13 (if you use one):  
\_\_\_\_\_

4. **Does this claim amend one already filed?**  No  
 Yes. Claim number on court claims registry (if known) \_\_\_\_\_ Filed on \_\_\_\_\_  
MM / DD / YYYY

5. **Do you know if anyone else has filed a proof of claim for this claim?**  No  
 Yes. Who made the earlier filing? \_\_\_\_\_



**Part 2: Give Information About the Claim as of the Date the Case Was Filed**

6. Do you have any number you use to identify the debtor?  No  
 Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: \_\_\_\_ \_

7. How much is the claim? \$ 1,023,739. Does this amount include interest or other charges?  
 No  
 Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).

8. What is the basis of the claim? Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card.  
Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c).  
Limit disclosing information that is entitled to privacy, such as health care information.  
lease

9. Is all or part of the claim secured?  No  
 Yes. The claim is secured by a lien on property.  
**Nature or property:**  
 Real estate: If the claim is secured by the debtor's principle residence, file a *Mortgage Proof of Claim Attachment* (Official Form 410-A) with this *Proof of Claim*.  
 Motor vehicle  
 Other. Describe: \_\_\_\_\_  
**Basis for perfection:** \_\_\_\_\_  
Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)  
**Value of property:** \$ \_\_\_\_\_  
**Amount of the claim that is secured:** \$ \_\_\_\_\_  
**Amount of the claim that is unsecured:** \$ \_\_\_\_\_ (The sum of the secured and unsecured amount should match the amount in line 7.)  
**Amount necessary to cure any default as of the date of the petition:** \$ \_\_\_\_\_  
**Annual Interest Rate** (when case was filed) \_\_\_\_\_ %  
 Fixed  
 Variable

10. Is this claim based on a lease?  No  
 Yes. Amount necessary to cure any default as of the date of the petition. \$ 0

11. Is this claim subject to a right of setoff?  No  
 Yes. Identify the property: \_\_\_\_\_



12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?

A claim may be partly priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority.

No

Yes. Check all that apply:

	Amount entitled to priority
<input type="checkbox"/> Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).	\$ _____
<input type="checkbox"/> Up to \$3,025* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7).	\$ _____
<input type="checkbox"/> Wages, salaries, or commissions (up to \$13,650*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4).	\$ _____
<input type="checkbox"/> Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8).	\$ _____
<input type="checkbox"/> Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5).	\$ _____
<input type="checkbox"/> Other. Specify subsection of 11 U.S.C. § 507(a)( ) that applies.	\$ _____

\* Amounts are subject to adjustment on 4/01/22 and every 3 years after that for cases begun on or after the date of adjustment.

13. Is all or part of the claim pursuant to 11 U.S.C. § 503(b)(9)?

No

Yes. Indicate the amount of your claim arising from the value of any goods received by the debtor within 20 days before the date of commencement of the above case, in which the goods have been sold to the Debtor in the ordinary course of such Debtor's business. Attach documentation supporting such claim.

\$ \_\_\_\_\_

**Part 3: Sign Below**

**The person completing this proof of claim must sign and date it. FRBP 9011(b).**

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

**A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.**

Check the appropriate box:

I am the creditor.

I am the creditor's attorney or authorized agent.

I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.

I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgement that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date 11/30/2021  
MM / DD / YYYY

/s/John D Giampolo  
Signature

**Print the name of the person who is completing and signing this claim:**

Name John D Giampolo  
First name Middle name Last name

Title Attorney for 1407 Broadway Real Estate LLC

Company 1407 Broadway Real Estate LLC  
Identify the corporate servicer as the company if the authorized agent is a servicer.

Address \_\_\_\_\_

Contact phone \_\_\_\_\_ Email \_\_\_\_\_



# KCC ePOC Electronic Claim Filing Summary

For phone assistance: Domestic (866) 556-7696 | International 001-310-823-9000

<b>Debtor:</b> 21-11209 - SBG Universe Brands, LLC		
<b>District:</b> District of Delaware		
<b>Creditor:</b> 1407 Broadway Real Estate LLC Shorestein Properties LLC, Attention Ronnie Ragoff 850 Third Ave  New York, New York , 10022 U.S.A. <b>Phone:</b> 212-843-7226 <b>Phone 2:</b>  <b>Fax:</b>  <b>Email:</b> rragoff@Shorestein.com	<b>Has Supporting Documentation:</b> Yes, please mail physical supporting documentation	
	<b>Related Document Statement:</b>	
	<b>Has Related Claim:</b> No	
	<b>Related Claim Filed By:</b>	
<b>Filing Party:</b> Authorized agent		
<b>Disbursement/Notice Parties:</b> 1407 Broadway Real Estate LLC Rosenberg Estis PC, Attention Jason Davidson and John Giampolo 733 Third Avenue, 14th FL  New York, New York, 10017 U.S.A. <b>Phone:</b> 2125511273 <b>Phone 2:</b>  <b>Fax:</b>  <b>E-mail:</b> jgiampolo@rosenbergestis.com		
<b>Other Names Used with Debtor:</b>	<b>Amends Claim:</b> No	
	<b>Acquired Claim:</b> No	
<b>Basis of Claim:</b> lease	<b>Last 4 Digits:</b> No	<b>Uniform Claim Identifier:</b>
<b>Total Amount of Claim:</b> 1,023,739	<b>Includes Interest or Charges:</b> No	
<b>Has Priority Claim:</b> No	<b>Priority Under:</b>	
<b>Has Secured Claim:</b> No	<b>Nature of Secured Amount:</b>	
<b>Amount of 503(b)(9):</b> No	<b>Value of Property:</b>	
<b>Based on Lease:</b> Yes, 0	<b>Annual Interest Rate:</b>	
<b>Subject to Right of Setoff:</b> No	<b>Arrearage Amount:</b>	
	<b>Basis for Perfection:</b>	
	<b>Amount Unsecured:</b>	
<b>Submitted By:</b> John D Giampolo on 30-Nov-2021 11:58:56 p.m. Eastern Time  <b>Title:</b> Attorney for 1407 Broadway Real Estate LLC  <b>Company:</b> 1407 Broadway Real Estate LLC		

SRI Eleven 1407 Broadway LLC  
c/o Shorenstein Company  
850 Third Ave  
New York, NY 10022

December 2, 2021

SQBG Claims Processing Center  
c/o KCC  
222 N. Pacific Coast Highway, Suite 300  
El Segundo, CA 90245

RE: Proof of Claim- SBG Universe Brands, LLC, Successor-by Merger of Galaxy Brands Holdings, Inc.

To Whom It May Concern:

Attached, please find the following required Proof of Claim documents requested for the above referenced Tenant at 1407 Broadway:

- Proof of Claim w/ Electronic Claim Summary
- KCC Proof of Claim Form with Instructions
- Rent Roll
- Rental Stream
- Arrears worksheet
- Original Lease
- Notice of Transfer
- First Amendment
- Second Amendment

Sincerely,

*Ronnie Ragoff*

Ronnie E. Ragoff  
Vice President

RECEIVED  
DEC 03 2021  
KURTZMAN CARSON CONSULTANTS





SBG - Rental Stream  
from 11/1/21 - 10/30/24

2 months    12 months>    >    >

Suite 3801	2021	2022	2023	2024	Total
Rent	\$122,727	\$749,754	\$764,843	\$649,915	\$2,287,239
RET	\$58,635	\$60,394	\$62,205	\$64,072	\$245,306
BID	\$7,046	\$7,257	\$7,475	\$7,699	\$29,477
Suite 3805	2021	2022	2023	2024	Total
Rent	\$33,131	\$203,457	\$207,620	\$176,405	\$620,613
RET		\$959	\$1,976	\$2,035	\$4,970
BID		\$1,918	\$1,976	\$2,035	\$5,929
	<b>total for 2022=</b>	<b>\$1,023,739</b>		<b>TOTAL=</b>	<b>\$3,193,534</b>

*\*RET & BID's were increased by 3% per annum as estimate for annual increases.*



**Aging Detail**

DB Caption: PRODUCTION Property: p140701 Tenant: galabr01 Status: Current, Past, Future Age As Of: 12/31/2021 Post To: 12/2021

Property	Customer	Lease	Status	Tran#	Charge	Date	Month	Current	0-30	31-60	61-90	Over	Total
								Owed	Owed	Owed	Owed	Owed	Owed
<b>1407 Broadway (p140701)</b>													
<b>SBG Universe Brands, LLC (galabr01)</b>													
p140701	c0002085	SBG Universe Brands, LLC	Current	C-945800	ute	8/26/2021	08/2021	897.90	0.00	0.00	0.00	897.90	897.90
p140701	c0002085	SBG Universe Brands, LLC	Current	C-945801	msi	8/26/2021	08/2021	44.90	0.00	0.00	0.00	44.90	44.90
p140701	c0002085	SBG Universe Brands, LLC	Current	C-945802	ute	8/26/2021	08/2021	83.68	0.00	0.00	0.00	83.68	83.68
p140701	c0002085	SBG Universe Brands, LLC	Current	C-958126	ute	10/25/2021	10/2021	856.77	0.00	0.00	856.77	0.00	856.77
p140701	c0002085	SBG Universe Brands, LLC	Current	C-958127	msi	10/25/2021	10/2021	42.84	0.00	0.00	42.84	0.00	42.84
p140701	c0002085	SBG Universe Brands, LLC	Current	C-958128	ute	10/25/2021	10/2021	79.85	0.00	0.00	79.85	0.00	79.85
p140701	c0002085	SBG Universe Brands, LLC	Current	C-959325	rnt	11/1/2021	11/2021	61,363.26	0.00	61,363.26	0.00	0.00	61,363.26
p140701	c0002085	SBG Universe Brands, LLC	Current	C-959326	rnt	11/1/2021	11/2021	16,656.70	0.00	16,656.70	0.00	0.00	16,656.70
p140701	c0002085	SBG Universe Brands, LLC	Current	C-959327	rnw	11/1/2021	11/2021	666.67	0.00	666.67	0.00	0.00	666.67
p140701	c0002085	SBG Universe Brands, LLC	Current	C-965495	ute	11/23/2021	11/2021	638.23	0.00	638.23	0.00	0.00	638.23
p140701	c0002085	SBG Universe Brands, LLC	Current	C-965496	msi	11/23/2021	11/2021	31.92	0.00	31.92	0.00	0.00	31.92
p140701	c0002085	SBG Universe Brands, LLC	Current	C-965497	ute	11/23/2021	11/2021	59.49	0.00	59.49	0.00	0.00	59.49
p140701	c0002085	SBG Universe Brands, LLC	Current	C-966202	rnt	12/1/2021	12/2021	61,363.26	61,363.26	0.00	0.00	0.00	61,363.26
p140701	c0002085	SBG Universe Brands, LLC	Current	C-966203	rnt	12/1/2021	12/2021	16,656.70	16,656.70	0.00	0.00	0.00	16,656.70
p140701	c0002085	SBG Universe Brands, LLC	Current	C-966204	rnw	12/1/2021	12/2021	666.67	666.67	0.00	0.00	0.00	666.67
<b>SBG Universe Brands, LLC</b>								<b>160,108.84</b>	<b>78,686.63</b>	<b>79,416.27</b>	<b>979.46</b>	<b>1,026.48</b>	<b>160,108.84</b>

**p140701**

**160,108.84 78,686.63 79,416.27 979.46 1,026.48 160,108.84**

**Grand Total**

**160,108.84 78,686.63 79,416.27 979.46 1,026.48 160,108.84**

---

**AGREEMENT OF LEASE**

**between**

**1407 BROADWAY REAL ESTATE LLC**

**as Landlord**

**and**

**GALAXY BRANDS HOLDINGS, INC.**

**as Tenant**

**Premises:  
The portion of the rentable area of the 38th floor  
in the Building located at  
1407 Broadway  
New York, New York**

Table of Contents

1.	Demise; Commencement Date; Rent; Cancellation Option .....	4
2.	Use .....	7
3.	Assignment and Subletting.....	8
4.	Services .....	15
5.	Tax Payments .....	17
6.	Alterations .....	20
7.	Electricity .....	24
8.	Security Deposit .....	26
9.	Events of Default .....	28
10.	Remedies .....	29
11.	Bankruptcy .....	33
12.	Repairs and Maintenance .....	34
13.	Unavoidable Delays and Interruptions of Service .....	35
14.	Compliance With Laws .....	35
15.	Insurance .....	36
16.	Casualty .....	38
17.	Condemnation.....	40
18.	Subordination; Estoppel .....	40
19.	Landlord's Access .....	43
20.	Quiet Enjoyment.....	44
21.	Notices .....	44
22.	Indemnification.....	45
23.	OFAC Representations .....	46
24.	End of Term; Holdover .....	46
25.	Hazardous Materials .....	47
26.	Late Fees.....	48
27.	Brokers .....	49
28.	Limitation of Liability .....	49
29.	Waiver of Trial By Jury.....	50
30.	No Waiver .....	50
31.	Intentionally Omitted.....	50
32.	Miscellaneous .....	50

---

<b>Schedule A</b>	<b>Rules and Regulations</b>
<b>Exhibit 1</b>	<b>Design &amp; Construction Rules and Regulations</b>
<b>Schedule B</b>	<b>Certificate of Liability Insurance</b>
<b>Exhibit A</b>	<b>Outline of The Premises</b>
<b>Exhibit B</b>	<b>Definitions</b>
<b>Exhibit C</b>	<b>Commencement Date Agreement</b>
<b>Exhibit D</b>	<b>Form of Letter of Credit</b>
<b>Exhibit D-1</b>	<b>Instructions to Transfer Letter of Credit</b>
<b>Exhibit E-1</b>	<b>The Initial Installations</b>
<b>Exhibit E-2</b>	<b>Work Scope Letter and Materials Specifications</b>
<b>Exhibit E-3</b>	<b>The Plans</b>
<b>Exhibit E-4</b>	<b>The Estimated Budget</b>
<b>Exhibit F-1</b>	<b>Right of First Offer</b>
<b>Exhibit F-2</b>	<b>Outline of Option Space</b>
<b>Exhibit G</b>	<b>Form of Subordination, Non-Disturbance and Attornment Agreement</b>
<b>Exhibit H</b>	<b>Building Certificate of Occupancy</b>

**AGREEMENT OF LEASE**

THIS AGREEMENT OF LEASE (this "Lease"), dated as of the 14 day of August, 2013, between 1407 BROADWAY REAL ESTATE LLC, a Delaware limited liability company, having an address at 1407 Broadway, Suite 3310, New York, New York 10018 (the Person that holds the interest of the landlord hereunder at any particular time being referred to herein as "Landlord") and GALAXY BRANDS HOLDINGS, INC., a Delaware corporation, having an address at 1407 Broadway, Suite 3801, New York, New York 10018 (the Person that holds the interest of the tenant hereunder at any particular time being referred to herein as "Tenant").

**WITNESSETH:**

WHEREAS, Landlord desires to lease to Tenant, and Tenant desires to let from Landlord, a portion of the rentable area of the 38th floor of the building known as 1407 Broadway in the Borough of Manhattan, City, County and State of New York (the "Building"), such space outlined on the plan attached hereto as Exhibit A, which space, together with all of the fixtures and improvements which, at the commencement of or during the term, are thereto attached, is hereinafter referred to collectively as the "Premises", on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, for and in consideration of the obligation of Tenant to pay the Rent (as hereinafter defined) and in consideration of the mutual terms, covenants and conditions hereof, the receipt and legal sufficiency of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

**BASIC LEASE PROVISIONS**

- PREMISES:** A portion of the rentable area of the 38th floor of the Building designated as Suite 3801, as more particularly outlined on Exhibit A.
- BUILDING:** The building, fixtures, equipment and other improvements and appurtenances now located or hereafter erected, located or placed upon the land known as 1407 Broadway, New York, New York.
- COMMENCEMENT DATE:** The date which is one hundred twenty (120) days following the date of this Lease, subject to adjustment pursuant to Article 1.
- EXPIRATION DATE:** The last day of the month in which the date which is ten (10) years and nine (9) months from the Commencement Date occurs or such earlier date that the term of this Lease is terminated pursuant to the terms hereof.
- BASE TAX YEAR:** The fiscal year commencing July 1, 2013 and ending June 30, 2014.

**TENANT'S  
PROPORTIONATE SHARE:** .97785%

**BASE RENT:**

<u>Period</u>	<u>Annual Base Rent</u>	<u>Monthly Base Rent</u>
Lease Year 1, subject to application of the First Base Rent Abatement (defined hereinafter);	\$621,300.00	\$51,775.00
Lease Year 2 (subject to application of the Second Base Rent Abatement (defined hereinafter);	\$633,726.00	\$52,810.50
Lease Year 3;	\$646,400.52	\$53,866.71
Lease Year 4;	\$659,328.53	\$54,944.04
Lease Year 5;	\$672,515.10	\$56,042.93
Lease Year 6;	\$707,765.40	\$58,980.45
Lease Year 7;	\$721,920.71	\$60,160.06
Lease Year 8;	\$736,359.13	\$61,363.26
Lease Year 9;	\$751,086.31	\$62,590.53
Lease Year 10; and	\$766,108.03	\$63,842.34
The period beginning immediately following the end of Lease Year 10 through the Expiration Date.	\$781,430.19	\$65,119.18

**LEASE YEAR:**

The twelve (12) month period commencing on the Commencement Date and each successive twelve (12) month period thereafter, provided that if the Commencement Date does not occur on the first (1st) day of a calendar month, Lease Year 1 shall end on the last day of the calendar month in which the first (1st) anniversary of the Commencement Date occurs.

**BASE RENT ABATEMENT:**

Subject to no default by Tenant under the Lease which remains uncured after applicable notice and cure period, Tenant shall receive an abatement in Base Rent in the amount of: (a) \$310,650.00 (the "First Base Rent Abatement") to be applied in equal monthly installments of \$51,775.00 to the payment of Base Rent due for the first (1st) six (6) full calendar months of the Term, and (b) \$158,430.00 (the "Second Base Rent Abatement", together with the First Base Rent Abatement, the "Base Rent Abatement") to be applied in equal monthly installments of \$52,810.50 to the payment of Base Rent due for the first three (3) full calendar months of the Lease Year 2.

---

Should a default by Tenant occur during the Term which remains uncured after applicable notice and cure period, the applied portion of the Base Rent Abatement shall immediately be due and payable.

**SECURITY DEPOSIT:**

\$621,300.00 in the form of a letter of credit as more particularly described herein, subject to reduction in accordance with Article 8 of this Lease.

**TENANT'S ADDRESS FOR NOTICES:**

Prior to the Commencement Date:

Galaxy Brands Holdings, Inc.

10 West 33<sup>rd</sup> St. Suite 900  
New York, New York 10001  
Attention: David Scharf

With a copy to:

Latham & Watkins LLP  
885 Third Avenue  
New York, NY 10022  
Attention: Dara Denberg, Esq.

After Commencement Date of the Lease:

Galaxy Brands Holdings, Inc.  
1407 Broadway, Suite 3801  
New York, New York 10018  
Attention: David Scharf

With a copy to:

Latham & Watkins LLP  
885 Third Avenue  
New York, NY 10022  
Attention: Dara Denberg, Esq.

**LANDLORD'S ADDRESS FOR NOTICES:**

1407 Broadway Real Estate LLC  
1407 Broadway, Suite 2200  
New York, New York 10018  
Attn: Mr. Arthur McGinley

and

1407 Broadway Real Estate LLC

c/o The Lightstone Group  
1985 Cedar Bridge Avenue, Suite 1  
Lakewood, New Jersey 08701  
Attn: General Counsel, Commercial Leasing

and

1407 Broadway Real Estate LLC  
c/o The Lightstone Group  
1985 Cedar Bridge Avenue, Suite 1  
Lakewood, New Jersey 08701  
Attn: Lease Administrator

**LANDLORD'S AGENT:** Kaufman Leasing Company LLC

**TENANT'S AGENT:** CBRE, Inc.

All capitalized terms used in this Lease without definition are defined in Exhibit B attached hereto.

1. Demise; Commencement Date; Rent; Cancellation Option.

(a) Subject to the terms hereof, Landlord hereby demises and lets to Tenant, and Tenant hereby rents and leases from Landlord, the Premises for the Term.

(b) (i) Landlord shall deliver and Tenant shall accept possession of the Premises on the date delivered by Landlord with the Initial Installations Substantially Completed (as each term is defined in Exhibit E-1 hereto). Subject to the terms and conditions of Section (b)(ii) below, if there shall be any delay in delivery of possession of the Premises to Tenant for any period of time, Landlord shall not be subject to any liability, nor shall the validity of this Lease, nor Tenant's obligation to pay Base Rent or Additional Rent or any of the other obligations of Tenant under this Lease, be thereby affected in any manner whatsoever, nor shall the term of this Lease be extended, nor shall Tenant have any claim for damages or a right of rescission with regard to this Lease; provided, however, that so long as neither Tenant nor any Affiliate of Tenant is responsible in any way for Landlord's failure to timely deliver possession of the Premises with the Initial Installations Substantially Completed, the date of the Term commencement shall be postponed until the Commencement Date. Tenant waives any right to rescind this Lease under Section 223 a of the New York Real Property Law or any successor statute of similar import then in force and further waives the right to recover any damages, consequential, punitive or otherwise, that may result from Landlord's failure to deliver possession of the Premises or any part thereof on the date reflected in Basic Lease Information provisions of this Lease.

(ii) Notwithstanding anything to the contrary set forth herein and as Tenant's sole and exclusive remedy, if Landlord is unable to deliver possession of the Premises with the Initial Installations Substantially Completed by January 1, 2014, as such date may be extended as a result of an event of Force Majeure (defined hereinafter) or delays caused by Tenant, its employees, agents or contractors (such date, as may be extended as herein described, the "Extended Commencement Date"), then Tenant shall receive a credit against Base Rent accruing thereafter in an



amount equal to one (1) day of Base Rent due for each day after the Extended Commencement Date until the Commencement Date occurs.

(c) Tenant shall pay Base Rent in lawful money of the United States of America that is 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 (1<sup>st</sup>) day of each calendar month during the Term, at the office of Landlord or such other place as Landlord may designate from time to time on at least thirty (30) days of advance written notice to Tenant, without any set-off, offset, abatement or deduction whatsoever (except to the extent otherwise expressly set forth herein), except that Tenant shall pay the first monthly installment of Base Rent in the amount of \$51,775.00 with the execution and delivery to Landlord of this Lease, which will be credited toward the payment of the first (1) full monthly installment of Base Rent due and payable hereunder following application of the First Base Rent Abatement. All Additional Rent shall be paid in lawful money of the United States of America that is legal tender in payment of all debts and dues, public and private, at the time of payment, within twenty (20) days' after delivery of an invoice therefor, except as specifically set forth herein to the contrary.

(d) If the Commencement Date is other than the first (1st) day of a calendar month, then the Base Rent due hereunder for the partial calendar month during which the Commencement Date occurs shall be adjusted appropriately based on the number of days in such partial calendar month, and Tenant shall pay to Landlord such amount on the Commencement Date. If this Lease is terminated prior to the Expiration Date and such date of termination is not the last day of a calendar month, then the Base Rent due hereunder for the calendar month during which the Expiration Date occurs shall be adjusted appropriately based on the number of days in such partial calendar month.

(e) After the determination of the Commencement Date Tenant shall, within ten (10) days of the request of Landlord, execute, acknowledge and deliver to Landlord an instrument substantially in the form attached hereto as Exhibit C, setting forth the Commencement Date, the Expiration Date, and certain other information with respect to this Lease, provided that the failure of Tenant to execute such an agreement shall not defer the Commencement Date and/or Expiration Date, or otherwise affect or invalidate this Lease, and the Commencement Date and the Expiration Date shall be the dates determined by Landlord pursuant to the terms of this Lease with such determination being conclusive and binding on Tenant upon submission to Tenant of such notice.

(f) Subject to Tenant not being in default hereunder the original named, Tenant, but not any assignee of this Lease or any subtenant of the Premises, at its option, may cancel this Lease (the "Cancellation Option"), with such cancellation to be effective as of the first day of the first calendar month of Lease Year 7 (such date, the "Cancellation Date"), in which event the Expiration Date of this Lease shall be moved forward to the Cancellation Date, provided that, as a condition of such cancellation, (i) Tenant gives written notice (the "Cancellation Notice") to Landlord of such cancellation no later the date which is twelve (12) months prior to the Cancellation Date, TIME HEREBY BEING MADE OF THE ESSENCE, it being understood that if Tenant shall fail to timely exercise the Cancellation Option, such option shall be waived and Tenant shall have not further option to cancel this Lease; and (ii) the Cancellation Notice shall include a request by Tenant for Landlord to provide Tenant with the amount of the Cancellation Payment (hereinafter defined). Within ten (10) business days after Landlord's receipt of the Cancellation Notice, Landlord shall provide Tenant with a reply notice ("Landlord's Calculation Notice") setting forth the amount of the Cancellation Payment. Subject to (1) Tenant's delivery of the Cancellation Payment in the form of a wire transfer or bank check, to Landlord within five (5) business days after Landlord's delivery of Landlord's Calculation Notice, TIME BEING OF THE ESSENCE; (2) no default by Tenant existing under this Lease; (3)

Tenant performing all of its obligations arising under this Lease through the Cancellation Date, including, without limitation, the payment of Rent; and (4) Tenant surrendering the Premises to Landlord in the condition required by this Lease on or before the Cancellation Date, this Lease shall terminate on the Cancellation Date (each of the events described in clauses (1) through (4), a "Condition", and collectively, the "Conditions"), it being understood that the termination of this Lease by Tenant pursuant to the terms of this Section 1(f) is contingent upon Tenant timely satisfying the Conditions. Failure of Tenant to timely satisfy all of the Conditions will result in Tenant's forfeiture of the Cancellation Option. For purposes of this Lease, the term "Cancellation Payment" means, with respect to all space in the Building leased to Tenant under this Lease as of the date of the Cancellation Notice, the sum of (i) \$360,960.36 representing six (6) months Base Rent due for the Premises as of Year 7, (ii) six (6) months of Base Rent due for the Option Space (defined in Exhibit F-1 hereto) as of Year 7 to the extent the Option Space has been leased by Tenant, and (iii) the following costs which are unamortized over the Term at an interest rate of seven (7%) percent per annum as of the Cancellation Date: (A) the Base Rent Abatement in the amount of \$250,793.43; (B) the portion of the Landlord's Contribution (defined in Exhibit E-1 hereto) actually spent by Landlord; (C) all brokerage commissions due by Landlord in connection with entering into this Lease in the amount of \$160,038.95; and (D) all allowances, rent abatements and brokerage commission incurred by Landlord in connection with Tenant's leasing of the Option Space, if applicable, provided such costs as described in this clause (D) shall be the unamortized over the term of Tenant's leasing of the Option Space at an interest rate of seven (7%) per annum. If applicable, on or before the Option Space Commencement Date (defined in Exhibit F-1 hereto), or as soon thereafter as practical and only if requested by Tenant in writing with delivery of the Option Response Notice (defined in Exhibit F-1 hereto), Landlord shall provide Tenant with the then determinable components of the Cancellation Payment described in clause (D) above.

(g) Neither Landlord nor Landlord's agents have made any representations or promises with respect to the Building, the Real Property, the Premises, the square footage of the Premises, or any other matter or thing relating to or in connection with the Premises or this Lease, except as herein expressly set forth, and no rights, easements or licenses are acquired by Tenant by implication or otherwise except as expressly set forth herein. Tenant shall accept possession of the Premises in its "as-is" condition which shall exist on the Commencement Date, subject to violations, whether or not of record, and Landlord shall have no obligation to perform any work or make any installations in order to prepare the Premises for Tenant's occupancy or for any other purpose whatsoever except as specifically set forth in Exhibit E-1 attached hereto. The taking possession of the Premises by Tenant shall be conclusive evidence as against Tenant that at the time such possession was so taken, the Premises (including, without limitation, all electrical service and other utilities serving the Premises) and the Building were in good and satisfactory condition and otherwise acceptable in all respects subject to the completion of "punch-list" items pursuant to the terms of Exhibit E-1 hereto.

(h) If permission is given to Tenant to enter into the possession of all or any portion of the Premises or to occupy premises other than the Premises prior to the Commencement Date, Tenant covenants and agrees that such occupancy shall be deemed to be under all the terms, covenants, conditions and provisions of this Lease, except the covenant to pay Base Rent with the exception of charges for Tenant's use of electric and the freight elevator in accordance with the terms of Section 4 (c), if applicable, which shall be due and payable within twenty (20) days after delivery of an invoice therefor.

2. Use.

(a) The Premises shall be used and occupied by Tenant, and Tenant shall cause any other Person claiming by, through or under Tenant to use and occupy the Premises, solely for general, executive and administrative offices and uses reasonably incidental thereto, and for no other purpose whatsoever (sometimes referred to herein as the "Permitted Use"). Tenant shall use, occupy and maintain the Premises throughout the Term in a proper and reputable manner and in a manner which shall not detract from the character, appearance or dignity of the Building beyond a de-minimis degree, with special care and precaution so as not to cause annoyance, discomfort and/or injury to the other occupants and users of the Building beyond a de-minimis degree.

(b) Tenant shall:

(1) not use or occupy, nor permit or suffer the Premises or any part thereof to be used or occupied (i) for any unlawful or illegal business, use or purpose, (ii) for the conduct of retail trade, (iii) for any business, use or purpose reasonably deemed by Landlord to be disreputable or extra-hazardous, including the sale, storage, handling or furnishing of any Hazardous Materials or the storage of which may cause the rate of insurance for the Building to be increased provided that the use and storage of cleaning supplies and other supplies customarily used in the operation and maintenance of an office building shall be permitted so long any such use and/or storage is in compliance with Environmental Laws, (iv) in such a manner as to constitute a nuisance of any kind (public or private), (v) for any purpose that Landlord reasonably deems offensive by reason of odors, fumes, dust, noise or other pollution, (vi) by any Governmental Authority or any other Person having sovereign or diplomatic immunity, or (vii) for any business or other purpose in any way in violation of the certificate of occupancy or of any present or future Laws. Notwithstanding anything to the contrary contained herein, Tenant shall have the right to contest, with no less than ten (10) days prior written notice to Landlord, any alleged violation of the Laws applicable to Tenant or the Premises in good faith, including, without limitation, the right to apply for and obtain a waiver or deferment of compliance, the right to assert any and all defenses allowed by Law and the right to appeal any decisions, judgments or rulings to the fullest extent permitted by Law, provided that Landlord shall not be subject to a threat of criminal penalty or to prosecution for a crime, any other fine or charge, violation of Law, or default under a Superior Lease or Mortgage, nor shall the Building or Real Property or any part thereof, be subject to a threat of being condemned or vacated, nor shall the Building or Real Property, or any part thereof, be subjected to a threat of any lien;

(2) at Tenant's sole cost and expense, (i) procure and thereafter maintain during the Term all governmental permits and licenses required for the proper and lawful conduct of Tenant's business in the Premises and the use thereof, (ii) submit copies of all such permits and licenses to Landlord, for its inspection, not later than the Commencement Date, and (iii) submit copies of new or renewal permits and licenses, expiring during the Term, at least twenty (20) days before such date of expiration; and

(3) not bring or permit to be brought 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 a sex club of any sort, or as a "massage parlor"; it being agreed by Tenant that the value of the Premises and the reputation of Landlord will be seriously injured if the Premises are used for any obscene or pornographic purposes or any sort of commercial sex establishment. Pornographic material is defined for purposes hereof as any written or pictorial matter with prurient appeal or any objects or instruments that are primarily concerned with lewd or prurient sexual activity. Obscene material is defined here as it is in Penal Law Section 235.00.

(c) Landlord has provided Tenant with a copy of the current certificate of occupancy for the Building, attached hereto as Exhibit H. Subject to Tenant's compliance with the terms and conditions of the attached certificate of occupancy, Landlord acknowledges that general office use is a permitted use in the Premises. If Tenant's use of the Premises is inconsistent with said certificate of occupancy and further, if the Department of Buildings or any other Governmental Authority having jurisdiction issues a violation based on such inconsistent use, Tenant, at Tenant's sole cost and expense, shall forthwith take such actions as may be necessary (but subject to obtaining Landlord's prior approval of all such actions) to secure an amended certificate of occupancy conforming with Tenant's use of the Premises. In addition, Tenant, at its expense, shall be responsible for the removal or discharge of any such violation. Should Tenant fail to remove or discharge any such violation within ten (10) days after issuance, then, in addition to any other rights and/or remedies, Landlord may, but shall not be obligated to, remove or discharge same. Any amount so paid by Landlord, and all costs and expenses incurred by Landlord in connection therewith (including, without limitation, attorneys' fees and disbursements), shall constitute, and shall be collectible by Landlord within twenty (20) days of deliver of an invoice, as Additional Rent. The population density within the Premises shall at no time exceed that permitted by the certificate of occupancy for the Building.

(d) Tenant and Tenant's servants, employees, agents, visitors and licensees shall observe faithfully, and comply strictly with, the Rules and Regulations. Nothing contained in this Lease shall be construed to impose upon Landlord any duty or obligation to enforce the Rules and Regulations or the terms, covenants or conditions in any other lease, against any other tenant so long as such enforcement is uniformly applied or not applied to all similarly situated tenants, including Tenant, in the Building, and Landlord shall not be liable to Tenant for violation of the same by any other tenant, its servants, employees, agents, visitors or licensees so long as such enforcement is uniformly applied or not applied to all similarly situated tenants, including Tenant, in the Building. If a conflict or inconsistency exists between the Rules and Regulations and the other provisions of this Lease, then the other provisions of this Lease shall control.

### 3. Assignment and Subletting.

(a) Tenant covenants that, except as hereinafter specifically set forth, including, without limitation, Section 3 (g) hereof, without the prior consent of Landlord in each instance, which consent may be withheld for any reason or no reason, Tenant shall not (i) assign, or otherwise transfer, pledge, mortgage or otherwise encumber its right, title or interest in this Lease, in whole or in part, (ii) sublet, or permit the subletting of, the Premises or any part thereof, or (iii) permit the Premises or any part thereof to be occupied or used for desk space, mailing privileges or otherwise, by any person other than Tenant (each, a "Transfer"). Any Transfer in contravention of the provisions of this Article 3 shall at Landlord's option be null and void and constitute an Event of Default. For purposes of this Article 3, (A) each modification, amendment or extension of any sublease to which Landlord shall have consented shall be deemed a new Transfer requiring Landlord's consent, and (B) an "assignment" shall be deemed to include, but not be limited to (1) the sale, assignment or transfer of any issued or outstanding capital stock of any corporation which directly or indirectly is Tenant under this Lease or is a general partner of any partnership which is directly or indirectly Tenant under this Lease, (2) the issuance, in any one (1) or more transactions, of any additional stock if the issuance of such additional stock will result in a change of the controlling stock ownership of such corporation as held by the shareholders thereof when such corporation became Tenant under this Lease, (3) the sale, assignment or transfer of a general partner's interest in the partnership which is Tenant under this Lease, (4) the sale, assignment or transfer of a membership interest in the limited liability company which is Tenant under this Lease, (5) the sale, transfer or assignment of any ownership interest in any other entity which

is Tenant under this Lease; and (6) an agreement by any person, directly or indirectly, to assume Tenant's obligations under this Lease.

(b) If Tenant's interest in this Lease is assigned, whether or not in violation of the provisions of this Article 3 or of any other provisions of this Lease, Landlord may collect rent from the assignee, and if the Premises or any part thereof are sublet to, or occupied by, or used by, any person other than Tenant, whether or not in violation of this Article 3, Landlord, after default by Tenant under this Lease, may collect rent from the subtenant, user or occupant and shall apply the net amount collected to the Rent reserved in this Lease. The consent by Landlord to any Transfer shall not relieve Tenant from its obligation to obtain the express prior consent of Landlord to any other or further Transfer. No Transfer, made with or without Landlord's consent, nor any collection of rent by Landlord from any person other than Tenant as provided in this Section 3(b), nor any application of any such rent as provided in this Section 3(b) shall, in any circumstances, be deemed a waiver by Landlord of any term, covenant or condition of this Lease or be deemed the acceptance by Landlord of such assignee, subtenant, occupant or user as tenant hereunder unless Landlord specifically agrees otherwise in a writing signed and delivered to Landlord by Tenant and such assignee, subtenant, occupant or user. Notwithstanding any Transfer and/or acceptance of Rent by Landlord directly from any subtenant or assignee, Tenant shall and will remain fully liable for the payment of Rent due and to become due under this Lease and for the performance of all the covenants, agreements, terms, provisions and conditions contained in this Lease on the part of Tenant to be performed unless Landlord specifically agrees otherwise in a writing signed and delivered to Landlord by Tenant and such assignee, subtenant, occupant or user. The liability of Tenant hereunder shall be unaffected by any changes, modifications, extensions, renewals or amendments of this Lease or by any extensions of time or other concessions which Landlord may grant to any assignee or subtenant for the payment of Rent or other charges due hereunder or for the performance of any other term, covenant or condition of this Lease.

(c) The listing of any name other than that of Tenant, whether on the door(s) of the Premises or on the Building directory, or otherwise, shall not operate to vest any right or interest in this Lease or in the Premises or be deemed to be the consent of Landlord mentioned in this Article, it being expressly understood that any such listing is merely a privilege extended by Landlord revocable at will by notice to Tenant.

(d) Each sublease shall provide expressly that (x) such sublease is subject and subordinate to this Lease (and to the terms thereof), and (y) if this Lease terminates, then Landlord shall have the right, at Landlord's sole and exclusive option, to take over such sublease and to succeed to all of the rights of sublandlord thereunder, and that the subtenant shall waive any right to surrender possession or to terminate the sublease and, at Landlord's election, such subtenant shall be bound to Landlord for the balance of the term of such sublease and shall attorn to and recognize Landlord as its landlord, under all of the then executory terms of such sublease, except that Landlord shall not (i) be liable for any previous act, omission or negligence of Tenant under such sublease, (ii) be subject to any counterclaim or offset not expressly provided for in such sublease, which theretofore accrued to such subtenant against Tenant, (iii) be bound by any previous modification or amendment of such sublease which shall not have been consented to by Landlord or by any previous prepayment of more than one month's rent and additional rent which shall be payable as provided in the sublease, (iv) bound by any previous payment that the subtenant made more than thirty (30) days in advance of the date that such payment was due, (v) be obligated to repair, alter or improve the subleased space, the Premises, the Building or any part thereof, (vi) be obligated to perform any work in the subleased space, the Premises, or the Building or to prepare them for occupancy beyond Landlord's obligations under this Lease, (vii) bound by any obligation to

make any payment to or on behalf of the subtenant, which obligation accrued prior to the date of such attornment, (vii) bound to return the subtenant's security deposit, if any, until such deposit has come into Landlord's actual possession and the subtenant is entitled to such security deposit pursuant to the terms of such sublease, and the subtenant shall execute and deliver to Landlord any instruments Landlord may reasonably request to evidence and confirm such attornment; and (viii) notwithstanding any such sublet, Tenant shall remain primarily liable under this Lease. If the Transfer constitutes an assignment of Tenant's interest under this Lease, the assignment document shall expressly provide that (1) notwithstanding any such assignment, Tenant shall remain primarily liable under this Lease, and (2) assignee shall expressly assume all of the obligations of Tenant hereunder to the extent accruing from and after the date that the Transfer is effective.

(e) Landlord shall have no liability for brokerage commissions incurred with respect to any assignment of this Lease or any subletting of all or any part of the Premises by or on behalf of Tenant.

(f) If Tenant desires to enter into a Transfer, Tenant shall deliver to Landlord at least thirty (30) days prior to the effective date of such assignment or subletting, a statement (a "Proposed Assignment/Subletting Statement") containing the following information: (i) the name and business address of the proposed subtenant or assignee and a summary of the principal terms and conditions of the proposed assignment or subletting including, but not limited to, the proposed commencement and expiration dates of the term of the sublease, and the nature of the proposed assignee's or subtenant's business; (ii) a counterpart of the proposed assignment or subletting agreement; (iii) such financial and other information with respect to the proposed assignee or subtenant as Landlord may reasonably request and (iv) a statement by Tenant (to its knowledge) and the proposed assignee or subtenant certifying to Landlord that such assignee or subtenant and its principals have not within the immediately preceding seven (7) year period (A) filed a voluntary petition in bankruptcy or insolvency, (B) been adjudicated as bankrupt or insolvent, (C) filed a petition seeking relief under Federal, state or similar bankruptcy laws or (D) been the subject of an involuntary bankruptcy proceeding.

(g) Landlord shall not unreasonably withhold, delay or condition its consent to a Transfer, provided and on condition that:

(1) Tenant shall not be in default in the performance of any of its obligations under this Lease either at the time Landlord's consent to such Transfer is requested or upon the commencement of the term of any proposed sublease or the effective date of any assignment, as the case may be;

(2) Tenant shall have delivered to Landlord the Proposed Assignment/Subletting Statement and all other information reasonably requested by Landlord;

(3) the form of the proposed assignment or sublease document shall be satisfactory to Landlord in its reasonable discretion;

(4) Landlord shall determine, in its reasonable discretion, that the nature of the proposed subtenant's or assignee's business and its reputation is in keeping with the character of the Building and its tenancies;

(5) the purposes for which the proposed subtenant or assignee intends to use the Premises is a use expressly permitted and contemplated by this Lease and is not prohibited by this Lease or by any other lease in the Building;

(6) Tenant shall not have listed or publicly advertised the Premises for subletting or assignment, whether through a broker, agent, representative or otherwise, at a rental rate less than the greater of (i) the Rent then payable hereunder, or (ii) the Base Rent and Additional Rent at which Landlord is then offering to lease comparable space in the Building;

(7) the proposed occupancy shall not impose an extra burden upon the Building's mechanical, electric, sanitary, plumbing, utility or other service systems or the Building's services beyond a de-minimis degree;

(8) Tenant shall reimburse Landlord, as Additional Rent, for all costs that may be incurred by Landlord in connection with said sublease or assignment, including, without limitation, reasonable attorneys' fees and disbursements, the costs of making investigations as to the acceptability of a proposed subtenant or assignee and the preparation and review of any documents relating to such transaction not to exceed \$2,500.00 in the case of a non-negotiated consent;

(9) in no event shall Tenant enter into more than two (2) subleases at any time;

(10) the proposed subtenant or assignee shall not then be a tenant of any space in the Building or an affiliate of any other tenant;

(11) the proposed subtenant or assignee shall not be entitled, directly or indirectly, to diplomatic or sovereign immunity or shall not be subject to the service of process in, and the jurisdiction of the courts of, New York State;

(12) the proposed subtenant or assignee shall not be a person then negotiating or who has, within the six (6) month period immediately preceding such request, negotiated with Landlord for the rental of any space in the Building; and

(13) the proposed assignee is of sufficient character and financial worth to perform the obligations of "Tenant" hereunder, as reasonably determined by Landlord.

(h) No subletting shall be for a term of less than eighteen (18) months unless the remaining Term is less than eighteen (18) months.

(i) The form and substance of any assignment or sublease agreement consented to by Landlord must conform to the information contained in the Proposed Assignment/Sublet Statement.

(j) Tenant shall pay any transfer taxes (and other similar charges and fees, if any), that any Governmental Authority imposes in connection with any Transfer (including, without limitation, any such transfer taxes, charges or fees that a Governmental Authority imposes in connection with Landlord's exercising Landlord's rights to consummate a recapture.

(k) If Tenant shall sublet the Premises or any portion thereof, then all sums in excess of the Base Rent due under this Lease, or in the case of a sublease of a portion of the Premises, all sums in excess of the Base Rent allocable to the portion of the Premises being sublet, which are

payable directly or indirectly to Tenant or Tenant's shareholders, principals or designees by such subtenant in consideration of or in connection with said subletting (including all sums paid as additional rent and proceeds from the sale or rental of Tenant's fixtures, leasehold improvements, equipment, furniture, or other personal property interest of any nature whatsoever in excess of the then fair market value), shall be disclosed to Landlord by means of affidavits from a principal or executive officer of both Tenant and the subtenant in form and substance reasonably acceptable to Landlord, and an amount equal to fifty (50%) percent of (i) the aggregate amount of such sums less (ii) the monthly amortized amount (as amortized over a straight-line basis over the term of the sublease) of the reasonable out-of-pocket costs for brokerage commissions and legal fees actually paid by Tenant to third parties in connection with the negotiation and execution of the sublease agreement, shall be deemed Additional Rent and shall be payable directly to Landlord by Tenant on a monthly basis as and when such sums are paid by the subtenant. The amount(s) of such reasonable brokerage commissions and reasonable legal fees shall be properly documented by Tenant to Landlord's reasonable satisfaction. The obligation to make such payment shall be binding upon Tenant as well as the subtenant and shall survive the expiration or earlier termination of this Lease.

(l) If Tenant shall assign this Lease, then all sums which are payable directly or indirectly to Tenant or Tenant's shareholders, principals or designees by or on behalf of such assignee in consideration of or in connection with said assignment (including, without limitation, all proceeds from the sale of Tenant's fixtures, leasehold improvements, equipment, furniture, business or other personal property interest of any nature whatsoever in excess of the then fair market value) shall be disclosed to Landlord by means of affidavits from a principal or executive officer of both Tenant and the assignee in form and substance reasonably acceptable to Landlord, provided to Landlord at least ten (10) days prior to the effective date of the assignment, and an amount equal to fifty percent (50%) of (i) the aggregate of such sums, less (ii) the reasonable amount of out-of-pocket costs for brokerage commissions and legal fees actually paid by Tenant to third parties in connection with the negotiation and execution of the assignment agreement shall be deemed Additional Rent payable directly to Landlord by Tenant as and when paid to Tenant. The amount(s) of such reasonable brokerage commissions and reasonable legal fees shall be properly documented by Tenant to Landlord's reasonable satisfaction. The obligation to make such payment shall be binding upon Tenant as well as the assignee and shall survive the expiration or earlier termination of this Lease.

(m) In the case of an assignment, or a subletting of all or a portion of the Premises (as permitted hereunder), Landlord shall have the right, within thirty (30) days after Landlord's receipt of the Proposed Assignment/Subletting Statement, to notify Tenant that Landlord elects to terminate this Lease, in which event, unless Tenant rescinds such Proposed Assignment/Subletting Statement within three business days of Landlord's notice of termination, such termination shall become effective on the date set forth in Tenant's notice as the commencement date of the proposed assignment or subletting, as the case may be, with the same force and effect as if said date were the expiration date of the Lease, in which event Tenant shall be obligated to surrender possession of the Premises in the same condition as Tenant is obligated to surrender possession at the end of the Term as provided in this Lease. The failure by Landlord to exercise its option to terminate this Lease under this Section 3(m) with respect to any subletting or assignment shall not be deemed a waiver of such option with respect to any amendments to the rent payable or extensions of the term under such sublet or assignment or any subsequent subletting or assignment. Anything to the contrary notwithstanding, Tenant shall provide prompt written notice to Landlord of the termination of an assignment or sublet entered into but shall not be required to seek Landlord consent for the same.



(n) Tenant hereby waives any claim against Landlord for money damages that Tenant may have based upon any assertion that Landlord shall have unreasonably withheld or unreasonably delayed any consent to a subletting or assignment pursuant to the terms of this Article. Tenant's sole remedy shall be an action or proceeding to enforce such provision or for specific performance, injunction or declaratory judgment.

(o) If Landlord shall consent to a subletting of the Premises, then the instrument of consent, executed and acknowledged by Landlord, Tenant and the subtenant ("Subtenant"), shall contain a provision substantially similar to the following:

"Tenant and Subtenant hereby agree that if Subtenant shall be in default of any of its obligations under the Sublease, which default also constitutes a default by Tenant under the Prime Lease, then Landlord shall be permitted to avail itself of all of the rights and remedies available to Tenant under the Sublease in connection therewith. Without limiting the generality of the foregoing, Landlord shall be permitted (by assignment of a cause of action or otherwise) to institute an action or proceeding against Subtenant in the name of Tenant in order to enforce Tenant's rights under the Sublease, and also shall be permitted to take all ancillary actions (e.g., the service of default notices and demands) in the name of Tenant, as Landlord reasonably shall determine to be necessary. Tenant agrees to cooperate with Landlord and to execute such documents as shall be reasonably necessary in connection with the implementation of the foregoing rights of Landlord. Tenant expressly acknowledges and agrees that the exercise by Landlord of any of the foregoing rights and remedies shall not constitute an election of remedies, and shall not in any way impair Landlord's entitlement to pursue other rights and remedies directly against Tenant."

(p) If Landlord consents to a proposed Transfer and Tenant fails to consummate the Transfer within one hundred twenty (120) days after the granting of such consent, then Tenant shall again comply with all of the provisions and conditions of this Article 3 before entering into a Transfer.

(q) Notwithstanding anything to the contrary contained in this Article 3, so long as Tenant shall not be in default in the performance of any of its obligations under this Lease after notice and cure period upon the commencement of the term of any proposed sublease or the effective date of any assignment, as the case may be, Landlord's consent shall not be required nor shall Landlord be entitled to recapture the Premises or share any profits with Tenant, with respect to Transfers consummated pursuant to the terms of this Section 3(q):

(1) the direct or indirect transfer of shares or equity interests in Tenant (including the issuance of treasury stock, or the creation or issuance of a new class of stock), provided that in each case (i) such transfer was made for a legitimate independent business purpose and not for the purpose of transferring this Lease, (ii) Tenant gives Landlord notice of such transfer not later than ten (10) Business Days prior to the occurrence thereof, including therewith reasonable evidence that the requirement described in clause (i) has been satisfied (except that Tenant shall not be required to include such evidence to the extent that such direct or indirect transfer of shares or equity interests is

accomplished through the public "over-the-counter" securities market or through any recognized stock exchange) and (iii) the Net Worth Assignment Requirement is met;

(2) an assignment of this Lease in connection with the sale or transfer of all or substantially all of the equity interests or assets of Tenant, or transactions with an entity into or with which Tenant is merged or consolidated, provided that in each case (i) Tenant gives Landlord notice of such merger, consolidation or asset sale not later than ten (10) Business Days prior to the occurrence thereof, (ii) in connection with an asset sale, Tenant shall give to Landlord, not later than ten (10) Business Days prior to the date such assignment is consummated, an instrument, duly executed by Tenant and the transferee, in form reasonably satisfactory to Landlord, to the effect that such transferee assumes all of the obligations of Tenant arising under this Lease from and after the date of such assignment, (iii) such assignment shall not relieve Tenant of any of its obligations hereunder, (iv) such transfer was made for a legitimate independent business purpose and not for the purpose of transferring this Lease and (v) the Net Worth Assignment Requirement is met;

(3) an assignment of this Lease or a subleasing of the Premises to an Affiliate of Tenant (but only for such period of time as such person or entity remains an Affiliate of Tenant), provided that in each case (i) Tenant gives to Landlord, not later than ten (10) Business Days prior to the date any such assignment or sublease is consummated, an instrument, duly executed by Tenant and the aforesaid Affiliate, in form reasonably satisfactory to Landlord, to the effect that such Affiliate assumes all of the obligations of Tenant under this Lease to the extent arising from and after the date of such assignment, (ii) no such assignment or subletting shall relieve Tenant of any of its obligations hereunder, and (iii) with respect to an assignment, the Net Worth Assignment Requirement is met; provided that any subsequent transaction(s) which have the overall effect that such Affiliate ceases to be an Affiliate of Tenant, shall be treated as if such transfer or transaction(s) were, for all purposes, an assignment of this Lease to a third party not an Affiliate of Tenant governed by the provisions of this Article 3; and

(4) the Transfer by the then existing shareholders, partners, members or other holders of beneficial ownership interests of Tenant of the existing ownership interests in Tenant among such existing ownership interest holders, provided that each such Transfer is made for a legitimate independent business purpose and is not made for the purpose of transferring this Lease, selling the business conducted in the Premises or circumventing any obligations of Tenant under this Lease.

(5) The term "Net Worth Assignment Requirement" shall mean the requirement that Tenant has provided to Landlord, not later than the tenth (10<sup>th</sup>) Business Day prior to the date the applicable assignment will be consummated, an audited balance sheet for each of Tenant and the assignee that in either case is dated no earlier than the last day of the most recently ended fiscal quarter (or the last day of the fiscal quarter that immediately precedes the most recently ended fiscal quarter, if the applicable assignment occurs less than sixty (60) days after the last day of the most recently ended fiscal quarter) and that reflects that the assignee's tangible net worth, as determined in accordance with generally accepted accounting principles, consistently applied, is not less than the greater of (I) the tangible net worth of Tenant on May 14, 2013 reflected on Tenant's balance sheet delivered to Landlord, and (II) the tangible net worth of Tenant on the date of Tenant's most recent balance sheet, as aforesaid; provided if the tangible net worth of the assignee calculated as above described is less than tangible net worth of Tenant on the date of Tenant's most recent balance sheet but at least equal to the tangible net worth of Tenant on May 14, 2013 reflected on Tenant's balance sheet delivered to Landlord, the Net Worth Assignment Requirement shall be deemed satisfied only if

by the effective date of such assignment the security then held by Landlord equals Six Hundred Twenty One Thousand Three Hundred and 00/100 Dollars (\$621,300.00), it being understood that if the security had previously been reduced pursuant to Section 8(e), the security shall be increased to Six Hundred Twenty One Thousand Three Hundred and 00/100 Dollars and that in connection with satisfaction of the Net Worth Assignment Requirement under this proviso, any rights under Section 8(e) for Tenant to have the security reduced shall be eliminated and of no further force and effect after such assignment.

(r) (i) Notwithstanding anything to the contrary contained in this Article 3 so long as Tenant shall not be in default in the performance of any of its obligations under this Lease after notice and applicable cure period upon the commencement of the term of the occupancy described in Section (r) (ii) below, Landlord's consent shall not be required nor shall Landlord be entitled to recapture the Premises or share any profits with Tenant with respect to Transfers consummated pursuant to the terms of Section 3(r)(ii).

(ii) Tenant has the right to permit up to no more than four (4) licensees or other occupants (such occupants, the "Permitted Occupants") to use "desk space" within the Premises without first obtaining Landlord's consent but with prior written notice to Landlord; provided that, and for so long as, each Permitted Occupant (1) has a financial standing, is of a character, is engaged in a business keeping with the standards which are consistently applied in such respects of the other tenancies and subtenancies in the Building, as reasonably determined by Landlord; (2) shall not violate the legal restrictions of the population density within the Premises; (3) shall be expressly subject to all of the obligations of Tenant under this Lease other than the obligation to pay Rent; (4) is expressly prohibited from assigning, subletting, pledging or otherwise transferring its rights in the Premises; (5) the term of a Permitted Occupant's use of space within the Premises shall not extended beyond a date one (1) day prior to the expiration or earlier termination of the Term; (6) Tenant shall at all times occupy the Premises for the conduct of its business simultaneously with such Permitted Occupants, (7) each Permitted Occupant utilizing desk space has a bona fide ongoing business relationship, alliance or joint venture with Tenant; and (8) Tenant shall receive no rent, payment or other consideration in connection with such occupancy in respect of such space other than nominal rent payments (in no event greater per rentable square foot than the Base Rent and Additional Rent payable hereunder per rentable square foot). The rights of Tenant set forth in this Section 3(r) (ii) shall not in any manner relieve Tenant of its obligations arising under this Lease.

#### 4. Services.

(a) Landlord shall furnish heat to the Premises as may be required for the reasonably comfortable occupancy thereof on business days from 8:00 a.m. to 6:00 p.m.

(b) Landlord shall make available to the Premises as part of Landlord's Work Tenant controlled air conditioning meeting the cooling specifications described on Exhibit E-1 hereto the distribution of which shall be part of the Initial Installations. In connection with Tenant's use of the air conditioning, Landlord shall also make available up to twenty (20) tons of condenser water (the "Condenser Water"). Tenant shall pay to Landlord an annual fee (in equal monthly installments) calculated by multiplying twenty (20) tons (as may be reduced pursuant to the terms of this Section (b)) by Landlord's then current charge which is currently \$400.00 per ton, as Additional Rent, within twenty (20) days after delivery of an invoice therefor. Such annual charge may be increased from time to time during the Term. At any time during the Term Tenant, by written notice to Landlord, may reduce the amount of Condenser Water that Tenant requires effective five (5) days after Tenant so

notifies Landlord; provided further, that, any reduction by Tenant shall be deemed a permanent reduction and Landlord shall not be obligated to give Tenant the amount of Condenser Water by which the same was reduced for the remainder of the Term. Landlord shall have no obligation to provide to Tenant with more than twenty (20) tons of Condenser Water. The air conditioning system servicing the Building is based and designed for operation upon occupancy of not more than one person for any 150 usable square feet of the Premises and Tenant shall have no claim against Landlord if excessive occupancy or any Alterations performed by or for the benefit of Tenant shall adversely affect the proper functioning or sufficiency of the air conditioning system. Tenant shall keep all windows in the Premises closed during the operation of the air conditioning system.

(c) At no additional cost or expense to Tenant, Landlord shall provide passenger elevator service in common with other occupants of the Building, 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., provided that at least one passenger elevator shall be subject to call during all other hours. At no additional cost and expense to Tenant, Landlord shall provide freight elevator service in common with other occupants of the Building from 8:00 a.m. to 1:00 p.m. on business days. If Tenant uses the freight elevator during overtime periods, then Tenant shall pay to Landlord, as Additional Rent, an amount calculated at the hourly rates that Landlord charges from time to time therefor. Except as set forth in the next sentence, Landlord shall have the right to charge Tenant for a particular minimum number of hours of usage of the freight elevator during overtime periods. In connection with Tenant's move-in to the Premises, Tenant may, at no cost or expense to Tenant, use the freight elevator for up to twenty (20) hours on weekdays after 5:30 p.m. local time and prior to 8:00 am local time (in blocks of at least four (4) hours) subject to scheduling with Landlord.

(d) If the Building or any part thereof shall be supplied with water through a meter or meters, Tenant shall pay to Landlord, within twenty (20) days following delivery of an invoice therefor, Tenant's Proportionate Share of all charges for all water consumed through said meter or meters, as indicated by said meter(s), including any taxes charged thereon, together with the sewer rental based on said meter charges. A water bill submitted by any public authority shall be conclusive evidence of the amount due and the basis of calculation of the amount to be paid by Tenant under the provisions of this Section 4(d). At Landlord's option exercisable at any time during the Term, Tenant shall, at Tenant's sole cost and expense, install a water submeter to measure water consumption in the Premises, and the installation thereof shall be subject to Landlord's reasonable approval, and shall be performed, in accordance with the provisions of Article 6 hereof. Following such installation Tenant shall pay to Landlord for all water consumed as shown on said submeter, including taxes and sewer rental, at the same rate that Landlord purchases water from the water company serving the Building. Throughout the duration of Tenant's occupancy Tenant shall keep those meters, submeters and/or installation equipment solely servicing the Premises in good working order and repair, at Tenant's own cost and expense, in default of which Landlord may cause such meters, submeters and equipment to be replaced or repaired and collect the cost thereof from Tenant. Any such costs or expenses incurred or payments made by Landlord for any of the reasons or purposes hereinabove stated shall be deemed to be Additional Rent payable by Tenant and collectible by Landlord as such.

(e) Subject to Landlord's reasonable security regulations and circumstances beyond Landlord's reasonable control, Tenant shall have access to the Premises twenty-four (24) hours per day, every day of the year. To the extent installed, Tenant will be given twenty-five (25) access cards, at no expense to Tenant. In the event Tenant requires additional cards or cards have been lost, Tenant may purchase additional cards from Landlord, at Landlord's then current cost charged to other

tenants of the Building, as Additional Rent, to be paid within twenty (20) days of delivery of an invoice.

(f) Tenant, at Tenant's expense, shall cause the Premises to be cleaned daily, including, without limitation, glass surfaces and entry doors, using the cleaning contractor that Landlord has engaged from time to time to perform cleaning services in the Building, provided that the rates that such cleaning contractor charges Tenant for such cleaning services are commercially reasonable. Tenant shall retain the Building's designated carting contractor, provided that the rates that such carting contractor charges Tenant for such carting services are commercially reasonable, to remove Tenant's refuse and rubbish from the Premises daily. Furthermore, Tenant at its sole cost and expense, shall cause the Premises to be exterminated on a monthly basis, or more frequently, as needed, to the reasonable satisfaction of Landlord and shall for such purposes employ exterminators designated or approved by Landlord, such approval not to be unreasonably withheld. Tenant shall cause the removal of such refuse and rubbish and the furnishing of cleaning and exterminating services to be performed in accordance with such regulations and requirements as, in Landlord's reasonable judgment, are necessary for the proper operation of the Building, and Tenant agrees that Tenant shall not permit any person to enter the Premises or the Building for such purposes, other than persons designated or first reasonably approved by Landlord as herein required. Tenant shall comply with any refuse disposal program (including, without limitation, any waste recycling program) that Landlord imposes reasonably or that is required by Laws. Tenant shall not clean nor require, permit, suffer or allow any window in the Premises to be cleaned, from the outside in violation of Section 202 of the Labor Law, or any other applicable Law, or of the rules of the Board of Standards and Appeals, or of any other board or body having or asserting jurisdiction.

(g) Tenant shall pay to Landlord, as Additional Rent, all charges imposed by Landlord for Tenant's overtime use/maintenance of any dumpster/compactor in the loading dock area of the Building, the furnishing of additional keys, and any other services, equipment, materials or facilities provided by Landlord at Tenant's request. All such charges shall be billed at Landlord's then standard rate(s) for the Building in effect from time to time during the term of this Lease.

5. Tax Payments.

(a) For purposes of this Lease, the following terms shall have the following meanings:

(1) "Assessed Valuation" shall mean the lower of the "actual" amount for which the Real Property is assessed and any transitional assessment pursuant to applicable provisions of the New York City Charter and of the Administrative Code of The City of New York for the purpose of imposition of Taxes.

(2) "Comparison Year" shall mean each Tax Year subsequent to the Base Tax Year.

(3) "Landlord's Statement" shall mean an instrument or instruments prepared by Landlord containing, in summary form, a calculation or determination of any Additional Rent for any Comparison Year payable pursuant to the provisions of this Article.

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

(5) "Taxes" shall mean the aggregate amount of real estate taxes, taxes and any general or special assessments that in each case are imposed upon the Real Property, without taking into account (a) any taxes imposed on Landlord's income, franchise, estate or inheritance taxes imposed on Landlord, and any other similar taxes imposed on Landlord, or (b) any exemption or deferral of Taxes to which the Real Property is entitled under any program that a Governmental Authority adopts to promote the improvement or redevelopment of real property; provided that if because of any change in the taxation of real estate, any other tax or assessment (including, without limitation, any occupancy, gross receipts or rental tax) is imposed upon Landlord or the owner of the Real Property or the Building, or upon the occupancy, rents or income therefrom, in substitution for or in addition to, any of the foregoing Taxes, such other tax or assessment shall be deemed included within the definition of Taxes. Taxes shall include, without limitation, assessments made upon or with respect to any "air" and "development" rights now or hereafter appurtenant to or affecting the Real Property, and any fee, tax or charge imposed by any Governmental Authority for any vaults or vault spaces that in either case are appurtenant to the Real Property. With respect to any Comparison Year, all reasonable expenses, including reasonable attorneys' fees, any disbursements, experts' and other witnesses' fees, actually incurred in contesting the validity or amount of any Taxes or in obtaining a refund of Taxes shall be considered as part of Taxes for such year, whether billed during such year or at a later date. Taxes shall be initially computed on the basis of the Assessed Valuation in effect at the time Landlord's Statement is rendered (as Taxes may have been settled or finally adjudicated prior to such time) regardless of any then pending application, proceeding or appeal respecting the reduction of any such Assessed Valuation, but shall be subject to subsequent adjustment as provided in Sections (d) and (e) of this Article.

(b) If Taxes for any Comparison Year (all or any part of which falls within the Term) shall increase above Taxes for the Base Tax Year, whether any such increase results from a higher tax rate or an increase in the assessed valuation of the Real Property or both or otherwise, then Tenant shall pay, as Additional Rent, an amount equal to Tenant's Proportionate Share of such increase in Taxes, which Additional Rent shall be payable as hereinafter provided. Tenant shall pay such Additional Rent regardless of whether Tenant is exempt, in whole or part, from the payment of any Taxes by reason of Tenant's diplomatic status or otherwise.

(c) (1) At any time prior to, during or after any Comparison Year, Landlord may render to Tenant a Landlord's Statement or Statements showing a comparison of Taxes for the Comparison Year and Taxes for the Base Tax Year, and the amount of the Additional Rent for such Comparison Year resulting from such increase, if any. Landlord's failure to render a Landlord's Statement during or with respect to any Comparison Year shall not prejudice Landlord's right to render a Landlord's Statement during or with respect to any subsequent Comparison Year, and shall not eliminate or reduce Tenant's obligation to pay Additional Rent pursuant to this Article for such Comparison Year. Additionally, nothing herein shall be construed to prevent Landlord from rendering a corrected or amended Landlord's Statement for any Comparison Year at any time(s) during the Term or after the expiration or earlier termination of the Term.

(2) Within twenty (20) days after the furnishing to Tenant of a Landlord's Statement, Tenant shall pay to Landlord a sum equal to one-half (1/2) of Tenant's Proportionate Share of the increase in Taxes above Taxes for the Base Tax Year. On the first day of the seventh (7<sup>th</sup>) month of

the Comparison Year to which Landlord's Statement relates, Tenant shall pay to Landlord an additional sum equal to one-half (1/2) of Tenant's Proportionate Share of the increase in Taxes.

(d) (1) If after a Landlord's Statement has been sent to Tenant, the Assessed Valuation which had been utilized in computing Taxes during the Base Tax Year is reduced (as a result of settlement, final determination of legal proceedings or otherwise) then, and in such event: (i) Taxes during the Base Tax Year shall be retroactively adjusted to reflect such reduction; (ii) the Additional Rent for Taxes, payable for all Comparison Years pursuant to this Article shall be increased accordingly; and (iii) all such Additional Rent resulting from such retroactive adjustment shall be due and payable within thirty (30) days after being billed by Landlord. Landlord shall send to Tenant a Landlord's Statement setting forth the basis for such retroactive adjustment and Additional Rent payments. Only Landlord shall be eligible to institute tax reduction or other proceedings to reduce the Assessed Valuation. In no event, however, shall Landlord have any obligation to institute or prosecute any such proceedings.

(2) Should Landlord be successful in any such reduction proceeding and obtain a rebate of Taxes for a Comparison Year with respect to which Tenant shall have paid its share of increases, Landlord shall return to Tenant an amount equal to Tenant's Proportionate Share of such rebate or, at Landlord's option, credit such amount against Rents next coming due hereunder.

(e) Landlord shall deliver to Tenant a copy of the relevant tax bill for each Comparison Year with the applicable Landlord's Statement (to the extent that the applicable Governmental Authority has issued such tax bill to Landlord), provided the failure of Landlord to provide a tax bill shall not negate Tenant's obligation to pay to Landlord Tenant's Proportionate Share of the increase in Taxes above Taxes for the Base Tax Year for such Tax Year. Any Landlord's Statement sent to Tenant pursuant to this Article shall be conclusive and binding upon Tenant.

(f) The expiration or earlier termination of this Lease during any Comparison Year for any part or all of which there is a payment of Additional Rent due under this Article shall not affect the rights or obligations of the parties hereto respecting such payment of Additional Rent and any Landlord's Statement relating to such Additional Rent may, on a pro-rata basis (based on the number of days in such Comparison Year), be sent to Tenant subsequent to, and all such rights and obligations shall survive, any such expiration or termination. Any payments due under such Landlord's Statement shall be payable within twenty (20) days after such Landlord's Statement is sent to Tenant.

(g) Tenant shall also pay to Landlord, within thirty (30) days after receipt of a statement therefor from Landlord, an amount equal to Tenant's Proportionate Share of any assessment or installment thereof for public betterments or improvements which may be levied upon or be payable in respect of the Real Property during the Term, including, without limitation, Business Improvement District (BID) taxes or assessments.

## 6. Alterations.

(a) Tenant shall not make or perform, or permit the making or performance of, any alterations, installations, improvements, additions, decorations, or other changes in or about the Premises (collectively, "Alterations") without obtaining Landlord's prior consent in each instance in accordance with the terms of this Article 6, except that the prior written consent of Landlord shall not be required for (i) purely decorative changes (i.e., paint and carpeting) the cost of which does not

exceed Fifty Thousand Dollars (\$50,000.00) in each instance; and (ii) non-structural Alterations, the cost of which does not exceed Thirty Thousand Dollars (\$30,000.00) in each instance, provided that such non-structural Alteration (1) does not affect utility services or plumbing or electrical lines, (2) does not require the filing of plans and specifications with any Governmental Authority; (3) does not require a building permit or similar governmental approval to undertake, and (4) Tenant provides Landlord with not less than five (5) Business Days prior written notice of its intended performance of such non-structural Alterations. Notwithstanding anything to the contrary, Landlord consent must be obtained prior to the performance or making of any Specialty Installations (hereinafter defined).

(b) Landlord shall not unreasonably withhold its consent to any Alterations, provided that, in the reasonable opinion of Landlord: (i) such Alterations will not affect the proper functioning of the Building's mechanical, electrical, sanitary, plumbing, utility or any other service systems, (ii) such Alterations will not result in a violation of, or require a change in, any certificate of occupancy applicable to the Premises or the Building, (iii) the character, outside appearance, usefulness and rentability of the Building or any part thereof will not be adversely affected beyond a de-minimis degree, (iv) such Alterations will not weaken or impair (temporarily or permanently) the structure or lessen the value or cubic content of the Premises or the Building either in the course of the making of such Alterations or upon its completion, and (v) no part of the Building outside of the Premises shall be adversely affected. Tenant, at Tenant's sole cost and expense, shall perform all Alterations expeditiously and with diligence and shall complete all Alterations within a reasonable time after undertaking the performance of same. All Alterations shall be done at such times and in such manner as Landlord may from time to time designate, in Landlord's reasonable discretion.

(c) (1) All movable personal property, furniture, furnishings, equipment, and trade fixtures (collectively, "Personalty") furnished by or at the expense of Tenant, other than those items affixed to the Premises so that they cannot be removed without material damage and other than those items replacing an item theretofore furnished and paid for by Landlord, or for which Tenant has received a credit, shall remain the property of Tenant, and may be removed by Tenant from time to time prior to the expiration of the Term. All such Personalty shall remain the property of Tenant and upon or prior to the Expiration Date shall be removed from the Premises by Tenant, and Tenant shall repair and restore in a good and workmanlike manner to building standard original condition (reasonable wear and tear excepted) any damage to the Premises or the Building caused by such removal. If Tenant fails to make such repair, Landlord may do so at Tenant's sole cost and expense, in which event Tenant shall reimburse Landlord for the cost of such repair within ten (10) days after delivery of an invoice therefor. If Tenant fails to remove any Personalty in accordance with the foregoing provisions, then Landlord may (but shall not be obligated to), at Tenant's sole cost and expense, (i) remove any or all such Personalty, and cause the same to be placed in storage; and (ii) repair any damage caused by said removal. Tenant shall reimburse Landlord for all of the aforesaid expenses within ten (10) days after delivery of an invoice therefor. Notwithstanding anything to the contrary contained in this Lease, any Personalty not removed by Tenant may, at the election of Landlord, be deemed to have been abandoned by Tenant, and Landlord may retain and dispose of said Personalty at Tenant's sole cost and expense, without any liability to Tenant and without accounting to Tenant for the proceeds thereof. Personalty for which Landlord shall have granted any allowance to Tenant as a credit or substitution in kind shall not be deemed to have been installed at Tenant's own cost and expense and shall not be deemed to constitute the property of, and may not be removed by, Tenant, unless Tenant shall be directed to do so by notice from Landlord, in which event Tenant shall be obligated to remove same in accordance with the foregoing provisions of this Section 6(c)(1); provided that, Landlord shall give Tenant notice of Tenant's removal and restoration obligations with respect to such Personalty for which Landlord shall



have granted any allowance to Tenant as a credit or substitution in kind if such notice is requested by Tenant in writing at the time of such credit or substitution in kind.

(2) All Alterations in and to the Premises, including, without limitation, all fixtures, equipment, improvements and appurtenances, such as electric, plumbing, heating, sprinkling, doors, paneling, molding, shelving, radiator enclosures, flooring, ventilating and air conditioning and cooling equipment, attached to or built into the Premises by Tenant at its own cost and expense, or by Landlord on Tenant's behalf, shall remain the property of Tenant during the Term but may not be removed by Tenant. Upon or prior to the Expiration Date all such Alterations shall become the property of Landlord and shall remain upon and be surrendered with the Premises, provided, however, that Landlord shall have the right to require Tenant to remove any specialized or unique Alterations installed in the Premises by Tenant which are not generally installed in typical office premises in the Building, as shall be reasonably determined by Landlord (such specialized or unique installations are hereinafter referred to collectively as "Specialty Installations"). If Landlord shall elect to relinquish Landlord's right to such Specialty Installations and to require Tenant to remove any Specialty Installations as set forth herein, Landlord shall give Tenant notice of such election at any time during the Term, provided, Landlord shall give Tenant notice of Tenant's removal and restoration obligations at the time of approval if such notice is requested by Tenant in writing at the time Tenant requests Landlord's consent to the same. If Landlord shall so notify Tenant, then such Specialty Installations shall be removed from the Premises by Tenant upon or prior to the Expiration Date and Tenant shall repair and restore, in a good and workmanlike manner to building standard original condition (reasonable wear and tear excepted), any damage to the Premises or the Building caused by such removal. If Tenant fails to make such repairs, Landlord may do so at Tenant's sole cost and expense, and Tenant shall reimburse Landlord for the cost of such repair within ten (10) days after delivery of an invoice therefor.

(3) All Specialty Alterations required by Tenant to be removed but not so removed by Tenant at or prior to the Expiration Date shall be deemed abandoned and either may be (i) retained by Landlord as its property, or (ii) disposed of by Landlord, without accountability to Tenant, in such manner as Landlord may see fit. Whether Landlord retains such abandoned property as its property, or disposes of it as aforesaid, all costs of removal and repair to the Premises and the Building incurred by Landlord in connection with said abandoned property shall be paid by Tenant to Landlord on demand. The terms of this Section 6(c) shall survive the Expiration Date.

(d) Prior to making any Alterations except those for which Landlord's consent is not required described in Section 6 (a) above, Tenant shall (i) submit to Landlord detailed scaled plans and specifications (including drawings for layout, architectural, mechanical, structural, interior design, fixturing and finishing work) for each proposed Alteration, together with the names of any and all contractors, subcontractors and/or mechanics whom Tenant intends to engage to perform each such Alteration, and shall not commence any such Alteration without first obtaining Landlord's prior reasonable approval of such plans and specifications in accordance with Section 6(e) below and such contractors, subcontractors or mechanics, (ii) submit to Landlord a construction budget specifying in reasonable detail the anticipated cost of each proposed Alteration reflected in such plans and specifications, broken down by trade, (iii) at Tenant's expense, engage an architect, engineer and/or consultant (hereinafter "Professionals") to obtain all permits, approvals and certificates required by any governmental or quasi-governmental bodies and (iv) furnish to Landlord duplicate original policies of, or, at Tenant's option, certificates of, (1) worker's compensation and New York State Temporary Disability Income Insurance in statutory limits in amounts not less than the statutory limits (covering all persons to be employed by Tenant, and Tenant's contractors and subcontractors, in

connection with such Alteration), and (2) builder's risk insurance, covering all physical loss and other risks covered by the usual extended coverage and "all risk" endorsements, and commercial general liability insurance (including property damage and bodily injury coverage), which builder's risk and comprehensive public liability insurance policies shall be in such form, with such companies, for such periods and in such amounts as Landlord may reasonably require, but in no event in amounts less than Five Million and 00/100 Dollars (\$5,000,000.00) with respect to general contractors and One Million and 00/100 Dollars (\$1,000,000.00) with respect to subcontractors, naming Landlord, its agents, any lessee under a Superior Lease (hereinafter defined) and any holder of a Mortgage (hereinafter defined) as additional insureds. In addition, no Alterations to be made at a cost in excess of Fifty Thousand 00/100 Dollars (\$50,000.00) during any one (1) calendar year during the Term (as estimated by Landlord's Consultants, as hereinafter defined) shall be undertaken prior to Tenant delivering to Landlord either (i) a performance bond and labor and materials payment bond (issued by a surety company, and in form and substance, reasonably satisfactory to Landlord), each in amount equal to one hundred ten percent (110%) of such estimated cost, or (ii) such other security as shall be reasonably satisfactory to Landlord. Immediately upon completion of such Alterations, Tenant, at Tenant's expense, shall obtain certificates of final approval of such Alterations required by any governmental or quasi-governmental bodies and shall furnish Landlord with true, correct and complete copies thereof. Failure to so deliver copies of such approvals shall be deemed a default hereunder.

(e) Landlord shall review and provide its initial comments to Tenant's plans and specifications for Tenant's Alterations within ten (10) business days after such plans and specifications are delivered to Landlord by Tenant and Tenant shall provide Landlord with revised plans and specification within ten (10) business days after receiving Landlord's comments incorporating all of Landlord's comments. If Landlord shall disapprove the revised plans and specifications submitted by Tenant, then Tenant shall again revise such plans and specifications to comply with all of Landlord's comments to the revised plans and specifications and shall resubmit same to Landlord within five (5) business days after receiving Landlord's comments to the revised plans and specifications. The foregoing review process shall be followed by Tenant until such time as Landlord shall provide Tenant with final approval of Tenant's plans and specifications (not to be unreasonably withheld, conditioned or delayed). Tenant shall not commence any Alterations unless and until Tenant shall have received Landlord's final approval of Tenant's plans and specifications with all of Landlord's comments incorporated therein.

(f) All Alterations shall be made and performed in accordance with the Rules and Regulations and strictly in accordance with the approved plans and specifications (and no amendments or additions thereto shall be made without the prior written consent of Landlord, not to be unreasonably withheld, conditioned or delayed). All materials and equipment to be incorporated in the Premises as a result of all Alterations shall be new and of first quality. No such materials, fixtures, equipment or articles shall be subject to any liens, encumbrances, chattel mortgages or security interests (as such terms are defined in the Uniform Commercial Code as in effect in the State of New York on the date hereof) or any other title retention or security agreement. Notwithstanding, subject to no Event of Default, Landlord agrees to subordinate any interest in and to the Tenant's Personality in connection with Tenant's obtaining a loan or other financing (the terms of which must be reasonable, customary and consistent with market terms) for the acquisition of such Tenant's Personality or any financing of Tenant or its affiliates and, in connection with such subordination execute, at no expense to Landlord, all documentation reasonably acceptable to Landlord required by such third-party advancing such loan (the "Lender"), provided that such documentation expressly provide that such Tenant's Personality shall be removed by the Lender no later than the expiration or earlier termination of this Lease, the Lender is expressly prohibited from selling or "auctioning such tenant Personality in the Premises or

Building, that the Lender will, at its expense, pay to Landlord all repairs necessitated by such removal, that the Lender shall indemnify Landlord for all claims and losses resulting from the Lender's entry into the Premises, and shall require the Lender to maintain insurance and limits reasonably acceptable to Landlord. Should Landlord incur any costs or expenses in connection with the review, execution and delivery of such documentation, Tenant shall be responsible for the payment of all such reasonable third-party costs, as Additional Rent, within twenty (20) days after receipt of an invoice therefor.

(g) Tenant shall not, at any time prior to or during the Term, directly or indirectly employ, or permit the employment of, any contractor, sub-contractor, mechanic or laborer or permit any materials in the Premises, whether in connection with any Alteration or otherwise, if in Landlord's reasonable opinion such employment or such materials would interfere, cause any conflict, or create any difficulty, strike or jurisdictional dispute with other contractors, mechanics or laborers engaged in the construction, maintenance or operation of the Building by Landlord, Tenant or others, or would in any way disturb the construction, maintenance, cleaning, repair or management of the Building or any other tenants or occupants of the Building beyond a de-minimis degree. In the event of any such interference or conflict, Tenant, upon demand of Landlord, shall cause all contractors, mechanics or laborers causing such interference, conflict, difficulty, strike or jurisdictional dispute to leave the Building immediately.

(h) Any mechanic's or other lien filed against the Premises or the Real Property, for work claimed to have been performed for, or materials claimed to have been furnished to, Tenant shall be discharged by Tenant within the lesser of (i) twenty (20) days after the filing of any such lien, and (ii) within five (5) days following notice from Landlord, at Tenant's expense, by payment or filing of a bond as required by Law. If Tenant shall fail to cause any such lien to be discharged within the period aforesaid, or if Landlord is required under a Mortgage or Superior Lease to discharge or bond such lien in a shorter period than as described above, then, in addition to any other rights and/or remedies, Landlord may, but shall not be obligated to, discharge same either by paying the amount claimed to be due or by deposit or bonding proceedings, and in any such event Landlord shall be entitled, if it elects, to compel the prosecution of an action for the foreclosure of such lien and to pay the amount of the judgment in favor of the lien or, with interest, costs and allowances. Any amount so paid by Landlord, and all commercially reasonable costs and expenses incurred by Landlord in connection therewith (including, without limitation, reasonable attorneys' fees and disbursements), shall constitute, and shall be collectible by Landlord on demand as, Additional Rent. Notwithstanding anything to the contrary, to the extent Landlord is required under a Mortgage or Superior Lease to discharge or bond such lien as above described, so long as the same shall not constitute a default by Landlord under any such Mortgage or Superior Lease, Landlord shall discharge such lien by bonding.

(i) Landlord shall have the right, at Tenant's sole cost and expense, to engage an architect, engineer, contractor and/or other construction consultant or construction supervisor ("Landlord's Consultants") to review Tenant's plans and specifications and to coordinate and supervise the performance of any Alterations. Tenant shall pay to Landlord, as Additional Rent, any reasonable third-party out-of-pocket fees, charges or expenses actually incurred in reviewing plans and specifications for Tenant's Alterations and/or ensuring compliance therewith, including, without limitation, attorneys' fees and disbursements incurred in connection with any Alterations and any request or negotiations pertaining thereto whether or not such Alterations are consented to or made within twenty (20) days after delivery of an invoice therefor with reasonably detailed back-up documentation for such expenses. In consideration for Landlord's construction supervision services which includes coordinating and supervising of the performance of the Alteration in question, Tenant shall pay to Landlord a construction supervision fee equal to Landlord's standard rate then charged by

Landlord to tenants of the Building not to exceed five percent (5%) of the total construction costs (excluding the construction supervision fee). Tenant hereby acknowledges and agrees that any approval of Tenant's plans and specifications, or any coordination or supervision by Landlord's Consultants of any Alterations made by or on behalf of Tenant, shall be solely for Landlord's benefit, and that such approval, coordination and supervision shall be without any representation, warranty or liability whatsoever to Tenant or any other person with respect to the adequacy, correctness or sufficiency of such Alterations, or whether such Alterations are in compliance with all applicable Laws.

(j) Tenant shall not obstruct or permit the obstruction of light, halls, common or public areas, roof, stairways or entrances to the Building and will not affix, erect or install any signs, awnings, exterior decorations and/or projections, curtains, blinds, shades, screens, advertisements, notices or lettering on glass, including any changes thereto, (collectively, "Signs") unless Landlord shall have approved Tenant's plans for any such installation as to quality, type, dimension, content, color, material, location, manner of installation and design in accordance with terms of this Article 6, such consent not to be unreasonably withheld, conditioned or delayed. Tenant shall remove immediately, after demand by Landlord, and as often as such demand shall be made, any Signs, or other material located in the Premises and visible from outside the Premises, to which Landlord shall reasonably object to the extent installation thereof was not approved in writing in advance by Landlord. Tenant shall maintain its Signs in good condition and repair at all times.

(k) If the sprinkler system which has been installed in the Building, or any of its appurtenances installed in the Building inclusive of the Premises, shall be damaged or injured or not in proper working order by reason of any act or omission of Tenant, Tenant's agents, servants, employees, licensees or visitors, or by reason of or arising out of the performance of any Alterations, Tenant shall forthwith restore the same to good working condition at its own expense.

#### 7. Electricity.

(a) Tenant, during the Term, shall use electricity in the Premises for lighting, standard office equipment, electrical appliances, and equipment as Tenant may be permitted to install in the Premises and only in compliance with the requirements of the utility company providing electric service to the Building. 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 and wiring installations, and Tenant may not use any electrical equipment which, in Landlord's reasonable judgment, will overload such installations or interfere with the use thereof by other tenants of the Building. In order to insure that the capacity of existing feeders to the Building or the risers or wiring installations are not exceeded and to avert possible adverse effects upon the Building electric service, Tenant shall not, without Landlord's prior consent in each instance, connect any additional fixtures, appliances or equipment to the Building electric distribution system or make any alterations or additions to the electric system of the Building beyond typical office use (i.e., one (1) desktop computer and telephone per person) based on occupancy of not more than one (1) person for each one hundred fifty (150) usable square feet of space in the Premises. Landlord shall not be required to make any installations in the Premises to distribute electricity within the Premises.

(b) (1) For purposes of this Article, the term "Electric Rate" shall mean the public utility rates (including all surcharges, taxes, fuel adjustments, delivery charges, and other charges with respect to the supply of electric energy) for the supply of electric energy paid by Landlord.

(2) Tenant's consumption of electricity in the Premises shall be measured by a submeter that is, or submeters that are, installed by Landlord. Tenant shall pay to Landlord, as Additional Rent, an amount (the "Electricity Additional Rent") equal to one hundred percent (100%) of such consumption at the Electric Rate plus an administrative fee of five (5%) percent of such amount within twenty (20) days after delivery of an invoice therefor.

(3) Tenant shall pay to Landlord on a monthly basis, within twenty (20) days after delivery of an invoice, Tenant's Proportionate Share of the cost of electricity, used in connection with the operation and maintenance of the Real Property plus an administrative fee of five (5%) percent of the amount of each such invoice. For the purpose of this Section "cost of electricity" shall mean electric for common areas of the Real Property and electric attributable to the Building operation (i.e., mechanical equipment operation inclusive of Building's electric consumed by the central peripheral air conditioning system), exterior lighting and, in general, all other electric utility usage mutually enjoyed by all tenants at the Electric Rate.

(4) If, at any time during the Term, Tenant performs Alterations that require modifications to the submeter(s) or that require a supplemental submeter(s), then either Landlord or Tenant, at Landlord's election, shall perform such modification, or the installation of such supplemental submeter(s), at Tenant's cost, to be paid, in the case Landlord elects to modify or supplement, as Additional Rent, within twenty (20) days after delivery of an invoice therefor. If Landlord elects to have Tenant install such submeter(s), the type of submeter(s) shall be subject to Landlord's prior written approval. All sub-meter(s) shall be maintained, repaired and replaced by Landlord at its expense, except to the extent the need for maintenance, repair or replacement is due to the negligence or willful misconduct of Tenant, its employees, agents or contractors, in which event the same shall be performed by Landlord, at Tenant's expense, to be paid as Additional Rent, within ten (10) days after delivery of an invoice therefor.

(c) Landlord reserves the right to discontinue furnishing electric energy to Tenant in the Premises at any time upon not less than one hundred twenty (120) days' notice to Tenant, or such lesser notice as may be applicable if such discontinuance is required by Laws. If Landlord exercises such right, this Lease shall continue in full force and effect and shall be unaffected thereby except only that from and after the effective date of such termination, Landlord shall not be obligated to furnish electric energy to Tenant. If Landlord so discontinues furnishing electric energy to Tenant, Tenant shall arrange to obtain electric energy directly from the public utility company furnishing electric service to the Building. Such electric energy may be furnished to Tenant by means of the then existing Building system feeders, risers and wiring installations to the extent that the same are available, suitable and safe for such purposes, provided the usage thereof does not result in favoring Tenant over other tenants of the Building; but Tenant shall be responsible for the cost of meters, additional risers and other equipment which may be required for such service. Landlord shall not discontinue furnishing electricity to the Premises as contemplated by this Section 7(c) (to the extent permitted by applicable Laws) until Tenant obtains electric service directly from the utility company, provided Tenant is using diligent efforts to obtain such electric service.

(d) The installation by Landlord of a generator for the supply of electric energy to the Premises or the obtaining by Landlord of electric energy from a supplier other than a public utility company shall in no way affect the obligations of Tenant to make the payments provided for in this Article, and the computation of Electric Additional Rent shall be made as hereinabove provided, i.e., as if Landlord were still purchasing electric energy from a public utility company.

(e) Landlord shall not be liable in any way to Tenant for any failure or defect in the supply or character of electric energy furnished to the Premises. At Landlord's option, Tenant shall purchase from Landlord all lighting tubes, lamps, bulbs or accessories used in the Premises, and Tenant shall pay as Additional Rent, Landlord's then Building-wide charges for providing and installing same within twenty (20) days of delivery of an invoice.

8. Security Deposit.

(a) Tenant shall deposit with Landlord, simultaneously with Tenant's execution and delivery of this Lease, the amount of \$621,300.00 (comprised of twelve (12) payments of monthly Base Rent due during Lease Year 1) as security for the faithful performance and observance by Tenant of all of the terms, conditions and provisions of this Lease, including, without limitation, the surrender of possession of the Premises to Landlord as herein provided. The security shall be in the form of a letter of credit satisfying the requirements of this Article 8.

(b) If Tenant defaults in respect of any of the terms, provisions and conditions of this Lease, including, but not limited to, the payment of Rent, after notice and opportunity to cure as provided in this Lease, Landlord may apply or retain the whole or any part of the security so deposited to the extent required for the payment of Rent or any other sum as to which Tenant is in default or for any sum which Landlord may expend or may be required to expend by reason of Tenant's default in respect of any of the terms, covenants and conditions of this Lease, including but not limited to, any damages or deficiency in the reletting of the Premises, whether such damages or deficiency accrue before or after summary proceedings or other reentry by Landlord. If Landlord applies or retains any part of the security so deposited, Tenant, upon demand, shall deposit with Landlord the amount so applied or retained so that Landlord shall have the full deposit on hand at all times during the Term. If Tenant shall refuse or fail to make such additional deposit as required in this Section 8(b) or to replenish the security deposit, then Landlord shall have the same rights in law and equity and under this Lease as it has with respect to a default by Tenant in the payment of Rent. If 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 within sixty (60) days after the Expiration Date and the surrender of possession of the Premises to Landlord.

(c) In the event of a sale or transfer of the Real Property or the Building or leasing of the entire Building or portion thereof which includes the Premises, Landlord shall have the right to transfer the security to the vendee or lessee and Landlord shall thereupon be released by Tenant from all liability for the return of such security and Tenant shall look solely to the new Landlord for the return of said security. The provisions hereof shall apply to every transfer or assignment made of the security to a new Landlord. Tenant shall not assign or encumber or attempt to assign or encumber the monies deposited herein as security and neither Landlord nor its successors or assigns shall be bound by any such assignment, encumbrance, attempted assignment or attempted encumbrance.

(d) The letter of credit shall be in the aggregate principal amount of the security deposit from time to time required under this Lease, and shall be in substantially the form annexed hereto as Exhibit D and issued by a commercial bank acceptable to Landlord (as of the date of this Lease Israel Discount Bank of New York is acceptable to Landlord) has an office in the city where the Building is located at which Landlord can present the letter of credit for payment, or which will allow draws by presentation of a facsimile, which letter of credit shall provide (i) for the continuance of such letter of credit for a period of at least one (1) year from the date of issuance, (ii) for the automatic extension of such letter of credit for additional periods of one (1) year from the initial and each future

expiration date thereof (the last such extension to provide for the continuance of such letter of credit for at least three (3) months beyond the end of the Term) unless such bank gives Landlord notice by certified mail, return receipt requested, postage prepaid, of its intention not to renew such letter of credit (which notice shall be addressed to Landlord as provided in this Lease) not less than forty-five (45) days prior to the initial or any future expiration date of such letter of credit and (iii) that in the event such notice is given by such bank, Landlord shall have the right to draw on such bank at sight for the balance remaining in such letter of credit and hold and apply the proceeds thereof in accordance with the provisions of this Article. Each letter of credit to be deposited and maintained with Landlord (or the proceeds thereof) shall be held by Landlord as security for the full and faithful performance and observance by Tenant of each and every term, covenant, condition and agreement of this Lease, and in the event that (1) Tenant is in default (x) in the performance or observance of any of the covenants, agreements, terms, provisions or conditions on its part to be performed or observed under this Lease (except the payment of Base Rent, Additional Rent or other charges due and payable under this Lease) beyond the applicable cure period or (y) in the payment of Base Rent, Additional Rent or other charges due and payable under this Lease, or (2) Landlord transfers its right, title and interest under this Lease to a third party and such letter of credit is not transferable to such third party, without cost to Landlord, within five (5) business days after Landlord's request and to whom Landlord designates, or (3) notice is given by the bank issuing such letter of credit that it does not intend to renew the same, then, in any such event, Landlord may draw on such letter of credit and in the proceeds of such letter of credit shall then be held and applied as cash security (and be replenished, if necessary) as provided in this Article 8. If the commercial bank which issued the letter of credit (A) is or is likely to become or be declared insolvent; (B) enters into any form of regulatory or governmental proceeding, including, without limitation, any receivership instituted or commenced by the Federal Deposit Insurance Corporation (the "FDIC"); (C) is otherwise declared insolvent, is downgraded by the FDIC, or closes for any reason; or (D) in any manner communicates (including, without limitation, communications sent by or on behalf of the FDIC) its unwillingness to honor the terms of the letter of credit, Tenant shall deliver to Landlord a replacement letter of credit issued by a commercial bank acceptable to Landlord and otherwise and satisfying the requirements of this Article 8 within ten (10) days following Landlord's written demand.

(e) Subject to the terms of this Section (e), Tenant shall have the right to reduce the amount of the letter of credit to (i) \$310,650.00 (comprised of six (6) payments of monthly Base Rent due during Lease Year 1) as of the first day of the calendar month in which Tenant has made twenty-four (24) consecutive monthly installments of Base Rent to Landlord (it being understood that the application of the Second Base Rent Abatement shall not be deemed a failure by Tenant to make "consecutive" monthly installment as aforesaid), and (ii) \$207,100.00 (comprised of four (4) payments of monthly Base Rent due during Lease Year 1) as of the first day of the calendar month in which Tenant has made thirty-six (36) monthly installments of Base Rent to Landlord (it being understood that the application of the Second Base Rent Abatement shall not be deemed a failure by Tenant to make "consecutive" monthly installment as aforesaid) (each such day, the "Reduction Date"). Tenant shall have the right to effectuate such reduction by giving written notice thereof to Landlord at any time from and after the tenth (10th) day before the applicable Reduction Date. Tenant shall not be entitled to reduce the amount of the letter of credit if (i) an Event of Default has occurred on or prior to the Reduction Date, (ii) Tenant has not delivered a replacement letter of credit to Landlord in accordance with the terms of this Article 8, (iii) Landlord has previously applied all or any portion of the security as permitted by the terms of this Article 8, or (iv) Tenant's right to a reduction in the security under this Section 8(e) is eliminated pursuant to Section 3(q)(5) hereof (collectively, the "Reduction Conditions"). If Tenant requests and is entitled to such reduction in accordance with the terms of this Section (e) then Landlord shall permit Tenant, at Tenant's expense, to amend or replace the letter of

credit to reflect such reduction and shall cooperate reasonably with Tenant, at no expense to Landlord, in connection therewith, provided that Landlord shall not be required to surrender the existing letter of credit until a replacement letter of credit satisfying the requirements of this Article 8 is delivered to Landlord.

9. Events of Default.

(a) The occurrence, at any time prior to or during the Term, of any one or more of the following events shall be an "Event of Default" hereunder:

(1) if Tenant shall default in the payment when due of Base Rent or Additional Rent; or

(2) if Tenant shall default in the observance or performance of any term, covenant or condition of this Lease on Tenant's part to be observed or performed (other than the covenants for the payment of Base Rent and Additional Rent or as otherwise specified in this Section 9(a)) and Tenant shall fail to remedy such default within thirty (30) days after notice by Landlord to Tenant of such default, or if such default is of such a nature that it cannot be remedied within said period of thirty (30) days, if Tenant shall not commence within ten (10) days after notice, or shall not thereafter diligently prosecute to completion, all steps necessary to remedy such default provided, however, that in no event shall such cure period extend for more than an additional thirty (30) days after the initial thirty (30) day period, provided that any such extension shall not subject Landlord to a threat of criminal penalty or to prosecution for a crime, any other fine or charge, violation of Law, or default under a Superior Lease or Mortgage, nor shall the Building or Real Property, or any part thereof, be subject to a threat of being condemned or vacated, nor shall the Building or Real Property, or any part thereof, be subjected to a threat of any lien; or

(3) if Landlord presents the Letter of Credit for payment in accordance with the terms hereof and the issuer thereof fails to make payment thereon in accordance with the terms thereof, or Tenant fails to provide Landlord with a replacement Letter of Credit after Landlord presents the Letter of Credit for payment and such failure continues for five (5) Business Days after the date that Landlord gives Tenant notice demanding that Tenant provide such replacement; or

(4) if the Premises shall become vacant for a period of more than ten (10) consecutive business days or shall be abandoned; or

(5) if this Lease or the estate of Tenant hereunder shall be assigned, subleased, transferred, mortgaged or encumbered in violation of any provision of this Lease; or

(6) if Tenant defaults in respect of Tenant's obligations under Section 6(g) hereof, and such default continues for more than five (5) Business Days after Landlord gives Tenant notice thereof; or

(7) if a levy under execution or attachment shall be made against Tenant or its property and such execution or attachment shall not be vacated or removed by court order, bonding or otherwise within a period of thirty (30) days.

(b) Tenant expressly recognizes that Tenant's due and punctual performance of each of its obligations under this Lease throughout the Term is of paramount importance to Landlord.



Accordingly, without limiting the provisions of this Article or any other provisions of this Lease, if an Event of Default shall occur more than two (2) times in any twelve (12) month period and Landlord has not elected to terminate this Lease, (i) upon notice by Landlord to Tenant, Tenant shall be obligated to immediately tender and deliver to Landlord, by certified or official bank check, an amount equal to one (1) month of the then current Base Rent, to be held and applied as an additional security deposit pursuant to the provisions of Article 8 above; and (ii) any further Event of Default shall be deemed to be deliberate and Landlord may thereafter, without further notice of default, serve a notice of intention to terminate this Lease at the expiration of the next succeeding month and upon such date this Lease shall be terminated and of no further force and effect except with respect to those provisions which are stated to or which by implication survive the termination of this Lease.

10. Remedies.

(a) (1) If an Event of Default described in Article 9 hereof shall occur, or this Lease shall terminate in accordance with the terms of Article 11, Landlord at any time thereafter, at its option, may terminate this Lease and the Term by giving Tenant three (3) days' notice of Landlord's intention to do so, and upon the expiration of three (3) days after the giving of such notice, this Lease and the Term and all rights of Tenant under this Lease shall expire and terminate as if such date was the date herein definitely fixed for the expiration of the Term and Tenant immediately shall quit and surrender the Premises to Landlord, it being the intention of the parties hereto to create a conditional limitation, but Tenant shall nonetheless remain liable for all of its obligations hereunder.

(2) If this Lease shall be terminated as provided in Section 10(a)(1), Landlord and its agents and servants, immediately, or at any time after such termination, without notice, may re-enter and repossess the Premises using such force for that purpose as may be necessary without being liable to indictment, prosecution or damages therefor or may dispossess Tenant by summary proceedings or otherwise.

(b) If this Lease shall be terminated as provided in Section 10(a)(1) and/or Tenant shall be dispossessed by summary proceedings or otherwise as provided in Section 10(a)(2):

(1) Tenant shall pay to Landlord all Rent payable under this Lease by Tenant to Landlord through the date upon which this Lease and the Term shall have terminated and come to an end or to the date of reentry upon the Premises by Landlord, as the case may be;

(2) Landlord may repair and alter the Premises in such manner as Landlord may deem necessary or advisable without relieving Tenant of any liability under this Lease or otherwise affecting any such liability, and/or let or relet the Premises or any part thereof for the whole or any part of the remainder of the Term or for a longer period, in Landlord's name or as agent of Tenant, and out of any rent and other sums collected or received as a result of such reletting Landlord shall pay to itself out of such rent and other sums so collected or received: (i) first, the cost and expense of terminating this Lease, re-entering, retaking, repossessing, repairing and/or altering the Premises, or any part thereof, and the costs and expenses of removing all persons and property therefrom, including in such costs brokerage commissions, legal expenses and reasonable attorneys' fees and disbursements, (ii) second, all of the costs and expenses sustained in securing any new tenants and other occupants, including in such costs and expenses brokerage commissions, reasonable attorneys' fees, costs and disbursements and other costs and expenses of preparing the Premises for reletting, and, if Landlord shall maintain and operate the Premises, the costs and expenses of operating and maintaining the Premises, and (iii) third, any balance remaining on account of the liability of Tenant to

Landlord. Notwithstanding the foregoing provisions of this Section 10(b)(1)(II), the provisions of Section 10(b)(1)(IV) below, or anything to the contrary set forth elsewhere in this Lease, Landlord shall have no obligation whatsoever to relet the Premises or any portion thereof or to otherwise mitigate its damages and Landlord shall in no way be responsible or liable for any failure or refusal to relet the Premises or any part thereof, or for any failure to collect any rent due on any such reletting, or for any failure or refusal to otherwise mitigate its damages and no such failure to relet or to collect rent or to mitigate damages shall operate to relieve Tenant of any liability under this Lease or to otherwise affect any such liability;

(3) Tenant shall be liable for and shall pay to Landlord, as damages, any deficiency (hereinafter referred to as a "Deficiency") between the Rent reserved in this Lease for the period which otherwise would have constituted the unexpired portion of the Term and the net amount, if any, of rents collected under any reletting effected pursuant to the provisions of Section 10(b)(1)(II) for any part of such period; any such Deficiency shall be paid in installments by Tenant on the days specified in this Lease for payment of installments of Base Rent, and Landlord shall be entitled to recover from Tenant each Deficiency installment as the same shall arise, and no suit to collect the amount of the Deficiency for any installment period shall prejudice Landlord's right to collect the Deficiency for any subsequent installment period by a similar proceeding; and

(4) whether or not Landlord shall have collected any Deficiency installments as aforesaid, Landlord shall be entitled to recover from Tenant, and Tenant shall pay to Landlord, on demand, in lieu of any further Deficiencies, as and for liquidated and agreed final damages (it being agreed that it would be impracticable or extremely difficult to fix the actual damages), a sum (hereinafter, the "Liquidated Damages Amount") equal to the total amount of Rent reserved in this Lease for the period which otherwise would have constituted the unexpired portion of the Term, less the aggregate amount of Deficiencies theretofore collected by Landlord pursuant to the provisions of Section 10(b)(1)(III) for the same period. If Landlord shall elect to recover liquidated damages from Tenant pursuant to the provisions of this Section 10(b)(1)(IV), Landlord shall be entitled to a judgment in its favor in the total amount of the Liquidated Damages Amount notwithstanding that Landlord may have theretofore or shall thereafter relet the Premises pursuant to the provisions of Section 10(b)(1)(II); provided, however, that if Landlord shall relet the Premises pursuant to the provisions of Section 10(b)(1)(II) for any portion(s) of the period which otherwise would have constituted the unexpired portion of the Term, Landlord's collection of such judgment may be offset by the aggregate amount of any rents actually collected by Landlord as a result of such reletting after first deducting the following costs and expenses actually incurred by Landlord (i) the cost and expense of terminating this Lease, re-entering, retaking, repossessing, repairing and/or altering the Premises, or any part thereof, and the costs and expenses of removing all persons and property therefrom, including in such costs brokerage commissions, legal expenses and reasonable attorneys' fees and disbursements, and (ii) all of the costs and expenses sustained in securing any new tenants and other occupants, including in such costs and expenses brokerage commissions, reasonable attorneys' fees, costs and disbursements and other costs and expenses of preparing the Premises for reletting, and, if Landlord shall maintain and operate the Premises, the costs and expenses of operating and maintaining the Premises.

(c) No termination of this Lease pursuant to Section 10(a)(1) or Section 10(a)(2), and no taking possession of and/or reletting the Premises, or any part thereof, pursuant to Section 10(a)(2) and/or Section 10(b)(1)(II), shall relieve Tenant of its liabilities and obligations hereunder, all of which shall survive such expiration, termination, repossession or reletting.

(d) To the extent not prohibited by Law, Tenant hereby waives and releases all rights now or hereafter conferred by statute or otherwise that would have the effect of limiting or modifying any of the provisions of this Article. Tenant shall execute, acknowledge and deliver any instruments which Landlord may request, whether before or after the occurrence of an Event of Default, evidencing such waiver or release.

(e) Suit or suits for the recovery of damages, or for a sum equal to any installment or installments of Rent payable hereunder or any Deficiencies or other sums payable by Tenant to Landlord pursuant to this Article, may be brought by Landlord from time to time at Landlord's election, and nothing herein contained shall be deemed to require Landlord to await the date whereon this Lease or the Term would have expired by limitation had there been no Event of Default by Tenant and termination.

(f) Nothing contained in this Article 10 or Article 11 shall limit or prejudice the right of Landlord to prove and obtain as liquidated damages in any bankruptcy, insolvency, receivership, reorganization or dissolution proceeding an amount equal to the maximum allowed by a statute or rule of law governing such proceeding and in effect at the time when such damages are to be proved, whether or not such amount shall be greater than, equal to or less than the amount of the damages referred to in any of the preceding sections of this Article 10 or Article 11.

(g) No receipt of monies by Landlord from Tenant after the termination of this Lease, or after the giving of any notice of the termination of this Lease (unless such receipt cures the Event of Default which was the basis for the notice), shall reinstate, continue or extend the Term or affect any notice theretofore given to Tenant, or operate as a waiver of the right of Landlord to enforce the payment of Rent payable by Tenant hereunder or thereafter falling due, or operate as a waiver of the right of Landlord to recover possession of the Premises by proper remedy, except as herein otherwise expressly provided; after the service of notice to terminate this Lease or the commencement of any suit or summary proceedings, or after a final order or judgment for the possession of the Premises, Landlord may demand, receive and collect any monies due or thereafter falling due without in any manner affecting such notice, proceeding, order, suit or judgment, all such monies collected being deemed payments on account of the use and occupation of the Premises or, at the election of Landlord, on account of Tenant's liability hereunder.

(h) Except as otherwise expressly provided herein, Tenant hereby expressly waives the service of any notice of intention to reenter provided for in any statute, or of the institution of legal proceedings to that end, and Tenant, for and on behalf of itself and all persons claiming through or under Tenant, also waives any and all right of redemption provided by any law or statute now in force or hereafter enacted or otherwise, or re-entry or repossession or to restore the operation of this Lease in case Tenant shall be dispossessed by a judgment or by warrant of any court or judge or in case of re-entry or repossession by Landlord or in case of any expiration or termination of this Lease. The terms "enter", "reenter", "entry" or "re-entry", as used in this Lease are not restricted to their technical legal meaning.

(i) In the event of any breach or threatened breach by Tenant of any of the covenants, agreements, terms or conditions contained in this Lease, Landlord shall be entitled to enjoin such breach or threatened breach and shall have the right to invoke any rights and remedies allowed at law or in equity or by statute or otherwise as though reentry, summary proceedings and other remedies were not provided for in this Lease.

(j) Each right and remedy of Landlord provided for in this Lease shall be cumulative and shall be in addition to every other right or remedy provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise, and the exercise by Landlord of any one or more of such rights or remedies shall not preclude the simultaneous or later exercise by Landlord or be deemed a waiver of any or all other rights or remedies provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise.

(k) Tenant shall pay to Landlord, as Additional Rent, all costs and expenses, including, without limitation, reasonable attorneys' fees, costs and disbursements, together with interest thereon at the Applicable Rate, paid or incurred by Landlord in connection with or arising out of (i) any action or proceeding to which Landlord may be made a party by reason of any act or omission of Tenant or anyone acting or claiming by or through Tenant, (ii) enforcing any of the covenants and provisions of this Lease, (iii) any action or proceeding (including, without limitation, the preparation and service of any notices, including notices of default whether or not a proceeding is initiated, and any arbitration or mediation) brought by Landlord against Tenant on account of the provisions hereof (in which event all such costs, expenses and reasonable attorneys' fees and disbursements may be included in and form a part of any judgment entered in any such action or proceeding), (iv) any action or proceeding brought by Tenant against Landlord in which Tenant shall fail to be the prevailing party and secure against Landlord a final unappealable judgment for the relief sought by Tenant, or (v) any other appearance by Landlord (or any officer, member, principal, agent or employee of Landlord) as a witness or otherwise in any action or proceeding involving or affecting Landlord, Tenant, or this Lease. All of the costs and expenses paid or incurred by Landlord as aforesaid, with interest thereon at the Applicable Rate, shall be Additional Rent and shall be due and payable by Tenant to Landlord within ten (10) days of demand. In addition to Tenant's obligation to pay the foregoing costs and expenses, Tenant shall also be obligated to pay to Landlord, as Additional Rent, within twenty (20) days of demand, an administrative fee of \$200.00 for the preparation and service of each notice from Landlord to Tenant under or pursuant to this Lease, such as a notice of default, a notice of termination or a statutory rent demand. Notwithstanding the foregoing, Tenant shall not be required to pay such administrative fee for the first notice provided by Landlord within any given calendar year.

## 11. Bankruptcy.

(a) If at any time after the execution date of this Lease or during the Term of this Lease:

(i) Tenant shall file a petition commencing a voluntary case under the Federal Bankruptcy Code (Title 11 of the United States Code), now or hereafter in effect, or under any similar law, or file a petition in bankruptcy or for reorganization or for an arrangement pursuant to any state bankruptcy law or any similar law; or

(ii) an involuntary case against Tenant as debtor is commenced by a petition under the Federal Bankruptcy Code (Title 11 of the United States Code), as now or hereafter in effect, or under similar law, or a petition or answer proposing the adjudication of Tenant a bankrupt or its reorganization pursuant to any state bankruptcy law or any similar state law shall be filed in any court and Tenant shall consent to or acquiesce in the filing thereof; or in such case, the petition or answer shall not be dismissed, discharged or denied within sixty (60) days after the filing thereof; or

(iii) a custodian, receiver, United States Trustee, trustee or liquidator of Tenant or of all or substantially all of Tenant's property or of the Premises shall be appointed in any

proceedings brought by Tenant; or if such custodian, receiver, United States Trustee, trustee or liquidator shall be appointed in any proceedings brought against Tenant and shall not be discharged within sixty (60) days after such appointment; or if Tenant shall consent to or acquiesce in such appointment; or

(iv) Tenant shall generally not pay Tenant's debts as such debts become due, or shall make an assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as they become due,

then, at the sole and absolute option of Landlord, after notice of the happening of any one or more of the aforementioned events, this Lease may be cancelled and terminated by notice to such effect given by Landlord to Tenant or its custodian, receiver, trustee or liquidator, as the case may be.

(b) If an order for relief is entered, or if any stay or other act becomes effective in favor of Tenant or Tenant's interest in this Lease in any proceeding which is commenced by or against Tenant under the Federal Bankruptcy Code (Title 11 of the United States Code), as now or hereafter in effect, or under any other present or future applicable federal, state or other statute or law, Landlord shall be entitled to invoke any and all rights and remedies available to it under such bankruptcy code, statute, law or this Lease, including, without limitation, such rights and remedies as may be necessary to adequately protect Landlord's right, title and interest in and to the Premises or any part thereof and adequately assure the complete and continuous future performance of Tenant's obligations under this Lease. Adequate protection of Landlord's right, title and interest in and to the Premises, and adequate assurance of the complete and continuous future performance of Tenant's obligations under this Lease shall include, without limitation, the following requirements: (i) that Tenant comply with all of its obligations under this Lease; (ii) that Tenant pay to Landlord, on the first day of each month occurring subsequent to the entry of such order, or the effective date of such stay, a sum equal to the aggregate Rent payable for such monthly period; (iii) that Tenant continue to use the Premises in the manner required by this Lease; (iv) that Tenant pay to Landlord within thirty (30) days after entry of such order or the effective date of such stay, as adequate assurance of the complete and continuous future performance of Tenant's obligations under this Lease, an additional security deposit in an amount reasonably acceptable to Landlord; and (v) that Tenant has and will continue to have unencumbered assets after the payment of all secured obligations and administrative expenses to assure Landlord that sufficient funds will be available to fulfill the obligations of Tenant under this Lease.

## 12. Repairs and Maintenance.

(a) Subject to the terms of this Article 12, Landlord shall maintain and repair the exterior, sidewalks and public portions of the Building including the lobby and other common areas (excluding, however, the exterior and interior of all windows (but including any mechanical failure of exterior windows, inclusive of ballasts, except to the extent any such failure is caused by the negligence or willful misconduct by Tenant or its employees or contractors), plate glass, showcases, doors, door frames and bucks located in the Premises) and the foundation and roof of the Building, and shall make all necessary repairs to the structure of the Building and to the Building's mechanical, HVAC, electrical and plumbing systems up to the point of entry to the Premises (except if any such repairs are required by the negligence or willful misconduct of Tenant or Tenant's employees or contractors in which event all such repairs at Tenant's sole cost and expense, which shall be commercially reasonable, and paid to Landlord within twenty (20) days of delivery of an invoice). Notwithstanding the foregoing or anything else to the contrary herein contained, Landlord shall not

have any obligations or liabilities to Tenant to make any repairs or replacements unless Landlord's failure to do so shall have an adverse effect upon Tenant's use of the Premises as permitted under this Lease. Nothing contained in this Section 12(a) shall require Landlord to maintain or repair the systems within the Premises that distribute within the Premises electricity, HVAC or water.

(b) Tenant shall, at Tenant's sole cost and expense, throughout the Term, take good care of the Premises, including the fixtures and appurtenances therein, the Alterations, the systems within the Premises that distribute within the Premises electricity, HVAC or water and the exterior and interior of all windows (but excluding any mechanical failure of exterior windows, inclusive of ballasts, except to the extent any such failure is caused by the negligence or willful misconduct by Tenant or its employees or contractors), plate glass, showcases, doors, door frames and bucks located in the Premises, as and when needed to preserve the same in good working order and condition, except for reasonable wear and tear, obsolescence and damage for which Tenant is not responsible pursuant to the provisions of Article 16 and Article 17 hereof. All damage or injury to the Premises or to any other part of the Building, or to its fixtures, equipment and appurtenances, whether requiring structural or nonstructural repairs, caused by or resulting from (i) any act, omission, neglect or improper conduct of, or Alterations made by, Tenant, Tenant's subtenants, agents, contractors, employees, invitees or licensees, inclusive of the Building's sprinkler system, or (ii) any work, labor, service or equipment done for or supplied to Tenant or any subtenant or arising out of the installation, use or operation of the property or equipment of Tenant or any subtenant, shall be repaired promptly by Tenant, at its sole cost and expense, to the reasonable satisfaction of Landlord, or, at Landlord's option, Landlord shall effect such repairs and Tenant shall pay the cost thereof as Additional Rent. Tenant also shall repair all damage to the Building and the Premises caused by the moving of Tenant's fixtures, furniture or equipment. All the aforesaid repairs shall be of quality or class substantially equal to the original work or construction and shall be made in accordance with the provisions of Article 6 hereof.

(c) Tenant shall give Landlord prompt notice of any defective condition in any mechanical, electric, sanitary, plumbing (including without limitation, leaks and back-ups), utility and other service system (or any part thereof), located in, servicing or passing through the Premises. If Tenant shall fail to make any repairs or shall default in the observance or performance of any term or covenant on Tenant's part to be observed or performed under or by virtue of any of the terms or provisions in any Article of this Lease, and such failure continues for ten (10) days after notice from Landlord, Landlord may immediately or at any time thereafter, perform the same for the account of Tenant, and if Landlord makes any expenditures or incurs any obligations for the payment of money in connection therewith including, but not limited to reasonable attorneys' fees and disbursements as a result of or arising out of any such default by Tenant such sums paid or obligations incurred, with interest at the Applicable Rate, shall be deemed Additional Rent and shall be paid by Tenant to Landlord within twenty (20) days of rendition of any bill therefor.

13. Unavoidable Delays and Interruptions of Service.

(a) Landlord reserves the right to stop service of the mechanical, electric, sanitary, plumbing, utility and other service systems, when necessary, by reason of accident or emergency, or for repairs, alterations, replacements or improvements in the judgment of Landlord desirable or necessary to be made, until said repairs, alterations, replacements or improvements shall have been completed provided that, Landlord shall take commercially reasonable steps to minimize interference and disruption to Tenant's use of the Premises, provided Landlord shall not be required to perform any of the foregoing on an "over-time" or "premium-pay" basis. Except as set forth in Section 13(c) below, there shall be no allowance to Tenant for a diminution of rental value and no liability on the part

of Landlord by reason of inconvenience, annoyance, interruption of, or injury to business arising from Landlord, Tenant or others making, or failing to make, any repairs, alterations, replacements or improvements in or to any portion of the Building or the Premises, or in or to fixtures, appurtenances, or equipment thereof provided that, Landlord shall take commercially reasonable steps to minimize interference and disruption to Tenant's use of the Premises, provided Landlord shall not be required to perform any of the foregoing on an "over-time" or "premium-pay" basis.

(b) Except as set forth in Section 13(c) below, this Lease and the obligation of Tenant to pay Rent, and to perform all of the other covenants and agreements hereunder on the part of Tenant to be performed, shall in no way be affected, impaired or excused because of interruption or curtailment in the supply of electric energy and/or water or for interruption, curtailment or failure to supply heat, ventilation, air conditioning or other services or because Landlord is unable to fulfill any of its obligations under this Lease expressly or impliedly to be performed by Landlord or because Landlord is unable to make, or is delayed in making, any repairs, alterations, replacements or improvements or is unable to supply or is delayed in supplying any equipment or fixtures, if Landlord is prevented or delayed from so doing for any reason beyond its reasonable control, including, without limitation, an event of Force Majeure (defined hereinafter), nor shall any of the foregoing constitute an actual or constructive eviction, in whole or in part, or impose any liability upon Landlord or its agents by reason of inconvenience, lost business or annoyance to Tenant, or injury to or interruption of Tenant's business, or otherwise. Landlord shall use reasonable efforts to restore any service required of it that becomes unavailable.

(c) Landlord shall use commercially reasonable efforts to restore any service required of it that becomes unavailable; however, such unavailability shall not render Landlord liable for any damages caused thereby, be a constructive eviction of Tenant, constitute a breach of any implied warranty, or, except as provided in the next sentence, entitle Tenant to any abatement of Tenant's obligations hereunder. If, however, the Premises or any portion thereof is rendered "untenantable" within the meaning provided for such term in this Section 13(c) and Tenant ceases the operation of its business within such portion of the Premises, except for Disaster Functions (herein called the "Abatement Threshold Requirement"), as the result of the (i) unavailability of a service, capacity or facility to be provided by Landlord hereunder or (ii) Landlord's failure to perform the repairs, replacements and maintenance required to be performed by Landlord hereunder and, in either case, the same is not due to (1) an act or omission of Tenant, its, agents, representatives, contractors or employees, (2) a Force Majeure event, or (3) casualty or condemnation, and such condition continues for a period in excess of ten (10) consecutive business days after (1) Tenant furnishes written notice to Landlord (herein called the "Abatement Notice") certifying that the Abatement Threshold Requirement has been met, then Rent payable with respect to the portion of the Premises untenable shall be abated on a per diem basis for the period commencing on the first (1st) day after the expiration of such ten (10) consecutive business day period and ending on the earlier of (x) the date Tenant reoccupies the affected portion of the Premises for the conduct of its business other than Disaster Functions, and (y) the date on which such portion of the Premises is no longer "untenantable". For purposes of this Section, the term "untenantable" shall mean inaccessible or unusable for the normal conduct of Tenant's business in the ordinary course and Tenant ceases the operation of its business within the Premises (or the portion thereof deemed "untenantable", as the case may be) other than to the limited extent of Tenant's security personnel for the preservation of Tenant's property, Tenant's insurance adjusters, and/or a minimal number of Tenant's employees for file retrieval, planning of temporary relocation or return and other disaster recovery functions (collectively, herein called "Disaster Functions"). Notwithstanding anything to the contrary set forth in this Section 13(c), Tenant shall not be entitled to an abatement in Rent if Tenant is covered for losses suffered as a result of the

Premises being "untenantable" under its insurance policies or would be covered under such policies had Tenant maintained the business interruption insurance which Tenant is required to maintain under Article 15 of this Lease.

14. Compliance With Laws.

(a) Tenant, at its sole cost and expense, shall comply with all Laws and with any direction of any public officer or officers, pursuant to Law, any other similar body which shall impose any violation, order or duty upon Landlord or Tenant with respect to the Premises as a result of any Alterations or with respect to or arising out of the use or manner of use or occupation thereof by Tenant. Tenant shall not be required to make any Alteration to the structure of the Building or to the Building systems (including, the mechanical, plumbing and electrical systems serving the Building as a whole) in either case to comply with any Laws, unless (i) such Alteration is required by reason of Alterations having been performed by Tenant (or another Person claiming by, through or under Tenant), or (ii) such Alteration is required by reason of the specific nature of the use of the Premises by Tenant (or such other Person), as opposed to the use of the Premises for the general purposes otherwise permitted under Article 2 hereof. Tenant shall not do or permit to be done any act or thing upon the Premises which will invalidate or be in conflict with any insurance policies covering the Building and fixtures and property therein or any covenants, restrictions, easements or other agreements of record affecting the Real Property or any part thereof or interest therein, and shall not do, or permit anything to be done in or upon the Premises, or bring or keep anything therein, except as now or hereafter permitted by any Governmental Authority or other authority having jurisdiction and then only in such quantity and manner of storage as not to increase the rate for fire insurance applicable to the Building, or use the Premises in a manner which shall increase the rate of fire insurance on the Building over that in similar type buildings or in effect prior to this Lease. Any work or installation made or performed by or on behalf of Tenant or any person claiming through or under Tenant pursuant to this Article 14 shall be made in conformity with, and subject to the provisions of, Article 6 hereof. If by reason of the failure of Tenant to comply with the provisions of this Article, the fire insurance rate shall at the beginning of this Lease or at any time thereafter be higher than it otherwise would be, then Tenant shall reimburse Landlord, as Additional Rent hereunder, for that part of all fire insurance premiums thereafter paid by Landlord which shall have been charged because of such failure or use by Tenant. In any action or proceeding wherein Landlord and Tenant are parties, a schedule or "make up" of rates for the Building or the Premises issued by the New York Fire Insurance Rating Organization, or other body fixing such fire insurance rates, shall be conclusive evidence of the facts therein stated and of the several items and charges in the fire insurance rates then applicable to the Premises.

(b) Tenant shall give prompt notice to Landlord of any notice Tenant receives of the violation of any applicable permits and authorizations and building and zoning laws and of any other Laws affecting the Premises, and shall comply with all such Laws and requirements of public authorities which shall, with respect to the Premises or the use or occupancy thereof, or the abatement of any nuisance, impose any violation, order or duty on Landlord or Tenant, arising from Tenant's use of the Premises.

15. Insurance.

(a) Tenant shall obtain and keep in full force and effect continuously throughout the Term: (i) a policy of commercial general liability insurance, with a broad form contractual liability endorsement, with minimum limits of liability in a combined single limit with respect to each occurrence and in the aggregate, written on a per location basis, in an amount not less than



\$5,000,000.00 for injury (or death), inclusive of not less than \$2,000,000.00 in primary coverage, and not less than \$3,000,000.00 in excess liability/umbrella coverage written on a per location basis, under which Tenant is named as the insured. Such insurance shall include, without limitation, coverage for any liability whatsoever occasioned by any occurrence in, on or about, or resulting from the use, operation and/or maintenance of the Premises, or the fixtures or equipment therein or the elevator, stairways, sidewalks, passageways and other areas adjacent to the Premises, and shall provide for no deductible with respect to primary coverage and for a deductible or retention of not more than \$10,000.00 with respect to excess liability umbrella coverage; (ii) property insurance written on an "All Risks" or "Special Cause of Loss" form covering Tenant's business personal property, stock and, if applicable, inventory, and leasehold improvements, at one hundred (100%) percent of the full replacement value of all of the original tenant improvements installed in the Premises under this Lease, any and all Alterations and all other contents of the Premises (including, without limitation, Tenant's trade fixtures, decorations, furnishings, equipment and personal property), with a deductible of not more than \$5,000.00; (iii) worker's compensation insurance in statutory limits and employer's liability coverage the greater of \$1,00,000.00 or as statutorily required for each occurrence and in the aggregate; and (iv) business interruption, loss of income and extra expense insurance in an amount not less than the highest aggregate amount of Rent payable during any one (1) year during the Term. Landlord shall have the right to require Tenant to increase any or all of the insurance coverage limits specified above from time to time during the Term to such amount(s) which Landlord is then currently requiring for similar tenancies in the Building, and which Landlord shall reasonably determine are then customarily being required by landlords of comparable buildings in Manhattan or required by the holder of a Superior Lease (defined hereinafter) or the holder of a Mortgage (defined hereinafter). Landlord and its agents, and any mortgagees and holders of Superior Leases, shall be named on Tenant's commercial general liability insurance policy as additional insureds, as more particularly described on the form certificate of insurance attached to this Lease as Schedule B. All such liability policies shall contain provisions that no act or omission of Tenant shall affect or limit the obligation of the insurance company to pay the amount of any loss sustained and that the coverage afforded is primary and non-contributory with any similar insurance coverage which may now or hereafter be maintained by Landlord. All such policies shall be non-cancellable with respect to Landlord and its agents, without thirty (30) days' notice to Landlord by certified mail, return receipt requested, which notice shall contain the policy number and the names of the insureds. All insurance required to be carried by Tenant pursuant to the terms of this Lease shall be effected under valid and enforceable policies issued by reputable and independent insurers licensed to do business in the State of New York, and rated in Best's Insurance Guide, or any successor thereto (or if there be none, an equivalent organization selected by Landlord) as having a general policyholder rating of "A plus, Class X", or better. Prior to the date that Tenant takes possession of the Premises (but in no event later than three (3) business days prior to the Commencement Date if Tenant does not enter the Premises pursuant to Section 1 (h) hereof) and if Tenant is permitted to enter the Premises pursuant to Section 1 (h) no later than three (3) business days prior such entry), and as a condition to Tenant having the right to take possession of the Premises, Tenant shall deliver to Landlord a certificate of insurance in the form attached to this Lease as Schedule B, reflecting the insurance coverage required to be maintained by Tenant pursuant to the provisions of this Article 15(a). Upon Landlord's request, duplicates of all insurance policies maintained by Tenant pursuant to the provisions of this Article 15(a) shall be delivered to Landlord; provided that unless and Event of Default has occurred and is continuing Landlord shall not make such request more than one (1) time in any twelve (12) month period.

(b) Tenant shall timely pay in full all premiums and charges for all policies of insurance required to be secured and provided by Tenant pursuant to this Lease. If Tenant shall fail to make any payment when due, or if Tenant shall fail to provide evidence of any such coverage as

required by this Lease, then in addition to any and all other rights and remedies of Landlord, Landlord may, but shall not be obligated to, make such payment and/or secure such policy, and the amounts paid by Landlord, with interest thereon at the Applicable Rate (hereinafter defined), shall be repaid to Landlord by Tenant within twenty (20) days after demand, and all such amounts so repayable, together with such interest, shall be considered as Additional Rent. Payment by Landlord of any such premium or the securing by Landlord of any such policy shall not be deemed to waive or release the default of Tenant with respect thereto. Additionally, if Tenant fails to maintain any insurance which Tenant is required to maintain pursuant to this Lease, Tenant shall also be liable to Landlord for any costs, expenses and damages incurred and/or suffered by Landlord which shall arise from Tenant's failure to maintain such insurance including, without limitation, reasonable attorneys' fees and disbursements and court costs. Tenant may not self-insure against any risks required to be covered by insurance pursuant to the provisions of this Lease.

(c) The parties hereto shall each procure an appropriate clause in, or endorsement on, any fire or extended coverage insurance covering the Premises, the Building and personal property, fixtures and equipment located thereon or therein, pursuant to which the insurance companies waive subrogation, consent to a waiver of right of recovery or permit any other form of release, and having obtained such clauses and/or endorsements of waiver of subrogation or consent to a waiver of right of recovery, each party shall not make any claim against or seek to recover from the other for any loss or damage to its property or the property of others resulting from fire or other hazards covered by such fire and extended coverage insurance to the extent coverage is afforded thereby, provided, however, that the release, discharge, exoneration and covenant not to sue herein contained shall be limited by, and coextensive with, the terms and provisions of the waiver of subrogation clause and/or endorsements consenting to a waiver of right of recovery or other form of release. If such waiver of subrogation, consent to a waiver of right of recovery or other form of release is unobtainable, each party shall advise the other of such fact. If the payment of an additional premium is required for the inclusion of such waiver of subrogation, consent to a waiver of right of recovery or other release provision, or if same are not obtainable, each party shall advise the other of the amount of any such additional premiums and the other party at its own election may but shall not be obligated to pay the same. If such other party elects not to pay the same, such other party shall notify the party obtaining the insurance of such fact, in which event the party obtaining the insurance shall have no further obligation to obtain such clauses and/or endorsements under the policy.

16. Casualty.

(a) Tenant shall give immediate notice to Landlord in case of fire or accident in or about the Premises or in the Building. If the Premises shall be damaged by fire or other insurable casualty, Landlord shall perform Landlord's Restoration Work (defined hereinafter) at its expense promptly after the collection of the insurance proceeds attributable to such damage. Until such Landlord's Restoration Work is substantially completed, the Rent shall be reduced in the proportion which the area of the part of the Premises which is not usable by Tenant bears to the total area of the Premises. Upon Landlord's substantial completion of Landlord's Restoration Work, Tenant shall promptly commence and diligently pursue to completion, Tenant's Restoration Work (defined hereinafter). Landlord will not carry insurance of any kind on, and shall have no obligation to repair any damage to, or to replace, any Alterations, fixtures, furniture, furnishings, equipment or other property or effects of Tenant; the obtaining of insurance coverage for loss of such property or effects of Tenant shall be at the sole cost and expense of Tenant. The term (a) "Landlord's Restoration Work" means all of the work necessary to repair, restore, replace and rebuild the structural components of the Premises and the base Building systems serving the Premises and Landlord's Work to substantially the

same condition as that in which it was immediately prior to the occurrence of the fire or other casualty; provided, however, that Landlord's Restoration Work shall not include the repair, restoration, replacement or the rebuilding of, any alterations, installations, additions or improvements performed by or on behalf of Tenant, including, without limitation, Tenant's Work, or any personal property of Tenant including, without limitation, any part of the furniture, business equipment or other personal property which may have been placed by Tenant within the Premises; and (b) "Tenant's Restoration Work" shall include all of the work necessary to repair, restore, replace and rebuild the Premises (including the Initial Installations and Alterations) to substantially the same condition as that in which it was in immediately prior to the occurrence of the fire or other casualty, with the exclusion of Landlord's Restoration Work.

(b) Anything in Section 16(a) to the contrary notwithstanding, (i) if more than twenty-five percent (25%) of the rentable area of the Premises or if more than twenty-five percent (25%) of the Building is totally damaged or in Landlord's opinion are rendered wholly untenantable, and if Landlord shall decide not to restore the Premises, (ii) if the Building shall be so damaged by fire or other casualty that, in Landlord's opinion, substantial alteration, demolition, or reconstruction of the Building shall be required (whether or not the Premises shall have been damaged or rendered untenantable), (iii) it is estimated by Landlord that the substantial completion of Landlord's Restoration Work will exceed twelve (12) months, or (iv) if the cost of Landlord's Restoration Work exceeds \$50,000 and there will be less than twelve (12) months remaining in the Term as of the anticipated substantial completion date of Landlord's Restoration Work, then in any of such events, Landlord, at Landlord's option, may, not later than sixty (60) days following the damage, give Tenant a notice in writing terminating this Lease, provided Landlord also terminates all similarly situated leases of tenants of the Building. If Landlord elects to terminate this Lease, the Term shall expire upon the thirtieth (30th) day after such notice is given, and Tenant shall vacate the Premises and surrender the same to Landlord. If Tenant shall not be in default under this Lease, then upon the termination of this Lease under the conditions provided for in the immediately preceding sentence, Tenant's liability for Rent accruing after the date of such termination shall cease.

(c) Anything in Section 16(a) to the contrary notwithstanding, if (i) it is estimated by Landlord that the substantial completion of Landlord's Restoration Work will exceed twelve (12) months from the date of damage, (ii) there will be less than twelve (12) months remaining in the Term as of the anticipated substantial completion date of Landlord's Restoration Work, (iii) Landlord has not substantially completed Landlord's Restoration Work by the date immediately following such twelve (12) month period, subject to extension as a result of an event of Force Majeure event or delays caused by Tenant, its employees, agents or contractors, or (iv) if more than twenty-five percent (25%) of the rentable area of the Premises shall be substantially damaged during the last twelve (12) months of the Term and, as a result of such damage, Tenant is prevented from operating its business in the Premises in the ordinary course, then Tenant shall have the right to terminate this Lease by giving written notice to Landlord, in the case of (A) clauses (i), (ii) and (iv) no later than sixty (60) days, following delivery of the written notice to Tenant of the foregoing, and (B) clause (iii), following the expiration of the twelve (12) month period referenced above provided that if Tenant shall exercise its right to terminate this Lease as provided for in clause (B) and Landlord nonetheless substantially completes its restoration obligations prior to the date which is thirty-one (31) days following such termination, Tenant's termination of this Lease shall automatically be revoked and this Lease shall continue in full force and effect. Should Tenant have not timely exercised its right to terminate this Lease described in this Section (c), upon Landlord's substantial completion of Landlord's Restoration Work Tenant shall have no further right to terminate this Lease pursuant to this Article 16.

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

17. Condemnation.

(a) If the whole of the Real Property, the Building or the Premises shall be acquired or condemned for any public or quasi-public use or purpose, this Lease and the Term shall end as of the date of the vesting of title with the same effect as if said date were the Expiration Date. If only a part of the Real Property shall be so acquired or condemned then (i) except as hereinafter provided in this Section 17(a), this Lease and the Term shall continue in force and effect, but if a part of the Premises is included in the part of the Real Property so acquired or condemned, from and after the date of the vesting of title, the Rent shall be reduced in the proportion which the area of the part of the Premises so acquired or condemned bears to the total area of the Premises immediately prior to such acquisition or condemnation; and (ii) if the part of the Real Property so acquired or condemned shall contain more than thirty per cent (30%) of the total area of the Premises immediately prior to such acquisition or condemnation, or if, by reason of such acquisition or condemnation, Tenant no longer has reasonable means of access to the Premises, Tenant or Landlord, at its option, may give to the other, within sixty (60) days following the date upon which Landlord or Tenant shall have received notice of vesting of title, a five (5) days' notice of termination of this Lease. If any such five (5) days' notice of termination is given by Landlord or Tenant, this Lease and the Term shall come to an end and expire upon the expiration of said five (5) days with the same effect as if the date of expiration of said five (5) days were the Expiration Date. If a part of the Premises shall be so acquired or condemned and this Lease and the Term shall not be terminated pursuant to the foregoing provisions of this Section 17 (a), Landlord, at Landlord's expense, shall restore that part of the Premises not so acquired or condemned to a self-contained rental unit with access substantially similar to that in effect on the Commencement Date. In the event of any termination of this Lease and the Term pursuant to the provisions of this Section 17(a), the Rent shall be apportioned as of the date of sooner termination and any prepaid portion of Rent for any period after such date shall be promptly refunded by Landlord to Tenant.

(b) In the event of any such acquisition or condemnation of all or any part of the Real Property, Landlord shall be entitled to receive the entire award for any such acquisition or condemnation, Tenant shall have no claim against Landlord or the condemning authority for the value of any unexpired portion of the Term and Tenant hereby expressly assigns to Landlord all of its right in and to any such award. Nothing contained in this Section 17(b) shall be deemed to prevent Tenant from making a claim in any condemnation proceedings against the condemning authority for the value of any furnishings and fixtures installed by and at the sole expense of Tenant and the cost of Tenant's move included in such taking provided such claim does not diminish or adversely affect Landlord's award.

18. Subordination; Estoppel.

(a) This Lease and all rights of Tenant hereunder are and shall be subject and subordinate in all respects to (i) all present and future ground leases and underlying leases and any and all renewals, extensions, supplements, amendments, modifications, replacements and substitutions thereof (collectively, the "Superior Leases" and individually, a "Superior Lease"), (ii) each and every

trust indenture and mortgage, including leasehold mortgages and spreader and consolidation agreements, and any and all renewals, extensions, supplements, amendments, modifications, replacements and substitutions thereof (collectively, the "Mortgages" and individually, a "Mortgage") which may now or hereafter affect the Real Property, the Building or any Superior Lease to which Landlord is a party and the leasehold interest created thereby, whether or not such Mortgage also shall cover other lands or buildings or leases, and (iii) to each and every advance made or to be made under any Mortgage or Superior Lease. This clause shall be self-operative and no further instrument of subordination shall be required to make the interest of any lessor or lessee under a Superior Lease, or any trustee or mortgagee of a Mortgage, superior to the interest of Tenant hereunder. However, in confirmation of such subordination, Tenant shall promptly execute and deliver any reasonable certificate that Landlord or the holder of any Superior Lease or Mortgage may reasonably request and is reasonably acceptable to Tenant, or if not, provide reasonable comments to such certificate, within ten (10) days of request. If Tenant has failed to execute and deliver or provide comment to the certificate so requested within the ten (10) day period, Landlord shall have the right to submit a second (2nd) written notice to Tenant which written notice shall indicate in bold and conspicuous print that "SHOULD TENANT FAIL TO EXECUTE AND DELIVER TO LANDLORD THE ENCLOSED CERTIFICATE WITHIN TEN (10) DAYS AFTER LANDLORD'S DELIVERY OF THIS NOTICE, LANDLORD SHALL BE AUTOMATICALLY AUTHORIZED TO EXECUTE THE ENCLOSED CERTIFICATE ON TENANT'S BEHALF". Should Tenant fail to execute and deliver such certificate by the end of such ten (10) day period, Landlord may execute the certificate on Tenant's behalf and the same shall be binding on Tenant as if Tenant had executed and delivered the same to Landlord. If, in connection with the obtaining, continuing or renewing of financing for which the Real Property, the Building, or the interest of the lessee under any Superior Lease to which Landlord is a party represents collateral, in whole or in part, a savings or commercial bank or trust company, insurance company, savings and loan association, a welfare, pension or retirement fund or system or any other lender (hereinafter, "Lender") shall be or become the holder of a Mortgage and shall request reasonable modifications to this Lease as a condition of such financing, Tenant shall not unreasonably withhold or delay its consent thereto, provided that such modifications do not materially and adversely increase the obligations of Tenant hereunder or materially impair the rights of Tenant under this Lease and in no event increase the amount of Rent payable by Tenant hereunder or decrease the term, except as otherwise expressly provided for in this Lease.

(b) In the event of any act or omission of Landlord which would give Tenant the right, immediately or after a lapse of a period of time, to cancel or terminate this Lease, or claim a partial or total eviction, Tenant shall not exercise such right (i) unless and until Tenant shall have given notice of such act or omission to Lender (to the extent a notice address for Lender has been provided to Tenant in writing, it being acknowledged by tenant that the notice address for Swedbank (defined hereinafter) has been provided to Tenant) and until a reasonable period for remedying such act or omission shall have elapsed following the giving of such notice (which reasonable period shall in no event be less than the period to which Landlord would be entitled under this Lease, or otherwise, after similar notice, to effect such remedy). If Lender shall succeed to Landlord's interest as lessee under a Superior Lease and/or to the rights of Landlord under this Lease, then, at Lender's election, Tenant shall attorn to and recognize Lender as Tenant's lessor under this Lease, and Tenant shall execute and deliver any reasonable instrument which Lender may reasonably request to evidence such attornment or if not, provide reasonable comments to such instrument, within ten (10) days of request. If Tenant has failed to execute and deliver or provide comments to any such instrument so requested within the ten (10) day period, Landlord shall have the right to submit a second (2nd) written notice to Tenant which written notice shall indicate in bold and conspicuous print that "SHOULD TENANT FAIL TO EXECUTE AND DELIVER TO LANDLORD THE ENCLOSED INSTRUMENT WITHIN TEN

(10) DAYS AFTER LANDLORD'S DELIVERY OF THIS NOTICE, LANDLORD SHALL BE AUTOMATICALLY AUTHORIZED TO EXECUTE THE ENCLOSED INSTRUMENT ON TENANT'S BEHALF". Should Tenant fail to execute and deliver such instrument by the end of such ten (10) day period, Landlord may execute the instrument on Tenant's behalf and the same shall be binding on Tenant as if Tenant had executed and delivered the same to Landlord. Notwithstanding anything to the contrary set forth in this Lease, in no event shall Lender be: (i) liable for any prior act or omission of Landlord; (ii) subject to any claims, offsets, credits or defenses which Tenant might have against any prior Landlord (including Landlord); (iii) bound by any assignment (except as otherwise expressly permitted under this Lease), surrender, release, waiver, amendment or modification of this Lease made without the prior consent of Lender; or (iv) obligated to make any payment to Tenant or liable for refund to Tenant of all or any part of any security deposit or other prepaid charge held by Landlord for any purpose, unless Lender shall have come into exclusive possession of such deposit or prepaid charge.

(c) Without limitation of the foregoing provisions of this Article 18, (i) Lender shall have the right at any time to notify Tenant to pay all Rents and other payments due pursuant to this Lease directly to Lender at such address and in such manner as Lender shall designate and (ii) Tenant is hereby irrevocably authorized and directed to pay and deliver all Rents and other amounts accruing or coming due from Tenant under this Lease to Lender in accordance with Lender's instructions without any obligation to inquire into or determine (1) the reasons for paying or delivering such amounts to Lender, (2) the application of such amounts, (3) the status of Landlord's relations with Lender or its agent, (4) whether an event of default has occurred under the Mortgage or (5) whether the demand is in compliance with the Mortgage. Tenant's payment of Rent to Lender after receipt of any notice hereunder shall be deemed compliance with its obligation to pay Rent to Landlord under this Lease.

(d) Landlord and Tenant acknowledge that Landlord is the tenant under an operating lease, dated February 1, 1954, the term of which expires on November 30, 2030 (the "Operating Lease"). In the event for any reason Landlord defaults under the Operating Lease for any reason whatsoever, Landlord shall not be liable to Tenant with respect to such default on its part under the Operating Lease. Landlord and Tenant hereby further acknowledge and agree that this Lease is subject and subordinate to the Operating Lease as well as the master lease for the Building in all respects. Tenant acknowledges that copies of the Operating Lease and the master lease have been made available to Tenant.

(e) Notwithstanding anything to the contrary set forth in this Article 18 to the contrary, Landlord shall use commercially reasonable efforts (it being agreed that "commercially reasonable" efforts do not require Landlord to commence a legal proceeding) to obtain from the holder of the existing Mortgage, Swedbank AB New York Branch ("Swedbank"), a subordination, non-disturbance and attornment agreement (the "SNDA") substantially in a form attached hereto as Exhibit G, with modifications, if any, reasonably proposed by Tenant and agreed to by Swedbank, in its sole discretion. All third-party costs and expenses incurred by Landlord in connection with the foregoing shall be paid by Tenant, as Additional Rent, within twenty (20) days of delivery of an invoice.

(f) From time to time, within twenty (20) days following Landlord's request, Tenant shall deliver to Landlord or its designee a certificate executed and acknowledged by Tenant, in form reasonably satisfactory to Landlord and Tenant, stating (i) that this Lease is then in full force and effect and has not been modified (or if modified, setting forth all modifications), (ii) the dates to which

the Base Rent and Additional Rent have been paid and the amounts of Base Rent and Additional Rent paid, (iii) to Tenant's knowledge, whether or not Landlord is in default under this Lease, and, if Landlord is in default, setting forth the specific nature of all such defaults, and (iv) any other matters reasonably requested by Landlord, a proposed holder of a Mortgage, Superior Lease or transferee of the Building. If Tenant fails to timely provide such certificate, within twenty (20) days of request, Landlord shall have the right to submit a second (2nd) written notice to Tenant which written notice shall indicate in bold and conspicuous print that "SHOULD TENANT FAIL TO EXECUTE AND DELIVER TO LANDLORD THE ENCLOSED CERTIFICATE WITHIN FIVE (5) DAYS AFTER LANDLORD'S DELIVERY OF THIS NOTICE, LANDLORD SHALL BE AUTOMATICALLY AUTHORIZED TO EXECUTE THE ENCLOSED CERTIFICATE ON TENANT'S BEHALF". Should Tenant fail to execute and deliver such certificate by the end of such five (5) day period, Landlord may execute the certificate on Tenant's behalf and the same shall be binding on Tenant as if Tenant had executed and delivered the same to Landlord. Tenant acknowledges that any certificate delivered pursuant to this Article may be relied upon by any purchaser or owner of the Real Property or the Building or any interest therein, or by any mortgagee of a Mortgage, or by an assignee of any mortgagee or a Mortgage, or by any lessor under any Superior Lease.

19. Landlord's Access.

(a) Landlord or Landlord's agents or representatives shall have the right to enter the Premises with reasonable prior notice to Tenant except in the case of an emergency in which event notice shall not be required (i) to examine the same at all reasonable times, (ii) to show them to prospective purchasers, mortgagees or lessees of the Building or space therein at all reasonable times, (iii) to make such repairs, alterations, improvements or additions as Landlord may deem necessary or desirable to the Premises or to any other portion of the Building, including all mechanical, electric, sanitary, plumbing, utility and other service system installations, and Tenant agrees that there shall be no construction of partitions or other obstructions which may unreasonably interfere with Landlord's free access thereto, or unreasonably interfere with the moving of Landlord's equipment to and from the enclosures containing said installations, (iv) to make such repairs, alterations, improvements or additions therein which Landlord may elect to perform following Tenant's failure to make repairs or perform any work which Tenant is obligated to perform under this Lease, or (v) to make such repairs, alterations, improvements or additions as may be required for the purpose of complying with applicable Laws. Tenant shall permit Landlord, Landlord's agents and the public utilities servicing the Building, upon reasonable prior notice (except where such entry is necessary in order to comply with applicable Laws or in the event of an emergency), to erect, construct, use and maintain ducts, pipes, conduits, supports, beams, scaffolding and wiring, in concealed positions where practicable, in and through the Premises and on the exterior portion of the Building as Landlord may deem necessary or desirable for the Premises or for any portion of the Building. Landlord shall, in good faith, use commercially reasonable efforts to avoid unreasonable interruption to Tenant's business caused by any such access(provided that Landlord shall not be required to perform any work on an over-time basis).

(b) In connection with the work to be performed pursuant to clauses (iii), (iv) or (v) of Section 19(a) above, Landlord shall be allowed to take all material and equipment into and upon the Premises that may be required therefor without the same constituting an eviction or constructive eviction of Tenant in whole or in part and the Rent shall in no way abate while said repairs, alterations, improvements or additions are being made, by reason of loss or interruption of business of Tenant, or otherwise, provided Landlord shall, in good faith, use commercially reasonable efforts to avoid unreasonable interruption to Tenant's business caused by any such access(provided that Landlord shall not be required to perform any work on an over-time basis).

(c) Upon reasonable prior notice to Tenant, during the one (1) year prior to the Expiration Date and during any time that an Event of Default shall have occurred and be continuing, Landlord may exhibit the Premises to prospective tenants thereof at a reasonable time. If Landlord has provided reasonable advance notice to Tenant of such entry and Tenant shall not be personally present to open and permit an entry into the Premises, Landlord or Landlord's agents may enter the same by a master key, or if Tenant has changed the locks without Landlord's consent, Landlord may forcibly enter the same, in each case, without rendering Landlord or such agents liable therefor, and without in any manner affecting the obligations and covenants of this Lease.

(d) Landlord also shall have the right at any time, without the same constituting an actual or constructive eviction and without incurring any liability to Tenant therefor, to change the arrangement and/or location of entrances or passageways, doors and doorways, and corridors, elevators, stairs, toilets or other public parts of the Building and to change the name, number or designation by which the Building is commonly known. All parts (except surfaces facing the interior of the Premises) of all walls, windows and doors bounding the Premises (including exterior Building walls, core corridor walls, doors and entrances), all balconies, terraces and roofs adjacent to the Premises, all space in or adjacent to the Premises used for shafts, stacks, stairways, chutes, pipes, conduits, ducts, fan rooms, heating, air conditioning and ventilation, plumbing and other mechanical facilities, service closets and other Building facilities, are not part of the Premises, and Landlord shall have the use thereof, as well as access thereto through the Premises for the purposes of operation, maintenance, alteration and repair, in accordance with the terms of this Lease.

20. Quiet Enjoyment. Provided that Tenant pays the Rent and fully and faithfully observes and performs all of the terms, covenants and conditions set forth in this Lease on Tenant's part to be observed and performed, Landlord shall not do anything during the Term as to unlawfully interfere with Tenant's peaceful and quiet enjoyment of the Premises, subject, nevertheless, to the terms and conditions of this Lease. Tenant shall not interfere with the quiet enjoyment of the other tenants of the Building.

21. Notices.

(a) All notices, demands, requests for consent and other communications to be sent by one party to the other hereunder or required by Law shall be in writing and shall be deemed to have been validly given or served by delivery of the same to the intended addressee, (i) by depositing the same with Federal Express or another reputable private courier service for next business day delivery, (ii) by depositing the same in the United States mail, postage prepaid, registered or certified mail, return receipt requested, or (iii) by delivering the same by hand (against a signed receipt), in each event addressed to the intended addressee at the address(es) set forth in the Basic Lease Provisions portion of this Lease.)

(b) All notices, demands and requests shall be effective upon one (1) business day after being deposited with the private courier service, three (3) business days after being deposited in the United States mail as required above, or on the date that it is hand delivered, as aforesaid. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given as herein required shall be deemed to be receipt of the notice, demand or request sent. By giving to the other party hereto at least fifteen (15) days' prior notice thereof in accordance with the provisions hereof, the parties hereto shall have the right from time to time to change their respective addresses and each shall have the right to specify as its address any other address within the United States of America.



(c) As a further inducement to Landlord to enter into this Lease with Tenant, with respect to the service of a notice of petition and petition upon Tenant by Landlord in any proceeding commenced by Landlord against Tenant under the Real Property Actions and Proceedings Law of the State of New York, service of such notice of petition and petition in any such proceeding shall be effective if made upon Tenant at the Premises, irrespective of the fact that Tenant's principal place of business, or any other office or place of business of Tenant, is located at a place other than the Premises.

22. Indemnification. (a) Tenant shall not do or permit any act or thing to be done upon the Premises which may subject Landlord to any liability or responsibility for injury, damages to persons or property or to any liability by reason of any violation of Law or of any legal requirement of public authority. Except to the extent due to the negligence or willful misconduct of Landlord, its employees, representatives, agents, invitees, or contractors, Tenant shall indemnify, defend and save harmless Landlord, each mortgagee under a Mortgage and each lessor under a Superior Lease, and their respective shareholders, officers, directors, agents, employees and representatives, from and against all claims of whatever nature against Landlord and such parties arising from (1) any act, omission or negligence of Tenant, its subtenants, contractors, licensees, agents, servants, invitees, employees or visitors, (2) any accident, injury or damage whatsoever caused to any person or to the property of any person and occurring during the Term in or about the Premises where such accident, injury or damage results from an act or omission (where Tenant has a duty to act) of Tenant or Tenant's agents, employees, or visitors, (3) any accident, injury or damage occurring outside of the Premises but anywhere within or about the Real Property, where such accident, injury or damage results or is claimed to have resulted from an act or omission (where Tenant has a duty to act) of Tenant or Tenant's agents, employees, or visitors, and (4) any breach, violation or non-performance of any covenant, condition or agreement in this Lease on the part of Tenant to be fulfilled, kept, observed and performed, or any misrepresentation made by Tenant hereunder. This indemnity and hold harmless agreement shall include indemnity from and against any and all liabilities, fines, suits, demands, costs and expenses of any kind or nature incurred in or in connection with any such claim or proceeding brought thereon and the defense thereof including, without limitation, reasonable attorneys' fees and disbursements but in no event shall Tenant be liable for any consequential, punitive or special damages except as set forth in Article 24 hereof. This indemnity and hold harmless agreement shall survive the expiration or earlier termination of this Lease. Tenant's indemnity obligations under this Section 22 (a) are subject to the terms of Section 15 (c) of this Lease.

(b) Except to the extent due to the negligence or willful misconduct of Tenant, its employees, representatives, agents, invitees, or contractors, Landlord shall indemnify, defend and save harmless Tenant, its shareholders, officers, directors, agents, employees and representatives harmless from and against all claims of whatever nature against Tenant and such parties arising from (1) any act, omission or negligence of Landlord, its contractors, agents and employees, (2) any accident, injury or damage whatsoever caused to any person or to the property of any person and occurring during the Term in or about the Premises where such accident, injury or damage results from an act or omission (where Landlord has a duty to act) of Landlord or Landlord's agents, employees, or visitors, (3) any accident, injury or damage occurring outside of the Premises but anywhere within or about the Real Property, where such accident, injury or damage results from an act or omission (where Landlord has a duty to act) of Landlord or Landlord's agents, employees, or contractors, and (4) any breach, violation or nonperformance of any covenant, condition or agreement in this Lease on the part of Landlord to be fulfilled, kept, observed and performed, or any misrepresentation made by Landlord hereunder. This indemnity and hold harmless agreement shall include indemnity from and against any and all liabilities, fines, suits, demands, costs and expenses of any kind or nature incurred in or in connection

with any such claim or proceeding brought thereon and the defense thereof including, without limitation, reasonable attorneys' fees and disbursements but in no event shall Landlord be liable for any consequential, punitive or special damages. This indemnity and hold harmless agreement shall survive the expiration or earlier termination of this Lease. Landlord's indemnity obligations under this Section 22 (b) are subject to the terms of Section 15 (c) of this Lease.

23. OFAC Representations

Tenant represents and warrants that (a) Tenant and each person or entity owning an interest in Tenant (if any) is (i) not currently identified on the Specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Assets Control, Department of the Treasury ("OFAC") and/or on any other similar list maintained by OFAC pursuant to any authorizing statute, executive order or regulation (collectively, the "List"), and (ii) not a person or entity with whom a citizen of the United States is prohibited to engage in transactions by any trade embargo, economic sanction, or other prohibition of United States law, regulation, or Executive Order of the President of the United States, (b) none of the funds or other assets of Tenant constitute property of, or are beneficially owned, directly or indirectly, by any Embargoed Person (as hereinafter defined), (c) no Embargoed Person has any interest of any nature whatsoever in Tenant (whether directly or indirectly), (d) none of the funds of Tenant have been derived from any unlawful activity with the result that the investment in Tenant is prohibited by Laws or that this Lease is in violation of Laws, and (e) to the extent necessary with respect to the conduct of Tenant's business, Tenant shall implement procedures, and will consistently apply those procedures, to ensure the foregoing representations and warranties remain true and correct at all times. The term "Embargoed Person" means any person, entity or government subject to trade restrictions under U.S. law, including but not limited to, the International Emergency Economic Powers Act, 50 U.S.C. §1701 et seq., the Trading with the Enemy Act, 50 U.S.C. App. 1 et seq., and any Executive Orders or regulations promulgated thereunder with the result that the investment in Tenant is prohibited by Laws or Tenant is in violation of Laws. If the foregoing representations or warranties are untrue at any time during the Term or if Tenant breaches the foregoing covenants at any time during the Term, a default by Tenant under this Lease will be deemed to have occurred, without the necessity of notice to Tenant. Tenant shall provide documentary and other evidence of Tenant's identity and ownership as may be reasonably requested by Landlord at any time to enable Landlord to verify Tenant's identity or to comply with the provisions of this Article 23. The terms of this Article 23 shall survive the expiration or earlier termination of this Lease.

24. End of Term; Holdover. Upon the expiration or earlier termination of the Term, Tenant shall quit and surrender the Premises to Landlord broom clean, in good order and condition, ordinary wear and tear and damage for which Tenant is not responsible under the terms of this Lease excepted, and Tenant shall remove all of its Personalty and Special Installations pursuant to the applicable provisions of this Lease. Tenant's obligation to observe or perform this covenant shall survive the expiration of the Term. If the last day of the Term falls on a Sunday, or a holiday, this Lease shall expire on the immediately preceding business day. Should Tenant hold over in possession after the expiration of the Term, 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) (the "Holdover Use and Occupancy Rate") shall be the product of: (a) one-twelfth (1/12) of the annual Rent payable for the twelve (12)-month period immediately preceding such holding over multiplied by (b) (1) for the first thirty (30) days of hold-over, 1.5, and (2) for each thirty (30) day period thereafter, 2, which amounts Tenant shall pay to Landlord promptly upon demand, in full without set-off. However, in no event

shall the Holdover Use and Occupancy Rate be less than the fair market rental value per month of the Premises as of the date of expiration of the Term, as such fair market rental value shall be reasonably determined by Landlord. Landlord and Tenant acknowledge and agree that the Holdover Use and Occupancy Rate is a fair and reasonable amount to be paid for the use and occupancy of the Premises during any holdover period, is not a penalty and is the minimum to which Landlord would be entitled in the event of a holdover by Tenant. In addition, if the Premises are not surrendered and vacated on the date which is ten (10) Business Days following the expiration or date of earlier termination, Tenant shall also be liable to Landlord for all losses, costs, liabilities and damages which Landlord actually incurs by reason thereof, including, without limitation, reasonable attorneys' fees, and consequential damages. Tenant shall indemnify, defend and hold Landlord harmless against all claims made by any succeeding occupant against Landlord or otherwise arising out of or resulting from the failure of Tenant to timely surrender and vacate the Premises in accordance with the provisions of this Lease. Tenant expressly waives, for itself and for any Person claiming by, through or under Tenant, any rights which Tenant or any such Person may have under the provisions of Section 2201 of the New York Civil Practice Law and Rules and of any successor law of like import then in force in connection with any holdover summary proceedings that Landlord institutes to enforce the provisions of this Article 24. The provisions of this Article shall survive the expiration or earlier termination of the Term and shall not be deemed to limit Landlord's rights or remedies hereunder or at law or in equity.

25. Hazardous Materials.

(a) During the term of this Lease, Tenant shall comply with all Environmental Laws applicable to the operation or use of the Premises and will cause all other persons occupying or using the Premises to comply with all such Environmental Laws. Tenant shall not cause or permit any Hazardous Materials to be brought upon, kept or used in or about the Premises by Tenant, its agents, employees, contractors or invitees, except for limited quantities of household cleaning products and office supplies required in connection with the routine operation and maintenance of the Premises, and in compliance with all applicable Environmental Laws. The failure to comply with this covenant and agreement (after notice and opportunity to cure provided for hereunder) shall constitute an Event of Default by Tenant under this Lease and shall entitle Landlord to all rights and remedies provided in this Lease and at law or in equity. The provisions of this Article 25 shall survive the expiration or earlier termination of this Lease.

(b) Provided there is reasonable basis to believe that Hazardous Materials are present on the Premises and Landlord provides written notice of such basis to Tenant, Landlord may perform an environmental site assessment of the Premises, prepared by an environmental consulting firm chosen by Landlord, indicating the presence or absence of Hazardous Materials caused or permitted by Tenant and the potential cost of any compliance, removal or remedial action in connection with any such Hazardous Materials on the Premises. Tenant hereby grants to Landlord and its agents access to the Premises and specifically grants Landlord an irrevocable non-exclusive license to undertake such an assessment. If the results of any such assessment reveal the presence of Hazardous Materials caused or permitted by Tenant and the cost of such assessment shall be due and payable by Tenant within twenty (20) days of receipt of an invoice therefor. Tenant will provide Landlord with copies of all communications regarding the Premises with any governmental agency relating to Environmental Laws.

(c) Asbestos encapsulation, removal or other treatment respecting asbestos in the confines of the Premises, as may be required by Law, shall, at all times, be at Tenant's cost and expense to the extent any such asbestos encapsulation, removal or other treatment respecting asbestos in the

confines of the Premises results from Tenant's violation of its obligations hereunder, and Landlord shall, within thirty (30) days following Tenant's notice, retain and hire the contractor or contractors to promptly render or perform such work, except as set forth below. Tenant agrees not to make any alterations, changes, repairs, decorations, additions or improvements, structural or non-structural, in and to any mechanical, electrical, air conditioning, heating or plumbing systems, which would require the dismantling or removal of the heating or air conditioning ducts, around the perimeter of the Premises, known by the trade name "Weathermaster", which shall at all times remain and continue to remain in the condition as rented to Tenant, and Landlord shall have the responsibility for maintaining same, except as may be damaged by Tenant. Without limitation of the foregoing provisions of this Article 25, in the event Tenant breaches any of the provisions contained above, resulting in the exposure of asbestos or other Hazardous Materials, such remediation as required by law shall be at the sole cost and expense of Tenant.

(d) The term "**Hazardous Materials**" shall mean (i) petroleum or petroleum products, natural or synthetic gas, asbestos in any form that is or could become friable, urea formaldehyde foam insulation, and radon gas; (ii) any substances defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "extremely hazardous wastes," "restricted hazardous wastes," "toxic substances," "toxic pollutants," "contaminants" or "pollutants," or words of similar import, under any applicable Environmental Law; and (iii) any other substance exposure which is regulated by any governmental authority under applicable Environmental Law, and the term "Environmental Law" means any federal, state or local statute, law, rule, regulation, ordinance, code, policy or rule of common law now or hereafter in effect and in each case as amended, and any judicial or administrative interpretation thereof, including any judicial or administrative order, consent decree or judgment, relating to the environment, health, safety or Hazardous Materials, including without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. §§ 9601 et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901 et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. §§ 1801 et seq.; the Clean Water Act, 33 U.S.C. §§ 1251 et seq.; the Toxic Substances Control Act, 15 U.S.C. §§ 2601 et seq.; the Clean Air Act, 42 U.S.C. §§ 7401 et seq.; the Safe Drinking Water Act, 42 U.S.C. §§ 300f et seq.; the Atomic Energy Act, 42 U.S.C. §§ 2011 et seq.; the Federal Insecticide, Fungicide and Rodenticide Act, 7 U.S.C. §§ 136 et seq.; the Occupational Safety and Health Act, 29 U.S.C. §§ 651 et seq.

(e) If Tenant discovers friable asbestos or mold in the Premises (i) during the performance of the Initial Installations or Landlord's Work, or (ii) after the Commencement Date to the extent resulting directly from acts or omissions (where Landlord has an obligation to act) of the Landlord, its employees, agents or contractors, then, in either case, Landlord will remediate or encapsulate, as applicable, such asbestos and/or mold as required by Environmental Law. Landlord represents to Tenant that, to its knowledge, no asbestos will exist in the Premises in violation of applicable Environmental Laws as of the Commencement Date. No later than the Commencement Date, Landlord shall, at its expense, have prepared and deliver to Tenant a report (the "Report") of the results of an air quality test performed by a licensed third-party professional selected by Landlord (which test shall be performed no earlier than forty-five (45) days prior to the Commencement Date), evidencing that the Premises is free of mold in violation of Environmental Laws.

26. Late Fees. If any payment of Rent shall be received by Landlord after the due date more than one (1) time in any twelve (12) month period, then in addition to all of Landlord's other rights and remedies, Tenant shall pay to Landlord, concurrently with such late payment of Rent, a late charge of [four cents (\$.04) for each dollar (\$1.00) that is late, to help defray Landlord's administrative

expenses in processing such late payment. If, at any time, Tenant shall deliver a check to Landlord that is dishonored for any reason other than bank error, Tenant shall pay to Landlord, upon demand, as Additional Rent, a fee of \$200.00 to cover Landlord's expense in connection with each such dishonored check. Additionally, if Tenant shall deliver two (2) or more checks to Landlord that are dishonored for any reason other than bank error during any twelve (12) month period, all future payments of Base Rent, Additional Rent or any other items payable hereunder by Tenant must be made by official bank check or cashier's check.

27. Brokers. Landlord and Tenant each represent and warrant to the other that it has not dealt with any broker, agent, finder or salesperson in connection with this Lease except Tenant's broker, CBRE Inc., and Landlord's agent, Kaufman Leasing Company LLC (collectively, the "Brokers") and that no Person other than the Brokers negotiated this Lease or is entitled to any commission in connection therewith. The execution and delivery of this Lease by Landlord shall be conclusive evidence that Landlord has relied upon the foregoing representation and warranty. Landlord and Tenant shall indemnify, defend and hold the other harmless of and from any and all loss, costs, damage and expense (including, without limitation, attorneys' fees and disbursements) incurred by the other party by reason of any claim of or liability founded upon a claim that the aforesaid representation and warranty is untrue. The representations and indemnifications set forth in this Article 27 shall survive the expiration or earlier termination of the Term. Landlord shall pay all commissions due the Brokers in connection with this Lease pursuant to a separate agreement.

28. Limitation of Liability.

(a) The obligations of Landlord under this Lease shall not be binding upon Landlord specifically named herein after the sale, conveyance, assignment or transfer by such Landlord (or upon the subsequent Landlord after the sale, conveyance, assignment or transfer by such subsequent Landlord) of its interest in the Building or the Real Property and assumption of such obligations by the transferee, as the case may be, and in the event of any such sale, conveyance, assignment or transfer, Landlord shall be and hereby is entirely relieved and discharged of all covenants and obligations of Landlord hereunder subject to assumption of the same by the transferee, 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, grantee, assignee or other transferee, that such purchaser, grantee, assignee or other transferee has succeeded to the rights and obligations of Landlord hereunder. The term "Landlord", on the date as of which this Lease is made, shall mean the party specifically named herein as Landlord, but after the sale, conveyance, assignment or transfer by such Landlord and assumption by such new Landlord of the obligations of Landlord hereunder, "Landlord" shall mean only the holder of the Landlord's interest (fee or leasehold, as the case may be) in the Real Property at the time in question. The liability of Landlord for Landlord's obligations under this Lease shall not exceed and shall be limited to Landlord's interest in the Building and Tenant shall not look to other property or assets of Landlord in seeking to enforce Landlord's obligations under this Lease.

(b) Neither Landlord nor its agents shall be liable for any injury or damage to persons or property or interruption of Tenant's business resulting from fire, explosion, falling plaster, steam, gas, electricity, water, rain or snow or leaks from any part of the Building or from the pipes, appliances or plumbing works or from the roof, street or subsurface or from any other place or by dampness or by any other cause of whatsoever nature; nor shall Landlord or its agents be liable for any such damage caused by other tenants or persons in the Building or for interference with light or other incorporeal hereditament or caused by construction of any private, public or quasi-public work except to the extent caused by the negligence or willful misconduct of Landlord, its employees, agents or

contractors subject, however, to the terms of Section 15 (c) of this Lease, nor shall Landlord be liable for any latent defects in the Premises or in the Building.

(c) Any Building employee to whom any property shall be entrusted by or on behalf of Tenant shall be deemed to be acting as Tenant's agent with respect to such property and neither Landlord nor its agents shall be liable for any damage to property of Tenant or of others entrusted to employees of the Building, nor for the loss of or damage to any property of Tenant by theft or otherwise.

29. Waiver of Trial By Jury. Landlord and Tenant each hereby waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other on any matters whatsoever arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant, Tenant's use or occupancy of the Premises, and/or any claim of injury or damage, or for the enforcement of any remedy under any statute. If Landlord commences any summary proceeding for any default under this Lease, then Tenant will not interpose any counterclaim of whatever nature or description in any such proceeding except if failure to interpose any such counterclaim in such proceeding shall result in waiver of the same.

30. No Waiver.

(a) No act or thing done by Landlord or Landlord's agents during the Term shall be deemed an acceptance of a surrender of the Premises, and no agreement to accept such surrender shall be valid unless in writing signed by Landlord. No employee of Landlord or of Landlord's agents shall have any power to accept the keys of the Premises prior to the termination of this Lease. The delivery of keys to an employee of Landlord or of Landlord's agents shall not operate as a termination of this Lease or a surrender of the Premises.

(b) The failure of Landlord to seek redress for violation of, or to insist upon the strict performance of, any covenant or condition of this Lease, or any of the Rules and Regulations herein set forth or hereafter adopted by Landlord, shall not prevent a subsequent act, which would have originally constituted a violation, from having all of the force and effect of an original violation. The receipt by Landlord of Rent with knowledge of the breach of any covenant of this Lease shall not be deemed a waiver of such breach. The failure of Landlord to enforce any of the Rules and Regulations herein set forth, or hereafter adopted, against Tenant and/or any other tenant in the Building shall not be deemed a waiver of any such Rules and Regulations. No provision of this Lease shall be deemed to have been waived by Landlord, unless such waiver be in writing signed by Landlord. No payment by Tenant or receipt by Landlord of a lesser amount than the Rent shall be deemed to be other than on account of the earliest stipulated Rent, or as Landlord may elect to apply same, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as Rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or pursue any other remedy provided in this Lease.

31. Intentionally Omitted.

32. Miscellaneous.

(a) This Lease, including all schedules and exhibits attached and fully incorporated hereto, contains the entire agreement between the parties and all prior negotiations and

agreements are merged in this Lease. This Lease may not be amended, renewed, terminated or otherwise modified, and no provision waived, except as expressly provided for herein or by an instrument in writing signed by the party against whom enforcement is sought.

(b) If any term or provision of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and shall be enforced to the fullest extent permitted by law.

(c) 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.

(d) The covenants, conditions and agreements contained in this Lease shall bind and inure to the benefit of Landlord and Tenant and their respective heirs, distributees, executors, administrators, successors, and, except as otherwise provided in this Lease, their assigns.

(e) Except as may be otherwise specifically set forth in this Lease, whenever Landlord's consent or approval is required or requested, same may be withheld for any reason (whether reasonable or unreasonable) or for no reason, in Landlord's sole and absolute discretion. Wherever it is provided in this Lease that Landlord's consent shall not be unreasonably withheld or delayed, Tenant hereby waives any claim for damages against Landlord which it may have based upon any assertion that Landlord breached such covenant. Tenant agrees that its sole remedy shall be an action or proceeding to enforce any such provision by specific performance, injunction or declaratory judgment.

(f) Tenant shall not record or attempt to record this Lease or any memorandum hereof without the prior consent of Landlord.

(g) Notwithstanding anything to the contrary provided in this Lease, in any instance where the consent of the lessee under a Superior Lease and/or the holder of a Mortgage is required, Landlord shall not be required to give its consent until and unless such lessee or holder has given its consent. Landlord shall request such consent if Landlord would otherwise consent in such instance, provided that Landlord shall not incur any cost, expense or liability in connection therewith other than reasonable administration fees for review of documentation charged by the lessee under a Superior Lease and/or the holder of a Mortgage so long as Tenant agrees in writing to be responsible for such fees as Additional Rent hereunder.

(h) This Lease shall not be binding upon Landlord unless and until Landlord shall have executed and delivered a fully executed copy of this Lease to Tenant or Tenant's attorney.

(i) If more than one person executes this Lease as Tenant, the obligations of each of them under this Lease are and shall be joint and several; the term "Tenant" as used in this Lease shall mean and include each of them jointly and severally and the act of or notice from, or notice or refund to, or the signature of, any one or more of them, with respect to the tenancy and/or this Lease, shall be binding upon each and all of the persons executing this Lease as Tenant with the same force and effect as if each and all of them had so acted or so given or received such notice or refund or so signed.

(j) This Lease shall be construed without regard to any presumption or other rule requiring construction or interpretation against the party causing this Lease to be drafted.

(k) The execution and delivery of this Lease by Tenant shall constitute an offer by Tenant to Landlord to lease the Premises upon the terms and conditions set forth in this Lease, which offer shall be irrevocable by Tenant for a period of thirty (30) days.

(l) Tenant's obligations under this Lease shall be construed in each and every instance as conditions as well as covenants.

(m) Subject to the terms hereof, Tenant's liability for all amounts that are due and payable to Landlord hereunder shall survive the Expiration Date.

(n) If either party shall at any time be in default hereunder beyond all applicable notice and cure periods, and if the non-defaulting party shall institute an action or proceeding against the defaulting party based upon such default, or if such default results from nonpayment of Base Rent or Additional Rent beyond all applicable notice and cure periods, whether or not such an action or proceeding is instituted, if the party commencing such action shall prevail, then the defaulting party shall reimburse the non-defaulting party for the reasonable and actual expense of attorneys' fees and actual disbursements thereby incurred, so far as the same are reasonable. The parties agree that either party who brings an action or proceeding to enforce any obligation of the other party under this Lease shall, if the prevailing party, be entitled to recover from the non-prevailing party all reasonable and actual attorneys' fees and other commercially reasonable expenses incurred by the prevailing party in action or proceeding. The terms of the preceding sentence shall survive the expiration or earlier termination of this Lease.

(o) Tenant hereby represents and warrants to Landlord that (i) Tenant is duly organized and validly existing in good standing under the laws of the State of Delaware, become qualified to do business in the state in which the Premises are located, shall remain so qualified throughout the Term, and possesses all licenses and authorizations necessary to carry on its business, (ii) Tenant has full power and authority to carry on its business, enter into this Lease and consummate the transaction contemplated by this Lease, (iii) the individual executing and delivering this Lease on Tenant's behalf has been duly authorized to do so, (iv) this Lease has been duly executed and delivered by Tenant, (v) this Lease constitutes a valid, legal, binding and enforceable obligation of Tenant (subject to bankruptcy, insolvency or creditor rights laws generally, and principles of equity generally), (vi) the execution, delivery and performance of this Lease by Tenant will not cause or constitute a default under, or conflict with, the organizational documents of Tenant or any agreement to which Tenant is a party, (vii) the execution, delivery and performance of this Lease by Tenant will not violate any Law, and (viii) all consents, approvals, authorizations, orders or filings of or with any court or governmental agency or body, if any, required on the part of Tenant for the execution, delivery and performance of this Lease have been obtained or made.

(p) Landlord hereby represents and warrants to Tenant that (i) Landlord has full power and authority to carry on its business, enter into this Lease and consummate the transaction contemplated by this Lease, (ii) the individual executing and delivering this Lease on Landlord's behalf has been duly authorized to do so, (iii) this Lease has been duly executed and delivered by Landlord, (iv) this Lease constitutes a valid, legal, binding and enforceable obligation of Landlord (subject to bankruptcy, insolvency or creditor rights laws generally, and principles of equity generally), and (v) all consents, approvals, authorizations, orders or filings of or with any court or governmental agency or body, if any, required on the part of Landlord for the execution, delivery and performance of this Lease have been obtained or made.



---


(q) This Lease may be executed in any number of counterparts which together shall constitute the Lease.

**THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK;  
SIGNATURE PAGE(S) TO FOLLOW**

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

LANDLORD:

1407 BROADWAY REAL ESTATE LLC

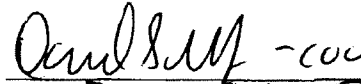
By: 

Name: Marc R. Turner

Title: Authorized Signatory

TENANT:

GALAXY BRAND HOLDINGS, INC.

By: 

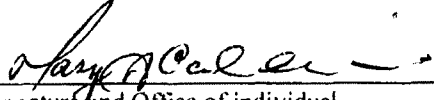
Name: David Scharf

Title: Chief of Operations

Federal Employer Identification No. 45-3609583

State of New York )  
 : ss.  
County of New York )

On the 14<sup>th</sup> day of August in the year 2013, before me, the undersigned, a Notary Public in and for said State, personally appeared Marc R. Turner, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.


  
\_\_\_\_\_  
Signature and Office of individual  
taking acknowledgment

**MARY A. CALLINAN**  
Notary Public, State of New York  
No. 01CA8087262  
Qualified in New York County  
Commission Expires December 3, 2013

State of New York )  
 : ss.  
County of New York )

**MARIA E. ALMODOVAR**  
Notary Public, State of New York  
No. 01AL6086811  
Qualified in Suffolk County  
My Commission Expires 02/03/2015

On the 13<sup>th</sup> day of August in the year 2013, before me, the undersigned, a Notary Public in and for said State, personally appeared David Scharf, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

  
\_\_\_\_\_  
Signature and Office of individual  
taking acknowledgment

## SCHEDULE A

### RULES AND REGULATIONS

1. The sidewalks, entrances, passages, courts, elevators, vestibules, stairways, corridors and/or halls shall not be obstructed or encumbered by any tenant or used for any purpose other than ingress and egress to and from the Premises and for delivery of merchandise and equipment in prompt and efficient manner, using elevators and passageways designated for such delivery by Landlord. Passenger elevators shall not be utilized by any tenant for deliveries to and from the Premises.

2. No awnings, air-conditioning units, fans or other projections shall be attached to the outside walls of the Building and no security grilles or gates shall be attached to, or installed on, the outside walls or windows of the Building and/or the Premises without the prior consent of Landlord. No curtains, blinds, shades, or screens shall be attached to or hung in, or used in connection with, any window or door of the Premises, without the prior consent of Landlord. Such awnings, projections, curtains, blinds, shades, screens or other fixtures must be of a quality, type, design and color, and attached in the manner, approved by Landlord. The sashes, sash doors, skylights, windows and doors that reflect or admit light and air into the halls, passageways or other public places in the Building shall not be covered or obstructed by any tenant, nor shall any bottles, parcels or other articles be placed on the window sills.

3. No showcases or other articles shall be placed in front of or affixed to any part of the exterior of the Building, nor placed in the halls, corridors or vestibules in the Building, or in any shafts, conduits or ductwork in or servicing the Premises, without the prior consent of Landlord.

4. No Tenant shall mark, drill into, or in any way deface any part of the Premises or the Building. Subject to the terms of the Lease, no boring, cutting or stringing of wires shall be permitted, except with the prior consent of Landlord, and as Landlord may direct.

5. Landlord may refuse admission to the Building outside of ordinary business hours to any person not known to the person(s) on duty or not having a pass issued by Landlord or not properly identified, and may require all persons admitted to or leaving the Building outside of ordinary business hours to register. Any person whose presence in the Building at any time shall, in Landlord's reasonable judgment, be prejudicial to safety, character, reputation and interests of the Building or of its tenants may be denied access to the Building or may be ejected therefrom. Landlord may require any person leaving the Building with any package or other object to exhibit a pass from the tenant from whose Premises the package or object is being removed, but the establishment and enforcement of such requirements shall not impose any responsibility on Landlord for the protection of any tenant against the removal of property from the Premises of the tenant. Landlord shall, in no way, be liable to any tenant for damages or loss arising from the admission, exclusion or ejection of any person to or from the Premises or the Building under the provision of this rule.

6. No tenants shall obtain or accept for use in the Premises ice, drinking water, towel, barbering, bootblackening, floor polish or other similar or dissimilar services from any persons not authorized by Landlord in writing to furnish such services, provided always, that the charges for such services by persons authorized by Landlord are commercially reasonable. Such services shall be furnished only at hours and under regulations reasonably fixed by Landlord.

7. No space in the Building shall be used for manufacturing, for the storage of merchandise (except as may be incidental to Tenant's use of the Premises pursuant to Article 2 hereof), or for the sale of merchandise, goods or property of any kind at auction.

8. No tenant shall make, or permit to be made, any unseemly or disturbing noises or disturb or interfere with occupants of this or neighboring buildings or premises beyond a de-minimis degree, or those having business with them whether by the use of any musical instrument, radio, television set, talking machine, unmusical noise, whistling, singing or in any other way.

9. No additional locks or bolts of any kind shall be placed upon any of the doors or windows by any tenant, nor shall any changes be made in existing locks or the mechanism thereof.

10. Each tenant shall, at its expense, provide artificial light and power for the employees of Landlord while doing janitorial services or other cleaning, and in making repairs or alterations in the Premises.

11. Canvassing, soliciting and peddling in the Building is prohibited and each tenant shall co-operate to prevent the same.

12. There shall not be used in any space, or in the public halls of the Building, either by any tenant or by jobbers or others, in the delivery or receipt of merchandise, any hand trucks, except those equipped with rubber tires and side guards.

13. No tenant, or any of tenant's servants employees, agents, visitors or licensees, shall at any time bring or keep upon the Premises any inflammable, combustible or explosive fluid, chemical or substance or cause or permit any unusual or objectionable odors to be produced upon or permeate from the Premises. Tenant shall not do any cooking, conduct any restaurant, luncheonette or cafeteria for the sale or service of food or beverages to its employees or to others, or cause or permit any odors of cooking or any unusual or objectionable odors to emanate from the Premises. Tenant shall not install or permit the installation or use of any food, beverages, cigarette, cigar, stamp dispensing, cosmetics, medical or novelty machine, or permit the delivery of any food or beverage to the Premises, except by such persons delivering the same as shall be approved by Landlord.

14. Tenant shall not install or permit the installation or use of any pinball, video game or arcade-type machine on or about the Premises.

15. Landlord reserves the right to rescind, alter or waive any rule or regulation at any time prescribed for the Building, when in Landlord's judgment it deems it necessary, desirable or proper for Landlord's best interest and for the best interests of the tenants, provided such alteration or waiver of any rule or regulation is uniformly applied to all similarly situated tenants.

16. No water cooler, air conditioning unit or system, or other apparatus shall be installed or used by any tenant without the consent of Landlord.

17. If, at any time, Tenant performs any Alterations, Tenant shall comply with the terms, provisions and conditions of the Design & Construction Rules and Regulations (the "Construction Rules") attached to these Rules and Regulations as Exhibit 1.

18. Tenant shall not place a load upon any floor of the Premises exceeding the floor load per square foot area which such floor was designed to carry and which is allowed by law. Landlord

---

reserves the right to prescribe the weight and position of all safes, business machines and equipment and installations. Business machines and equipment shall be placed and maintained by Tenant at Tenant's expense in settings sufficient in Landlord's reasonable judgment to absorb and prevent noise and annoyance.

19. The water and wash closets and other plumbing fixtures shall not be used for any purposes other than those for which they were designed or constructed, and no sweepings, rubbish, rags, acids or other substances other than normal washroom wastewater shall be deposited therein.

20. Tenant shall not move any safe, heavy machinery, heavy equipment, freight, bulky matter or fixtures into or out of the Building without Landlord's prior consent, and payment to Landlord of Landlord's fees and costs in connection therewith to the extent consistent with the terms and conditions of the Lease. If such safe, machinery, equipment, freight, bulky matter or fixtures require special handling, Tenant agrees to employ only persons holding a Master Rigger's License to do said work. All such work shall comply with the Administrative Code of the City of New York and all other Laws applicable thereto, and shall be performed during such hours as Landlord may reasonably designate.

**EXHIBIT 1**

**1407 BROADWAY REAL ESTATE LLC  
1407 BROADWAY  
NEW YORK, NY 10018**

**DESIGN & CONSTRUCTION  
RULES AND REGULATIONS**

1. In order to assure compliance with law, coordination with building systems, and conformance with building standards and safety requirements, four (4) copies of all plans and specifications including any revisions to plans or specifications must be submitted to Landlord for review and approval.

2. Tenant's plans will be sent to Landlord's consultants for technical analysis. The costs associated with this analysis will be paid for by Tenant, to the extent and subject to the terms of the Lease.

3. The proposed Alterations must be performed in a safe and lawful manner, complying with all applicable N.Y.C. Building Code and all applicable Laws.

4. To the extent required by applicable Laws, Tenant's plans must be filed with all necessary government agencies, including but not limited to, the Building Department of the City of New York. Building Department approval must be obtained and a work permit received prior to Commencement of the proposed Alterations.

5. All required electrical permits must be filed with the Bureau of Electrical Control and/or by the Building's Fire Safety System contractor as necessary.

6. Where Tenant's proposed Alterations require changes to the Building's Class "E" Fire Alarm Communication System or where Tenant's proposed Alterations require compliance with Local Law 16, Tenant must make all filing required with the Department of Buildings and/or the Fire Department of the City of New York, as required by law. The filings must be done by the Building's Fire Safety System contractor or by Tenant's electrical contractor.

7. Cutting of floors for floor hinges or for other purposes and core drilling must be completed under supervision of a licensed professional engineer. All cutting and core drilling must be done after regular office work hours. Cutting of the Building concrete core or any structural framing is prohibited unless approved by Landlord.

8. Where changes are made in existing supply or return air ducts, install where required, dampers, splitter dampers, thermostats and controls with building standard ceiling access doors. The relocation of or installation of additional induction units, thermostats, secondary water valves, piping, etc. for perimeter heating-air conditioning must be made with no interruption of services during regular office work hours. All required work must be shown on the drawings prepared by a licensed professional engineer at Tenant's cost and expense and as approved by Landlord. Building standard curve blade diffusers must be installed throughout. Electrical wiring may be B.X. cable. Additional panels and circuit breakers must be installed in Tenant's space where required and main breakers in

---

electric closet (all electric panels must be square D). All telephone and computer outlets must be stubbed up to ceiling. All H.V.A.C. controls shall adhere to building standards.

9. All Alterations done by Tenant's contractor must be coordinated with the Building Manager. The contractor and all sub-contractors must comply with all reasonable direction given by the Building Manager with respect to the scheduling and performance of the Alterations. All air-cooled equipment shall be mounted in windows or other locations, approved by the Building Manager. Louvers shall be stainless steel or extruded aluminum. When color conflicts occur, such louvers shall be anodized or colored to conform to surrounding surfaces and approved by Building Management prior to fabrication.

10. In order to assure safe and proper operation of critical building systems, only contractors, sub-contractors and engineers approved by Landlord pursuant to the terms of the Lease shall be permitted to perform work in the building.

11. The contractor must submit insurance certificates from itself, all sub-contractors and all companies making deliveries to the Premises prior to the commencement of any Alterations. These certificates must contain the appropriate coverage and include all required additional named insureds.

12. Intentionally omitted

13. The contractor will be responsible for maintaining the cleanliness of the work area and the areas involved with delivery of materials. The contractor must maintain competent supervision on the job at all times when construction is in progress. Construction personnel must carry proper identification at all times.

14. The contractor must protect peripheral air conditioning units, windows, and other equipment or installations and clean them to the reasonable satisfaction of the Building Manager at the completion of the Alterations. **No peripheral air conditioning and heating units may be blocked by furniture.**

15. The Building Manager must be notified at least forty-eight (48) hours prior to the start of demolition or construction. Any work generating noise, dust, or inconvenience to other tenants, in the sole opinion of the Building Manager will be performed after 6:00 pm and before 9:00 am, or on weekends or building holidays. Such arrangements must be made with the Building Manager. Cleaning must be controlled to prevent dirt and dust from infiltrating into adjacent tenant or mechanical areas. During the progress of the work, Tenant must provide its own security.

16. All debris must be removed from the building the same night.

17. All fire stairs, alarms, speakers, sprinklers and safety equipment must remain accessible and operable at all times during the construction project.

18. Tenant's engineer must advise the Building Manager of proposed connected loads to the electric bus duct riser and to any other risers. Sufficient information must be provided to insure that balanced loads can be maintained throughout the building not to exceed one (1) desktop computer and telephone per person, based on occupancy of not more than one (1) person for each one hundred fifty (150) usable square feet of space in the Premises, or its equivalent thereof.



19. Immediately upon completion of the Alterations, all aspects of the project requiring inspection must be inspected by the examining agency or engineer. Any deficiency so noted must be corrected and re-inspected until approved. Upon completion of air conditioning work, a "Balancing Report" shall be submitted to Landlord.

20. Upon receipt of each required sign-off, Tenant's contractor must submit a copy of such sign-off to Landlord for Landlord's records. Such sign-offs include, but are not limited to: (a) Plan/Work Approvals, (b) Fireproof Wood Test, (c) Electrical Certificates issued by Bureau of Electrical Control and Board of Fire Underwriters, (d) vinyl and carpet, (e) letter from Fire Safety System contractor stating that the system is on-line, (f) Form A-433 request for Fire Department inspection and (g) final approval letter from the Fire Department.

21. Upon completion of the Alterations and acceptance (sign-off) by the governmental agencies, the contractor must submit as-built architectural, mechanical, electrical and structural engineering drawings prepared by licensed architects and engineers, to Landlord. These plans must indicate that the installation was completed in accordance with previously approved plans, and is compliant with all laws including, but not limited to, Local Law 5. Any changes which may be required in order to correct work and which do not conform to previous plan will be at Tenant's sole cost and expense.

22. The following activities are specifically prohibited at the Real Property and cannot be undertaken by the contractor and subcontractors:

- The use of jackhammer on site during working hours (9am-5pm)
- Unauthorized use of building equipment
- The use of the building's dumpster or container
- Unauthorized parking in restricted areas such as loading dock
- Unauthorized on-site storage
- Consumption of alcohol or controlled substances on site
- Unauthorized congregation in building public space
- Smoking in tenant or public spaces
- Unapproved use of building restroom areas
- Unapproved use of building utilities
- Objectionable, abusive or unacceptable personal behavior of personnel
- Improper disposal of wastes, residues or debris
- Loud noises off-site considered objectionable by Landlord
- Access to non-construction floors
- Property removal without Landlord's approval
- Roof Access
- Use of passenger elevators
- Gambling of any type

23. All contractor personnel must utilize the loading dock and freight elevator for access to the work site. Only in the event of an emergency, as shall be determined by the Building Manager, shall contractor's personnel be permitted to use other means of egress.

24. It shall be the responsibility of the contractor to isolate the heating, ventilating, and air conditioning systems of the work site from the remainder of the building. Under no circumstances shall

---

the contractor utilize material such as but not limited to: cleaning agents, paints, thinners, or adhesives that if released in the work site atmosphere, could spread to tenant areas, causing discomfort or posing any type of health hazard.

25. In the event that any fire and life safety system will need to be disabled to complete the Alterations, the contractor must notify Landlord at least 24 hours in advance of such event in writing. The contractor shall not tamper with the building's life safety and sprinkler system.

26. In event that any soldering or welding apparatus is required to complete the Alterations, the contractor must notify the Building Manager of such event.

27. Lobby and corridor floor areas to be kept clean at all times. The contractor will reimburse the building management for cleaning and/or repairs associated with the contractor's work. (e.g. carpet cleaning, floor tile replacement, etc.)

#### **FREIGHT ELEVATOR AFTER HOURS**

1. The freight elevator must be reserved. The hours are before 8:00 am and after 5:30 pm, as to not monopolize the freight elevator for the normal deliveries and service. The freight elevator may also be reserved on weekends. A letter must be faxed or e-mailed to the Building Manager's office at (212) 354-0769 to request freight elevator service. Except as otherwise expressly set forth in the Lease, there is a charge for use of the freight elevator, with a minimum usage of (4) hours, which will be billed to Tenant by Landlord.

2. Building management will require a letter (on company letterhead) when work/workers are in the building.

#### **CODE COMPLIANCE**

1. Tenant's engineer or architect must inspect all fireproofing of structural steel, conditions of floor slabs, both above and below Tenant's space and all ducts entering and leaving Tenant's space. All required concrete will be replaced as required by code. All fire dampers will be installed as required by code. All pipe ducts, etc. entering Tenant's space will be firestopped.

2. Tenant's contractor, engineer or architect must confirm, in writing, that there has been full compliance with the foregoing, and upon Landlord's notice to Tenant specifying the manner in which the aforesaid work is not in compliance therewith, Tenant shall cause same to be cured and corrected at its own cost and expense, within (10) days after Landlord's notice.

#### **BUILDING ENGINEERS**

There is no building engineer on duty Saturday, Sunday, and Holidays. If you require an engineer on any of the above days a letter must be faxed or e-mailed to the Building Manager's office at (212) 354-0769. The request must be made 24 hours in advance. No work can be performed in the building due to insurance/fire safety issues without an engineer being present. There is a charge for the engineer, which will be billed to Tenant by Landlord.

---

**To Whom It May Concern:**

**Below is a list of approved contractors for 1407 Broadway Real Estate.**

<b><u>COMPANY:</u></b>	<b><u>CONTACT:</u></b>	<b><u>TELEPHONE #:</u></b>
<b>JRM Construction</b>	<b>Joseph Candella</b>	<b>(212) 545-0500</b>
<b>CJS Builders</b>	<b>Christopher Spano Burt Letowsky</b>	<b>(212) 382-2755</b>
<b>BID Interiors</b>	<b>Daniel Puhalovic Gene Bracco</b>	<b>(718) 392-1010</b>
<b>IBS (International Building Services)</b>	<b>Dominick Iasparro</b>	<b>(212) 768-0026</b>

**For further information or inquiries please contact the building manager at (212) 944-7203.**

**SAMPLE FORM**



**CERTIFICATE OF LIABILITY INSURANCE**

DATE (MM/DD/YYYY)

<b>PRODUCER</b>  <b>INSURED</b> [Name and Address of Vendor exactly as it appears in Contract]	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.  <b>INSURERS AFFORDING COVERAGE (As rating required)</b> <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th style="width:80%;">INSURER A:</th> <th style="width:20%;">NAIC #</th> </tr> <tr> <td>INSURER B:</td> <td></td> </tr> <tr> <td>INSURER C:</td> <td></td> </tr> <tr> <td>INSURER D:</td> <td></td> </tr> <tr> <td>INSURER E:</td> <td></td> </tr> </table>	INSURER A:	NAIC #	INSURER B:		INSURER C:		INSURER D:		INSURER E:	
INSURER A:	NAIC #										
INSURER B:											
INSURER C:											
INSURER D:											
INSURER E:											

**COVERAGES**  
 THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

POLICY TYPE	ADDITIONAL PERIOD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS	
A		<input checked="" type="checkbox"/> GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> _____ <input type="checkbox"/> _____ GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input checked="" type="checkbox"/> LOC				EACH OCCURENCE \$2,000,000 DAMAGE TO RENTED EQUIPMENT (EA OCCURENCE) \$ 500,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$2,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMP/OP AGG \$2,000,000 \$	
A		<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> _____				COMBINED SINGLE LIMIT (Each Occurrence) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC \$ AUTO ONLY: AGG \$	
A		<input checked="" type="checkbox"/> EXCESS/UMBRELLA LIABILITY <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> DEDUCTIBLE not to exceed \$10,000 <input checked="" type="checkbox"/> RETENTION not to exceed \$10,000				EACH OCCURENCE \$ 3,000,000 AGGREGATE \$ 3,000,000 \$ \$ \$	
A		<input checked="" type="checkbox"/> WORKERS COMPENSATION AND EMPLOYERS LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below				<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$200,000 E.L. DISEASE - EA EMPLOYEE \$200,000 E.L. DISEASE - POLICY LIMIT \$200,000	
		<input type="checkbox"/> OTHER					

**DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS**  
 Location: 1407 Broadway, New York, New York. Additional Insureds: The Estate of Sol Goldman, Sol Goldman Investments, LLC, Abraham Kamber & Company, Kamber Management Company LLC, 1407 Broadway Real Estate, LLC, Lebusan Brothers Holdings Inc., Gorton & Partners, LLC, Swedbank AB, New York Branch and their respective affiliates, subsidiaries and their respective officers, directors, employees, and agents. A waiver of subrogation applies in favor of these entities for General Liability, Excess Umbrella and Workers Compensation Policies.

<b>CERTIFICATE HOLDER</b>  1407 Broadway Real Estate LLC 1407 Broadway, Suite 3310 New York, New York 10018	<b>CANCELLATION</b>  SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE INSURER AFFORDING COVERAGE WILL IMMEDIATELY MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMING TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.  AUTHORIZED REPRESENTATIVE
---	---

**SCHEDULE B**

<b>ACORD</b>		<b>CERTIFICATE OF LIABILITY INSURANCE</b>		DATE (MM/DD/YYYY)		
<b>PRODUCER</b>  <b>INSURED</b> [Name and Address of Tenant entity exactly as it appears in Lease]		THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.				
		INSURERS AFFORDING COVERAGE (As X rating required)		NAIC #		
		INSURER A:				
		INSURER B:				
		INSURER C:				
		INSURER D:				
		INSURER E:				
<b>COVERAGES</b> THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.						
RISK TYPE	CLASS CODE	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/>	<b>GENERAL LIABILITY</b> <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLASS MADE <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> _____ <input type="checkbox"/> _____ GEN'L AGGREGATE LIMIT APPLIES PER <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input checked="" type="checkbox"/> LOC				EACH OCCURRENCE \$2,000,000 DAMAGE TO RENTED PREMISES (EA Occurrence) \$ 800,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$2,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMP/OP AGG \$2,000,000 \$
		AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> RENTED AUTOS <input type="checkbox"/> NON-OWNED AUTOS <input type="checkbox"/> _____				COMBINED SINGLE LIMIT (Each Occurrence) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per Occurrence) \$ PROPERTY DAMAGE (Per Occurrence) \$
		GARAGE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> _____				AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC AGG \$ AUTO ONLY: AGG \$
A	<input checked="" type="checkbox"/>	<b>EXCESS/UMBRELLA LIABILITY</b> <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> DEDUCTIBLE not to exceed \$10,000 <input checked="" type="checkbox"/> RETENTION not to exceed \$10,000				EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000 \$ \$
A	<input checked="" type="checkbox"/>	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below				<input checked="" type="checkbox"/> NC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$500,000 E.L. DISEASE - EA EMPLOYEE \$500,000 E.L. DISEASE - POLICY LIMIT \$500,000
		<input checked="" type="checkbox"/> OTHER Property damage in relation to "As Rented" or "Special Care of Lease" type covering tenant's business personal property, stock, inventory, household goods, contents, trade fixtures, furnishings and equipment at 100% of full replacement value, deductible not greater than \$5,000. Single limit coverage, limit of insurance and excess insurance coverage the limit (12) amount of highest sum payable by insured at any one time.				
DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS Location: 1407 Broadway, New York, New York. Additional Insureds: The Estate of Sol Goldman, Sol Goldman Investments, LLC, Abraham Kimber & Company, Kimber Management Company LLC, 1407 Broadway Real Estate, LLC, Lehman Brothers Holdings Inc., Gorton & Partners, LLC, Swadlow AB, New York Branch and their respective affiliates, subsidiaries and their respective officers, directors, employees, and agents. A waiver of subrogation applies in favor of these entities for General Liability, Excess Umbrella and Workers Compensation Policies.						
<b>CERTIFICATE HOLDER</b>			<b>CANCELLATION</b>			
1407 Broadway Real Estate LLC 1407 Broadway, Suite 3310 New York, New York 10018			SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE INSURER AFFORDING COVERAGE WILL IMMEDIATELY MAIL BY FIRST CLASS REGISTERED MAIL TO THE CERTIFICATE HOLDER NAME(S) TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.			
			AUTHORIZED REPRESENTATIVE			

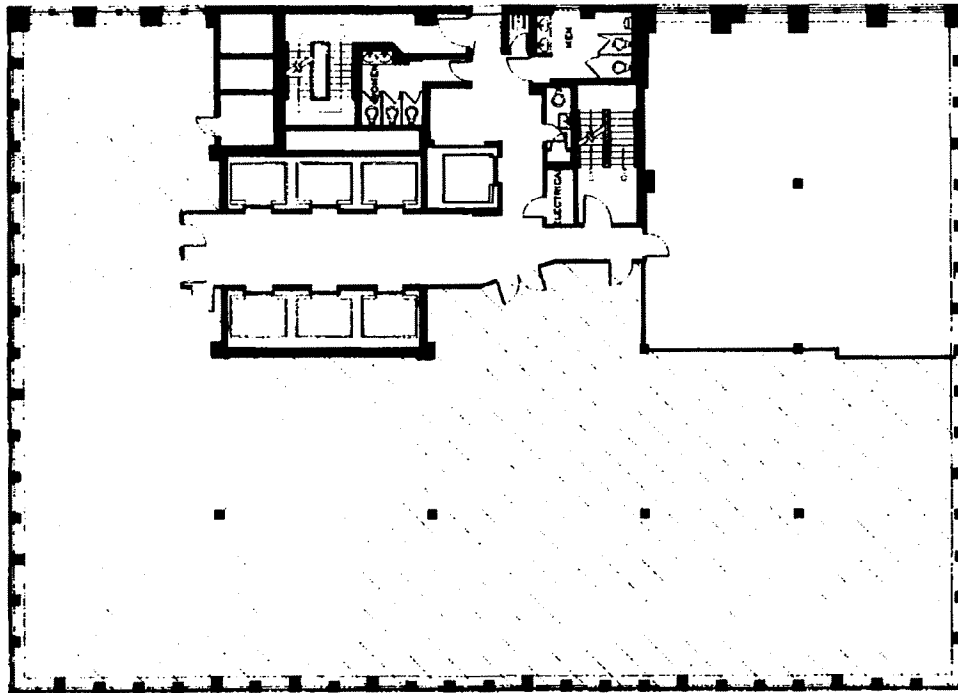
Schedule B-1

---

**EXHIBIT A**

**OUTLINE OF THE PREMISES**

No warranty or representation is made or is to be implied as to the accuracy of the information reflected in this Exhibit. The information reflected in this Exhibit is subject to errors, omissions or changes without notice. The plans in this Exhibit are not drawn to scale. Any and all plans and/or drawings provided are not to be relied upon for exact measurements and/or configurations. The location and dimensions of walls, partitions, columns, stairs and openings are approximate and subject to deviations due to mechanical work, job conditions and requirements of governmental departments and authorities, and no resulting deviation shall affect the Rent or Tenant's obligations under this Lease.



BROADWAY

WEST 39TH STREET

**Suite 3801/03/07**  
**Thirty-Eighth Floor**  
**1407 Broadway**  
**New York, NY**



**SDI**

we're there.®

THE INFORMATION CONTAINED HEREIN IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT A CONTRACT. IT IS SUBJECT TO CHANGE WITHOUT NOTICE. THE INFORMATION IS PROVIDED BY THE COMPANY AND IS NOT GUARANTEED. THE COMPANY DOES NOT ACCEPT ANY LIABILITY FOR ANY LOSS OR DAMAGE OF ANY KIND, INCLUDING BUT NOT LIMITED TO, DIRECT, INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, INCLUDING LOSS OF PROFITS, REVENUE, OR BUSINESS OPPORTUNITIES. THE COMPANY IS NOT RESPONSIBLE FOR ANY LOSS OF PROFITS, REVENUE, OR BUSINESS OPPORTUNITIES. THE COMPANY IS NOT RESPONSIBLE FOR ANY LOSS OF PROFITS, REVENUE, OR BUSINESS OPPORTUNITIES. THE COMPANY IS NOT RESPONSIBLE FOR ANY LOSS OF PROFITS, REVENUE, OR BUSINESS OPPORTUNITIES.

## EXHIBIT B

### DEFINITIONS

1. The term "Additional Rent" shall mean all sums other than Base Rent as shall become due and payable from Tenant to Landlord or to any third party as Landlord shall direct under or pursuant to this Lease.
2. The term "Affiliate" shall mean a Person that (i) Controls, (ii) is under the Control of, or (iii) is under common Control with, the Person in question.
3. The term "Applicable Rate" shall mean the lesser of (i) four (4) percentage points above the then applicable rate of interest publicly announced from time to time by Citibank, N.A., or its successor, as its "base rate" (or such other term as may be used by Citibank, N.A., or its successor, from time to time, for the rate presently referred to as its "base rate") and (ii) the maximum rate permitted to be charged to Tenant by applicable Laws.
4. The term "business days" or "Business Days" shall mean all days except Saturdays, Sundays and the days observed by New York City, New York State and/or the Federal government as legal holidays.
5. The term "Control" shall mean the direct or indirect ownership of more than fifty percent (50%) of the outstanding voting stock of a corporation or other majority equity interest if not a corporation and the possession of power to direct or cause the direction of the management and policy of such corporation or other entity, whether through the ownership of voting securities, by statute or by contract.
6. The term "Force Majeure" shall mean any delays caused by or attributable to acts of God, strikes, lockouts, governmental action, acts of terrorism, government preemption in connection with a national emergency, by reason of any rule, order or regulation of any of any government agency or department or subdivision, or by reason of the condition of supply and demand which have been or are affected by war or other emergency.
7. The term "Governmental Authority" shall mean the United States of America, the State of New York, the City of New York, any political subdivision thereof and any agency, department, commission, board, bureau or instrumentality of any of the foregoing, or any quasi-governmental authority, now existing or hereafter created, having jurisdiction over the Real Property or any portion thereof including, without limitation, the New York Board of Fire Underwriters, the New York City Fire Department, New York Fire Insurance Rating Organization.
8. The term "Laws" shall mean, collectively, (i) all present and future laws, rules, orders, ordinances, regulations, statutes, requirements, codes and executive orders of all Governmental Authorities, and of any applicable fire rating bureau, or other body exercising similar functions, and (ii) all requirements that the issuer of Landlord's property insurance policy imposes (including, without limitation, any such requirements that such issuer requires as the basis for the premium that such issuer charges Landlord for Landlord's property insurance policy).



---

9. The term "Person" shall mean any natural person or persons or any legal form of association, including, without limitation, a partnership, a limited partnership, a corporation, a trust, and a limited liability company.

10. The term "Real Property" shall mean the Building and the land on which the Building is situated.

11. The term "Rent" shall mean and be deemed to include Base Rent, any increases in Base Rent, all Additional Rent, and any other sums payable hereunder.

12. The term "Rules and Regulations" shall mean the Rules and Regulations attached hereto as Schedule A, and other rules and regulations that Landlord hereafter adopts from time to time on reasonable advance written notice to Tenant, including, without limitation, rules that govern the performance of Alterations.

13. The term "Term" shall mean the period commencing on the Commencement Date and ending on the Expiration Date.

**EXHIBIT C**

**COMMENCEMENT DATE AGREEMENT**

\_\_\_\_\_, 201\_\_

Galaxy Brand Holdings, Inc.  
1407 Broadway  
Suite 3801  
New York, New York  
Attn: David Scharf

Re: 1407 Broadway, New York, New York (the "Building")

Dear Tenant:

1407 Broadway Real Estate LLC, as landlord ("Landlord") and Galaxy Brand Holdings, Inc., as tenant ("Tenant") entered into that certain Agreement of Lease dated as of \_\_\_\_\_, 2013 (the "Lease") whereby Tenant leases from Landlord Suite 3801 as more particularly described therein. All capitalized terms used herein but not defined shall be given the meanings assigned to them in the Lease.

Pursuant to the terms of the Lease, Landlord and Tenant have agreed to enter into this Commencement Date Agreement (this "Agreement").

1. **Commencement Date.** The Commencement Date is \_\_\_\_\_.
2. **Expiration Date.** The Expiration Date is \_\_\_\_\_.
3. **Ratification.** Landlord and Tenant hereby ratify and confirm their respective obligations under the Lease, and represent and warrant that they have no defenses thereto. Additionally, Tenant confirms and ratifies that, as of the date hereof, (a) the Lease is and remains in good standing and, as modified by this Agreement, in full force and effect, and (b) to its knowledge, Tenant has no claims, counterclaims, set-offs or defenses against Landlord arising out of the Lease.
4. **Binding Effect; Governing Law.** Except as modified hereby, the Lease, shall remain in full effect and this Agreement shall be binding upon Landlord and Tenant and their respective successors and assigns. If any inconsistency exists or arises between the terms of this Agreement and the terms of the Lease, the terms of this Agreement shall prevail. This Agreement shall be governed by the laws of the state of New York. This Agreement may be executed in a number of counterparts each when taken together shall constitute the same instrument.

[SIGNATURE PAGE TO FOLLOW]

Exhibit C-1

---

Please indicate your agreement to the above matters by signing this Commencement Date Agreement in the space indicated below and returning an executed original to Landlord.

1407 Broadway Real Estate LLC

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

Name: Marc R. Turner  
Title: Authorized Signatory

**AGREED TO:**

Galaxy Brand Holdings, Inc.

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

Name:  
Title:

---

**EXHIBIT D**

**FORM IRREVOCABLE AND UNCONDITIONAL STANDBY LETTER OF CREDIT**

IRREVOCABLE STANDBY LETTER OF CREDIT NO. S901702

DATE AND PLACE OF ISSUE:  
AUGUST 07, 2013  
NEW YORK

DATE AND PLACE OF EXPIRY:  
AUGUST 07, 2014  
AT OUR COUNTERS

APPLICANT:  
GALAXY BRAND HOLDINGS, INC.

BENEFICIARY:  
1407 BROADWAY REAL ESTATE LLC  
1407 BROADWAY  
SUITE 220  
NEW YORK, NY 10018

AMOUNT: USD 621,300.00 (SIX HUNDRED TWENTY ONE THOUSAND THREE HUNDRED 00/100 U.S. DOLLARS)

+WE HEREBY ESTABLISH THIS CLEAN, IRREVOCABLE AND UNCONDITIONAL STANDBY LETTER OF CREDIT NO. S901702 (THE "LETTER OF CREDIT") IN FAVOR OF 1407 BROADWAY REAL ESTATE LLC AND ITS TRANSFERREES AS HEREINAFTER PROVIDED, AS BENEFICIARY, FOR THE ACCOUNT OF GALAXY BRAND HOLDINGS, INC., AS ACCOUNT PARTY, IN THE AMOUNT OF USD621,300.00 (U.S. DOLLARS SIX HUNDRED TWENTY-ONE THOUSAND THREE HUNDRED AND 00/100) AVAILABLE BY DRAFT(S) OF BENEFICIARY DRAWN ON US PAYABLE AT SIGHT, WITHOUT PRESENTATION OF ANY OTHER DOCUMENTS, STATEMENTS OR AUTHORIZATIONS.

+WE AGREE TO PAY BENEFICIARY'S DRAWING UNDER THIS LETTER OF CREDIT WITH OUR OWN FUNDS. WE WILL NOT BE SUBROGATED TO ANY OF BENEFICIARY'S RIGHTS AS A RESULT OF ANY PAYMENT WE MAKE TO BENEFICIARY UNDER THIS LETTER OF CREDIT. THE REQUEST FOR PAYMENT UNDER THIS LETTER OF CREDIT SHALL BE FINAL AND CONCLUSIVE FOR ALL PURPOSES WITHOUT VERIFICATION BY US AND SHALL NOT BE SUBJECT TO REFUTATION, DENIAL OR CONTEST.

+NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THE ISP (AS DEFINED BELOW) OR OTHERWISE, BENEFICIARY'S DRAWING UNDER THIS LETTER OF CREDIT WILL BE PAID, BY WIRE TRANSFER IN FEDERAL FUNDS TO THE ACCOUNT AS DESIGNATED, BY NO LATER THAN 4:00 P.M. EASTERN TIME ON THE SAME BUSINESS DAY ON WHICH SUCH DRAFT IS RECEIVED BY US IN CONFORMITY WITH THE TERMS HEREOF, IF RECEIVED BY US AT OR BEFORE 11:00 A.M. EASTERN TIME OR (II) 4:00 EASTERN TIME OF THE NEXT BUSINESS DAY FOLLOWING THE BUSINESS DAY ON WHICH SUCH DRAFT IS RECEIVED BY US IN CONFORMITY WITH THE TERMS HEREOF, IF RECEIVED BY US AFTER 11:00 A.M. EASTERN TIME.

+WE HEREBY AGREE THAT ALL DRAFT(S) DRAWN BY BENEFICIARY UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS LETTER OF CREDIT WILL BE DULY HONORED AND PAID AS PROVIDED ABOVE, UPON PRESENTATION AND DELIVERY OF THE SIGHT DRAFT AS SPECIFIED

\*\*\*\*\*CONTINUED ON NEXT PAGE\*\*\*\*\*

SPECIMEN

IRREVOCABLE STANDBY LETTER OF CREDIT NO. S901702  
DATE OF ISSUE: AUGUST 07, 2013

PAGE 2

HEREIN, IF PRESENTED TO OUR OFFICE LOCATED AT 511 FIFTH AVENUE, NEW YORK, NEW YORK 10017, 15TH FLOOR, ATTENTION TRADE SERVICES DEPT., ON OR BEFORE THE EXPIRATION DATE (AS DEFINED BELOW) ON WHICH DATE THIS LETTER OF CREDIT EXPIRES. IN THE EVENT THAT THE ORIGINAL OF THIS LETTER OF CREDIT AND ANY AMENDMENTS ARE LOST OR DESTROYED, BENEFICIARY'S AFFIDAVIT OF LOSS WITH INDEMNITY MAY BE SUBSTITUTED FOR THE ORIGINAL OF THIS LETTER OF CREDIT.

+IF DEMAND FOR PAYMENT MADE BY BENEFICIARY HEREUNDER DOES NOT, IN ANY INSTANCE, CONFORM TO THE TERMS AND CONDITIONS OF THIS STANDBY LETTER OF CREDIT, WE SHALL GIVE BENEFICIARY IMMEDIATE NOTICE BY E-MAIL (NOT TO EXCEED TWO E-MAIL ADDRESSES) AS PER INSTRUCTIONS INDICATED ON PRESENTERS COVER LETTER THAT ITS PURPORTED DRAWING UNDER THIS STANDBY LETTER OF CREDIT WAS NOT EFFECTED IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THIS STANDBY LETTER OF CREDIT, STATING THE REASON THEREFOR AND THAT WE ARE HOLDING ANY DOCUMENTS AT BENEFICIARY'S DISPOSAL OR RETURNING THE SAME TO BENEFICIARY. SUCH NOTICE MUST BE GIVEN TO BENEFICIARY WITHIN ONE (1) BUSINESS DAY OF OUR RECEIPT OF BENEFICIARY'S DRAFT.

+PARTIAL DRAWINGS ARE PERMITTED

+THIS LETTER OF CREDIT IS TRANSFERABLE, AT BENEFICIARY'S OPTION, AT NO COST TO THE BENEFICIARY. TRANSFER OF THIS LETTER OF CREDIT SHALL BE EFFECTED BY PRESENTATION TO US OF THIS LETTER OF CREDIT AND ALL AMENDMENTS (OR BENEFICIARY'S AFFIDAVIT OF LOSS WITH INDEMNITY) STATING THAT THAT THIS LETTER OF CREDIT AND/OR ANY AMENDMENTS HAVE BEEN LOST OR DESTROYED, AS THE CASE MAY BE), ACCOMPANIED BY A CERTIFICATE IN THE FORM OF EXHIBIT D-1 HERETO ATTACHED WITH THE BLANKS THEREIN COMPLETED. UPON SUCH PRESENTATION, WE SHALL FORWITH ENDORSE THE LETTER OF CREDIT TO THE TRANSFEREE AND FORWARD SAME TO THE TRANSFEREE WITH OUR ADVICE OF TRANSFER, AND EXHIBIT D-1 HERETO SHALL THEREUPON BE DEEMED MODIFIED TO REFLECT THE CHANGE OF THE BENEFICIARY TO THE TRANSFEREE.

THIS LETTER OF CREDIT EXPIRES ON AUGUST 7, 2014 (THE "EXPIRATION DATE"). IT IS A CONDITION OF THIS LETTER OF CREDIT THAT IT SHALL BE DEEMED AUTOMATICALLY EXTENDED WITHOUT AMENDMENT FOR AN ADDITIONAL ONE (1) YEAR FROM THE EXPIRATION DATE, AND FOR AN ADDITIONAL ONE (1) YEAR PERIOD FROM EACH FUTURE EXPIRATION DATE THROUGH AND INCLUDING THE FINAL EXPIRATION DATE OF -----, 20-- UNLESS NOT LESS THAN FORTY-FIVE (45) DAYS PRIOR TO THE EXPIRATION DATE OR ANY FUTURE EXPIRATION DATE WE NOTIFY YOU BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, OR BY RECOGNIZED OVERNIGHT COURIER WHICH PROVIDES PROOF OF DELIVERY (SUCH AS FEDERAL EXPRESS) AT THE ADDRESS OF THE BENEFICIARY AS NOTED ABOVE, THAT THIS LETTER OF CREDIT WILL NOT BE RENEWED FOR ANY SUCH

\*\*\*\*\*CONTINUED ON NEXT PAGE\*\*\*\*\*

S  
P  
E  
C  
I  
M  
E  
N

IRREVOCABLE STANDBY LETTER OF CREDIT NO. S901702  
DATE OF ISSUE: AUGUST 07, 2013

PAGE 3

ADDITIONAL PERIOD. IF YOU RECEIVE OUR NOTICE OF NON-RENEWAL AND IF YOU HAVE NOT RECEIVED A REPLACEMENT LETTER OF CREDIT BY THE DATE WHICH IS FORTY-FIVE (45) DAYS PRIOR TO THE THEN EFFECTIVE EXPIRATION DATE, THEN WITHOUT LIMITATION OF THE OTHER PROVISIONS OF THIS LETTER OF CREDIT, YOU MAY DRAW YOUR DRAFT ON US FOR THE ENTIRE AMOUNT OF THIS LETTER OF CREDIT.

+THIS LETTER OF CREDIT SETS FORTH IN FULL THE TERMS OF OUR UNDERTAKING AND SUCH UNDERTAKING SHALL NOT IN ANY WAY BE MODIFIED, AMENDED OR AMPLIFIED BY REFERENCE TO ANY DOCUMENTS, INSTRUMENT, OR AGREEMENTS REFERRED TO HEREIN, OR IN WHICH THIS LETTER OF CREDIT IS REFERRED TO OR TO WHICH THIS LETTER OF CREDIT RELATES AND ANY SUCH REFERENCE SHALL NOT BE DEEMED TO INCORPORATE HEREIN BY REFERENCE ANY SUCH DOCUMENTS, INSTRUMENTS, OR AGREEMENTS.

+ALL DRAFTS MUST BE MARKED DRAWN UNDER ISRAEL DISCOUNT BANK OF NEW YORK, NEW YORK, STATING THE STANDBY LETTER OF CREDIT NUMBER AND THE DATE OF THIS CREDIT.

+IN THE EVENT YOU WISH TO COMMUNICATE WITH US, YOU MAY DIRECT INQUIRIES TO 212-551-8899 OR 212-551-8896 OR FAX 212-551-8678.

+THIS LETTER OF CREDIT IS SUBJECT TO THE INTERNATIONAL STANDBY PRACTICES (ISP980), INTERNATIONAL CHAMBER OF COMMERCE, PUBLICATION NO. 590 ("ICP") AND AS TO ANY MATTERS NOT SPECIFICALLY COVERED BY THE ICP, THE LETTER OF CREDIT SHALL BE GOVERNED BY THE INTERNAL LAWS OF THE STATE OF NEW YORK.

\*\*\*\*\*ISRAEL DISCOUNT BANK OF NEW YORK\*\*\*\*\*

-----  
AUTHORIZED SIGNATURE

-----  
AUTHORIZED SIGNATURE

\*\*\*\*\*END OF CREDIT\*\*\*\*\*

ID#:107

S  
P  
E  
C  
I  
M  
E  
N

EXHIBIT D-1

New York, NY \_\_\_\_\_, 20\_\_\_\_

Israel Discount Bank of New York  
511 Fifth Avenue  
New York, NY 10017-4997

Re: Letter of Credit No.: \_\_\_\_\_  
Issued by: \_\_\_\_\_  
Israel Discount Bank of New York - Advice No.: \_\_\_\_\_

S  
P  
E  
C  
I  
M  
E  
N

Gentlemen:

For value received, the undersigned beneficiary hereby irrevocably transfers to:

\_\_\_\_\_  
(Name of Transferee)

\_\_\_\_\_  
(Address)

all rights of the undersigned beneficiary to draw under the above Letter of Credit in its entirety.

By this transfer, all rights of the undersigned beneficiary in such Letter of Credit are transferred to the Transferee, and the Transferee shall have the sole rights as beneficiary thereof, including sole rights relating to any amendments, whether increases or extensions or other amendments, and whether now existing or hereafter made. All amendments are to be advised directly to the Transferee without necessity for any consent of, or notice to, the undersigned beneficiary.

The original Letter of Credit or Advice, whichever is applicable, is returned herewith, together with all amendments to date. Please endorse the transfer thereon, and forward it directly to the Transferee with your customary notice of transfer.

\_\_\_\_\_  
Very truly yours,

\_\_\_\_\_  
(print or type name of beneficiary)

\_\_\_\_\_  
(signature of beneficiary)

SIGNATURE AUTHENTICATED

\_\_\_\_\_  
(name of bank)

By: \_\_\_\_\_  
(authorized signature)

FOR FULL TRANSFERS. THIS FORM MUST BE EXECUTED IN DUPLICATE.  
(Transferred in its entirety - all amendments, including increases and extensions, applicable to Transferee)



## EXHIBIT E-1

### THE INITIAL INSTALLATIONS

1. Subject to the terms of this Exhibit E-1, Landlord shall cause to be performed the improvements, installations alterations, and additions necessary to build out the Premises (the "Initial Installations") reflected on the Work Scope Letter and Materials Specifications attached hereto as Exhibit E-2 and on the drawings for Project No. 01068 each dated July 24, 2013 and titled (a) Floor Plan- Amended, A01, (b) Reflected Ceiling Plan, A03, and (c) Reflected Ceiling Plan, A04 (the Scope of Work Specifications and each plan, collectively, the "Plans") attached hereto as Exhibit E-3 which shall include the installation of fire alarm coverage and the distribution of the Tenant controlled air-conditioning serving the Premises requiring Condenser Water as reflected on the Plans, provided that Landlord shall not be obligated to provide or install any Personalty inclusive of Tenant's telecom, telephone and computer equipment along with related wiring, cabling and conduit, whether or not shown on the Plans, and the same shall not be deemed part of the Initial Installations. The Plans are approved by Landlord and Tenant; provided that Landlord and Tenant acknowledge and agree that certain final selections (the "Outstanding Tenant Selections") have not been made and will be selected by Tenant after execution of the Lease but no later than within three (3) days of Landlord's request. Landlord shall perform the Initial Installations using contractors and subcontractors (each, a "Contractor", and together, the "Contractors") and design professionals selected by Landlord, in its sole discretion, and in a good and workmanlike manner, in accordance with all applicable Laws, using building standard materials and finishes unless otherwise reflected on the Plans. Landlord shall perform the Initial Installations with reasonable diligence, but without any obligation to employ contractors or labor at overtime or other premium pay rates or to incur any extraordinary or unusual cost or expense in connection therewith. Tenant shall grant access to the Premises to Landlord at all reasonable times subsequent to the Commencement Date to complete "punch-list" items of the Initial Installations and Landlord's Work (defined hereinafter), identified by Tenant within ten (10) days after delivery of the Premises to Tenant with the Initial Installations Substantially Completed and reasonably agreed to by Landlord, if any.

2. Landlord shall contribute up to the amount of Five Hundred Ninety Nine Thousand Five Hundred and 00/100 Dollars (\$599,500.00) ("Landlord's Contribution") towards the total "hard costs" and "soft costs" incurred in performing the Initial Installations (the "Work Cost"), provided that no portion Landlord's Contribution shall be applied to soft costs. Tenant shall pay one hundred percent (100%) of all costs and expenses incurred by Landlord in the performance of the Initial Installations in excess of Landlord's Contribution ("Tenant's Contribution"). Attached hereto as Exhibit E-4 is an estimated budget (the "Estimated Budget") for the Work Cost which reflects a Work Cost of \$598,029.00 resulting in an estimated Tenant's Contribution of \$0 (the "Estimated Tenant's Contribution"). Following Substantial Completion of the Initial Installations, Landlord shall deliver to Tenant a notice setting forth the final Work Cost and the amount of Tenant's Contribution, if any. Tenant shall pay to Landlord, within five (5) Business Days after receipt of such notice, an amount equal to the excess (if any) of (I) Tenant's Contribution over (II) the Estimated Tenant Contribution, if any. If the Estimated Tenant Contribution was greater than Tenant's Contribution, then Landlord shall, at Landlord's option, pay to Tenant, within thirty (30) days after the date that Landlord gives the notice to Tenant, or advise Tenant that Landlord shall apply against the Rent next coming due hereunder, an amount equal to the excess of the Estimated Tenant Contribution over Tenant's Contribution. In the event that the final Work Cost is less than Landlord's Contribution, Tenant shall have no right to any such excess.

Exhibit E-2

3. It is understood by Landlord and Tenant that the schedule for completion of the Initial Installations and Landlord's Work (defined hereinafter) is contingent upon the absence of change orders or other modifications or revisions requested by Tenant that result in a Tenant Delay. Any change order, revision or other modification requested by Tenant shall be in writing, shall set forth in detail the nature of the revision or modification and shall have attached thereto all appropriate drawings and specifications to illustrate such revision or modification (collectively, a "Change Order"). In the event Tenant requests a Change Order, Tenant shall submit such Change Order to Landlord for Landlord's review and approval. Landlord shall advise Tenant of the estimated cost of the implementation of the Change Order, including, without limitation, additional design costs incurred in connection with a Change Order (such increased costs, the "Increased Cost"), together with Landlord's estimate of the number of days of Tenant Delay which would result on account thereof and Landlord (x) shall give its written approval thereto, or (y) Landlord shall request revisions or modifications to such Change Order. Within three (3) Business Days following Landlord's approval or request, Tenant shall either (A) advise Landlord in writing that it does or does not want to proceed with the proposed Change Order, or (B) to the extent applicable, revise the Change Order and submit such revisions or modifications to Landlord for Landlord's approval. Following receipt by Landlord of such changes, revisions or modifications, Landlord shall give its written approval thereto or shall request further changes, revisions or modifications. The preceding two sentences shall be implemented repeatedly until Landlord gives its written approval to the Change Order. Within five (5) Business Days of Landlord's approval of the Change Order, Tenant shall deliver to Landlord one hundred percent (100%) of the estimated Increased Costs, as a condition precedent for Landlord to cause the applicable Change Order to be implemented. Landlord shall not be required to stop or postpone the performance of the Initial Installations, or any portion thereof, because Landlord has received from Tenant a Change Order affecting the performance of the Initial Installations, or a portion thereof, unless Tenant requests or agrees to such stoppage or postponement, in which event such stoppage or postponement shall be deemed to be a Tenant Delay. To the extent the estimated Increased Costs paid to Landlord by Tenant differs from the actual Increased Costs, the overpayment or underpayment, as the case may be, shall be adjusted in accordance with the terms of Section 2 of this Exhibit E-1.

4. As used in this Exhibit E-1, the following terms shall have the following meanings.

(a) The term "building standard" shall mean such materials and construction techniques as Landlord may elect to use from time to time, in Landlord's sole and absolute discretion, as part of Landlord's standard construction in the Building. Without limitation of the foregoing, in no event shall "building standard" be deemed to include any special, custom or above-building standard work which may have previously been performed by Landlord or any tenant of the Building or which may hereafter be performed by Landlord or any tenant of the Building.

(b) The term "hard costs" shall mean the costs of performing the Initial Installations which are not soft costs;

(c) The term "Initial Installations Delay" shall mean delays in the performance of the Initial Installations or any other work which Landlord is obligated to perform under the terms of the Lease that occurs as a result of (1) the acts or omissions of Tenant or others under Tenant's control, (2) Tenant's failure to timely pay the Increased Costs or Tenant's Estimated Contribution to Landlord; (3) Tenant's failure to timely cooperate with Landlord in connection with Landlord's performance of the Initial Installations and Landlord's Work; (4) Tenant's failure to respond to a request for information, to make a selection, including, without limitation, to a Landlord request to select a Tenant Outstanding Selection, or reply to any other request by Landlord pertaining

to the Initial Installations or Landlord's Work, within three (3) days of request; (5) the failure of Tenant to timely make any deposit required hereunder; or (6) a stoppage or postponement of the performance of the Initial Installations or Landlord's Work in connection with a Change Order.

(d) The term "Long Lead Work" shall mean any item which is not a stock item and must be specially manufactured, fabricated or installed or is of such an unusual, delicate or fragile nature that there is a substantial risk that (i) there will be a delay in its manufacture, fabrication, delivery or installation, or (ii) after delivery such item will need to be reshipped or redelivered or repaired so that, in Landlord's reasonable judgment, the item in question cannot be completed when the building standard items are completed. In addition, Long Lead Work shall include any building standard item that, in accordance with good construction practice, should be completed after the completion of any item of Long Lead Work.

(e) The term "soft costs" means architectural fees, engineering fees and other professional fees incurred by Landlord in connection with the preparation of the Plans, permitting costs, and otherwise costs of the Initial Installations other than the cost of labor and materials used in construction;

(f) The term "Substantial Completion" or words of similar import shall mean that the applicable work has been substantially completed in accordance with the applicable plans and specifications, if any, it being agreed that (i) such work shall be deemed substantially complete notwithstanding the fact that minor or insubstantial details of construction or demolition, mechanical adjustment or decorative items remain to be performed, and (ii) with respect to work that is being performed in the Premises, such work shall be deemed substantially complete only if the incomplete elements thereof do not interfere materially with Tenant's use and occupancy of the Premises for the conduct of business; and

(g) The term "Tenant Delays" shall mean delays in the Substantial Completion of the Initial Installations or Landlord's Work as a result of Long Lead Work and/or Initial Installations Delay.

5. Landlord may enter the Premises from time to time, whether prior to or subsequent to the Commencement Date, and shall have free and unrestricted access in and to the Premises at all times, in order to perform the Initial Installations and Landlord's Work, and entry by Landlord, its agents, servants, employees or contractors for such purpose shall not constitute an actual or constructive eviction, in whole or in part, or entitle Tenant to any abatement or diminution of rent, or relieve Tenant from any of its obligations under this Lease, or impose any liability upon Landlord, or its agents, by reason of inconvenience or annoyance to Tenant, or injury to, or interruption of Tenant's business or otherwise.

6. No promise, agreement, representation or warranty, verbal or otherwise, has been made to Tenant by Landlord, its agents or employees, and no expenditure for work or materials will be made by or on behalf of Landlord in the Premises, except as expressly set forth in the Lease and as herein specifically set forth with respect to the Initial Installations and Landlord's Work. Without limitation of the foregoing, Tenant hereby acknowledges that no representation or warranty has been made by or on behalf of Landlord as to the date or anticipated date of completion of the Initial Installations and Landlord's Work. It is understood and agreed that Landlord's agreement to perform the Initial Installations and Landlord's Work as expressed herein, shall be applicable only to the particular term herein demised and shall not in any manner be operative in connection with any

extension of the term or any renewal of the Lease, by operation of Law, or otherwise. Without limiting any other rights or remedies that Landlord may have hereunder, if the Substantial Completion of the Initial Installations or Landlord's Work is delayed as a result of a Tenant Delay, the Commencement Date shall be deemed to have occurred for all purposes of this Lease on the date when the Commencement Date would have occurred but for such Tenant Delays, except that Landlord shall not be obligated to deliver possession of the Premises to Tenant until the Initial Installations and Landlord's Work are Substantially Completed.

7. (a) In addition to the Initial Installations, Landlord shall cause to be performed to Substantial Completion by the Commencement Date, at Landlord's sole cost and expense, the work described in this Section 8 ("Landlord's Work"). For purposes of achieving Substantial Completion of the Initial Installations, Landlord's Work is to be Substantially Complete.

- Retrofit existing induction unit covers as to provide a uniformed appearance.
- The enclosure of the Building shall be weather tight, with all windows in place; fully caulked and repaired. Perimeter walls including insulation, fireproofing and column enclosures shall be in place and complete.
- Make available a reasonable number of connection points for the Class "E" system at the Premises.
- Inspect, clean and turn over all induction heating units and controls in good working order. Balance induction unit primary air.
- Provide sufficient Tenant controlled air conditioning to satisfy interior Tenant electrical lighting and power loads of 3 watts per usable square foot and occupancy load of one person per 150 usable square feet in order to maintain indoor temperatures of 76 degrees when outdoor conditions are 94 degrees dry bulb/76 degrees wet bulb, occupancy is not more than one person per 150 usable square feet.
- Landlord shall furnish to the Premises electric energy of 6 watts per usable square foot of total connected load exclusive of base Building HVAC.

- Make available to Tenant:

1. Access to the riser closet on the thirty-eight (38th) floor of the Building for Tenant's telecom provider's installations and maintenance of telecom equipment approved by Landlord, such approval not to be unreasonably withheld, conditioned or delayed. Tenant's telecom provider shall be subject to Landlord's approval rights with respect to a Tenant contractor more fully set forth in the Lease ( the "Approved Telecom Provider").

2. Access to the riser from the Minimum Point of Entry in the Building to the thirty-eight (38th) floor of the Building for the Approved Telecom Provider to run required cables/wires approved by Landlord, which approval shall not be unreasonably withheld, conditioned or delayed.

3. Access to electrical outlets at the Minimum Point of Entry in the Building and in the riser closet on the thirty-eight (38th) floor of the Building for any reasonable electrical requirement by the Approved Telecom Provider.

4. Wall, floor, and/or rack space at the Minimum Point of Entry in the Building and in the riser closet on the thirty-eight (38th) floor of the Building for Approved

---

Telecom Provider equipment approved by Landlord, which approval shall not be unreasonably withheld, conditioned or delayed.

- The wall, floor, rack and/or riser closet space made available to Tenant shall not exceed, in the aggregate, Tenant's Proportionate Share and shall be on a non-exclusive basis in common with Landlord, other tenants of the Building, and service providers of the Building. Access shall be provided at reasonable times following reasonable prior notice, on a non-exclusive basis in common with Landlord, other tenants of the building, and service providers of the building, and, if elected by Landlord, accompanied by a representative of Landlord.

(b) Landlord shall also cause to be performed, at Landlord's sole cost and expense, the following work in the common corridor of the thirty-eight (38th) floor of the Building:

- Renovation of men's and women's bathrooms in a building standard manner.
- Provide one (1) ADA compliant bathroom in a building standard manner.
- Renovation of common corridor providing access to the Premises in a building standard manner.

---

**EXHIBIT E-2**  
**WORK SCOPE LETTER AND MATERIALS SPECIFICATIONS**



---

**WORK SCOPE LETTER & MATERIALS SPECIFICATIONS**

for  
GALAXY BRANDS  
38<sup>TH</sup> FLOOR BUILDOUT

SPACE/ ITEM	BUILDING STANDARD
<b>RECEPTION AREA &amp; SHOWROOMS</b>	
<b>FLOOR</b>	<b>OPTION 1:</b> STONE TILE <b>OPTION 2:</b> ENGINEERED WOOD
<b>WALLS</b>	5/8" GYPSUM BOARD PAINTED FINISH- BENJAMIN MOORE- WHITE- FLAT FINISH
<b>WALL BASE</b>	3/16" THICK VINYL PAINTED VINYL BASE- 4" HIGH
<b>DOORS (SHOWROOMS)</b>	3'-0" X 8'-0" X 3/8" THICK TEMPERED GLASS SLIDING DOORS
<b>GLAZING (SHOWROOMS)</b>	3'-0" X 8'-0" X 3/8" THICK TEMPERED GLASS SIDELIGHTS ON EACH SIDE OF SLIDING DOORS
<b>CEILING</b>	<b>OPTION 1:</b> 5/8" GYPSUM BOARD- 8'-0" CLG. HT. PAINTED FINISH- BENJAMIN MOORE- DECORATOR WHITE <b>OPTION 2:</b> OPEN SLAB CEILING PAINTED FINISH- BENJAMIN MOORE- WHITE- FLAT FINISH
<b>LIGHTING</b>	<b>OPTION 1: TYPE A</b> SEMI-RECESSED DIRECT/ INDIRECT FLUORESCENT-NATIONAL LIGHTING SR-AST/CB 2'X2' (2) T5HO (24W) PERFORATED 120VOLTGLS 22- 2' X 2'- HIGH EFFICIENCY SERIES- GLS 22-2-T5HO-LPA-SG-120V <b>OPTION 2: TYPE C</b> DIRECT INDIRECT FLUORESCENT- NATIONAL LIGHTING PENDANT DIRECT/ INDIRECT FLUORESCENT S28-1D/D- (4) T5HO LAMPS- 8'-PFM- 120VOLT

#### OFFICES & CONF. ROOMS

<b>FLOOR</b>	CARPET TILE BIGELOW- DELHI- 24" X 24"- COLOR TO BE DETERMINED
<b>WALLS</b>	DEMISING PARTITIONS-5/8" GYPSUM BOARD PAINTED FINISH- BENJAMIN MOORE- SUPER WHITE I-02
<b>WALL BASE</b>	VINYL BASE ROPPE WALL COVE BASE- COLOR TO BE DETERMINED- 4" HIGH
<b>DOORS</b>	3'-0" X 8'-0"- SOLID CORE MAPLE WOOD VENEER CLEAR POLYURETHANE FINISH
<b>GLAZING</b>	VISION PANELS-3/8" THICK TEMPERED 8'-0" HEIGHT TEMPERED GLASS PANELS ON RECESSED TOP & BOTTOM CHANNELS
<b>CEILING</b>	<b>OPTION 1:</b> CEILING TILES ARMSTRONG- 2'X 2'-ULTIMA 1912- SILHOUETTE 9/16" GRID <b>OPTION 2:</b> OPEN SLAB CEILING PAINTED FINISH- BENJAMIN MOORE- WHITE- FLAT FINISH
<b>LIGHTING</b>	<b>OPTION 1: TYPE A</b> SEMI-RECESSED DIRECT/ INDIRECT FLUORESCENT-NATIONAL LIGHTING SR-AST/CB 2'X2' (2) T5HO (24W) PERFORATED 120VOLTGLS 22- 2' X 2'- HIGH EFFICIENCY SERIES- GLS 22-2-T5HO-LPA-SG-120V <b>OPTION 2: TYPE C</b> DIRECT INDIRECT FLUORESCENT- NATIONAL LIGHTING PENDANT DIRECT/ INDIRECT FLUORESCENT S28-1D/D- (4) T5HO LAMPS- 8'-PFM- 120VOLT



<b>PANTRY</b>	
<b>FLOOR</b>	VINYL TILE MANNINGTON COMMERCIAL- 12" X 12"- ESSENTIALS STANDARD VCT COLOR TO BE DETERMINED
<b>WALLS</b>	5/8" GYPSUM BOARD PAINTED FINISH- BENJAMIN MOORE- DECORATOR WHITE
<b>WALL BASE</b>	VINYL BASE ROPPE WALL COVE BASE- COLOR TO BE DETERMINED- 4" HIGH
<b>CEILING</b>	<b>OPTION 1: CEILING TILES</b> ARMSTRONG- 2'X 2'-ULTIMA 1912- SILHOUETTE 9/16" GRID
<b>LIGHTING</b>	<b>OPTION 1: TYPE A</b> SEMI-RECESSED DIRECT/ INDIRECT FLUORESCENT-NATIONAL LIGHTING SR-AST/CB 2'X2' (2) T5HO (24W) PERFORATED 120VOLTGLS 22- 2' X 2'- HIGH EFFICIENCY SERIES- GLS 22-2-T5HO-LPA-SG-120V
<b>CABINERY/ COUNTERTOPS</b>	CORIAN STANDARD COLOR- TO BE DETERMINED
<b>PLUMBING FIXTURES</b>	DROP-IN OR UNDERMOUNT STAINLESS STEEL SINK & POLISHED CHROME FAUCET

<b>GENERAL SPECIFICATIONS</b>	
<b>MECHANICAL</b>	ALL ASSOCIATED DUCTWORK DIFFUSERS & RETURN GRILLES
<b>ELECTRICAL</b>	ONE QUAD & ONE DUPLEX RECEPTACLE PER OFFICE AS REQUIRED IN OPEN WORK AREA SWITCHING AS REQUIRED LEVITON DECORA- WHITE
<b>FIRE ALARM</b>	AS PER CODE REQUIREMENT

**NOTES:**

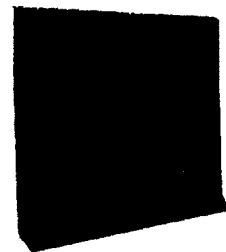
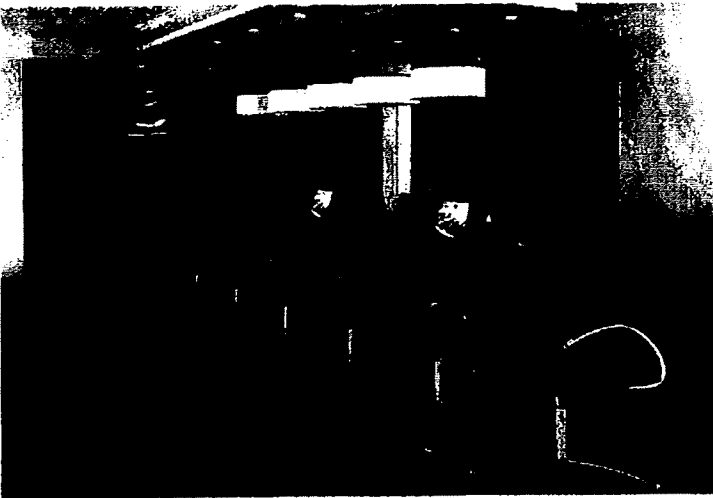
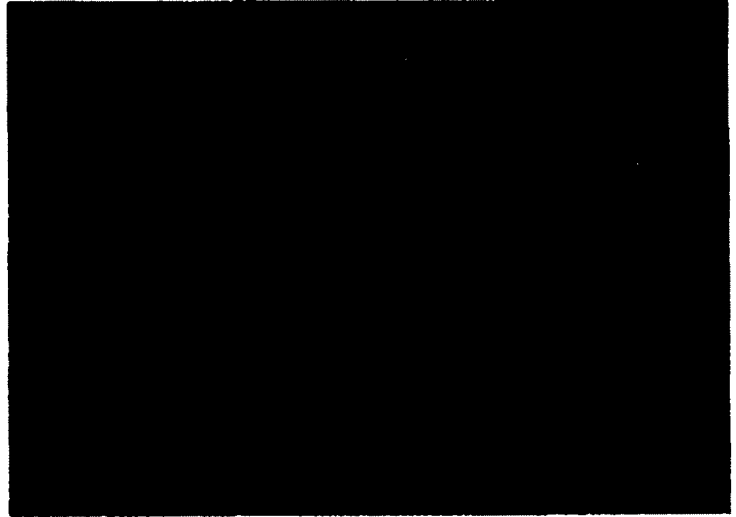
1. SECURITY SYSTEMS, INCLUDING ALL DEVICES & WIRING/ CABLING, ARE NOT INCLUDED IN BASE BUILDING SCOPE OF WORK
2. AUDIOVISUAL SYSTEMS & COMPONENTS ARE NOT INCLUDED IN BASE BUILDING SCOPE OF WORK.
3. TELEPHONE & DATA, INCLUDING ALL DEVICES & WIRING/ CABLING, BACK BOXES AND STUB-UPS ARE NOT INCLUDED IN BASE BUILDING SCOPE OF WORK.
4. SERVER ROOM SUPPLEMENTARY AC UNIT IS NOT INCLUDED IN BASE BUILDING SCOPE OF WORK.

---

## MATERIALS & EQUIPMENT SPECIFICATIONS

### FLOORING

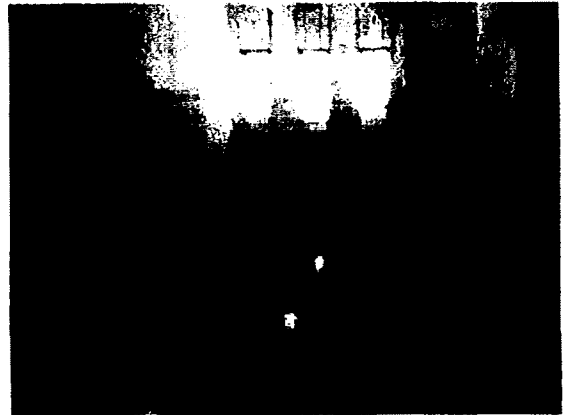
CARPET TILE- 24"X24"- OFFICES/ CONFERENCE ROOMS  
THE MOHAWK GROUP- BIGELOW  
STYLE- CITY BY CITY- DELHI MODULAR  
COLOR- KHAKI 7858 OR TO BE DETERMINED



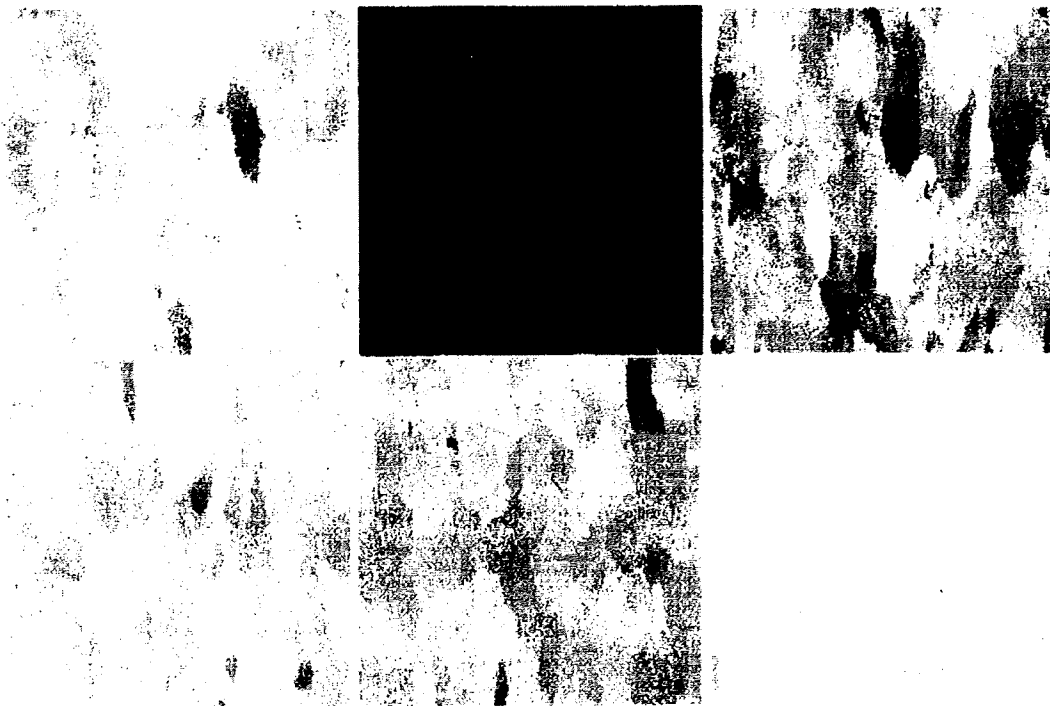
VINYL COVE BASE  
(COLOR TO BE DETERMINED)

**FLOORING**

SHOT BLASTED CONCRETE- POLYURETHANED FINISH- OPEN WORK AREA  
(ACTUAL FINISHES MAY VARY DUE TO EXISTING CONCRETE CONDITIONS)

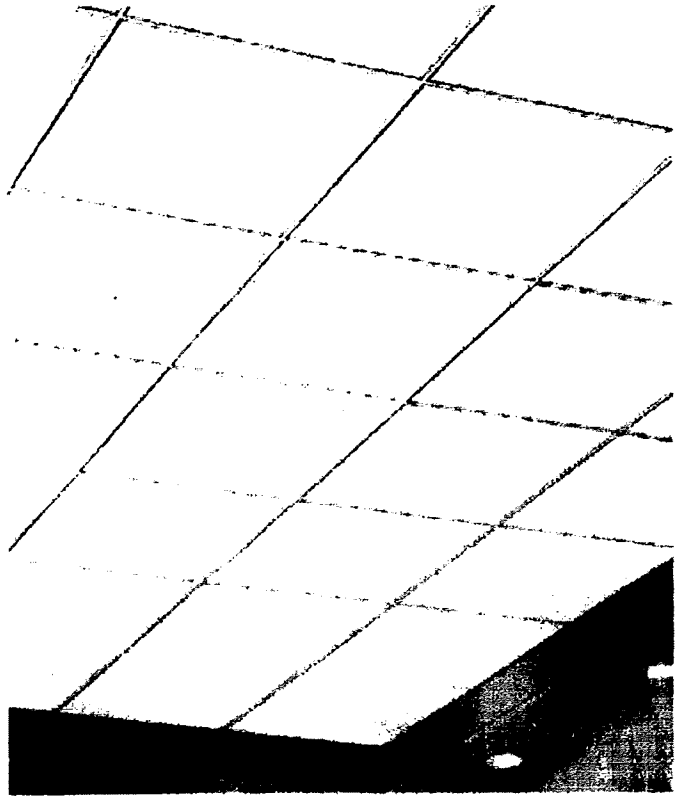
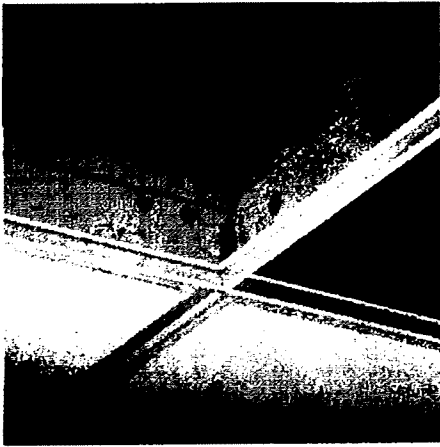


3/8" THICK VINYL BASE- WHITE FINISH OR TO BE DETERMINED

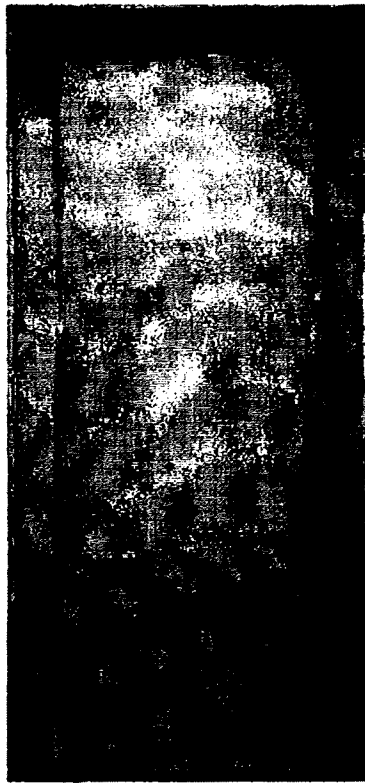


VINYL COMPOSITION TILE- PANTRY/ STORAGE ROOMS/ SERVER ROOM  
MANNINGTON COMMERCIAL- ESSENTIALS STANDARD VCT  
(SOME SAMPLES OF AVAILABLE COLORS)  
VINYL COVE BASE

**ACOUSTICAL CEILING SYSTEM**  
ARMSTRONG  
ULTIMA BEVELED TEGULAR CEILING TILE  
9/16" INTERLUDE XL HRC GRID



**WOOD VENEER DOORS**  
36" W X 96" H SOLID CORE WOOD VENEER PANEL DOORS  
SOLID CORE WOOD VENEER & GLASS PANEL DOORS  
KD METAL DOOR FRAMES  
OFFICES/ CONFERENCE ROOMS & CLOSET DOORS



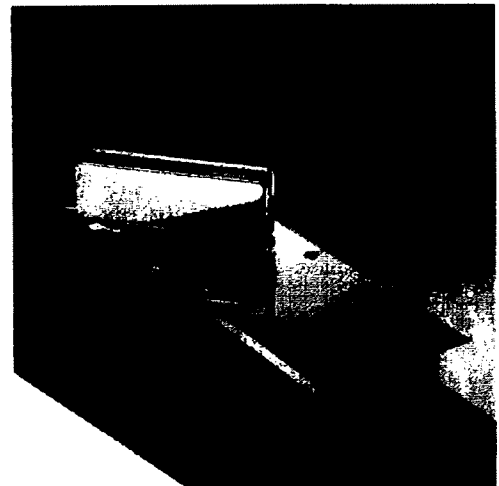
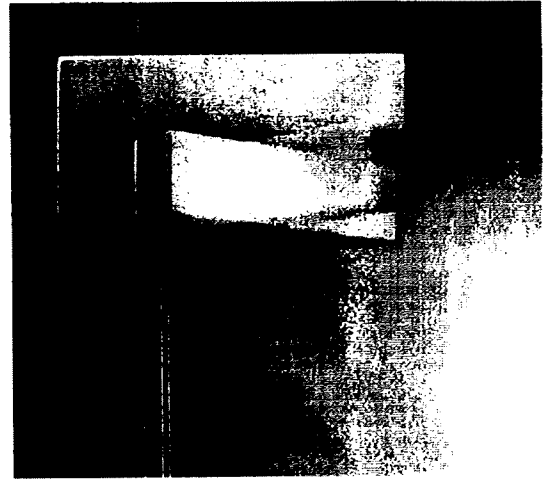
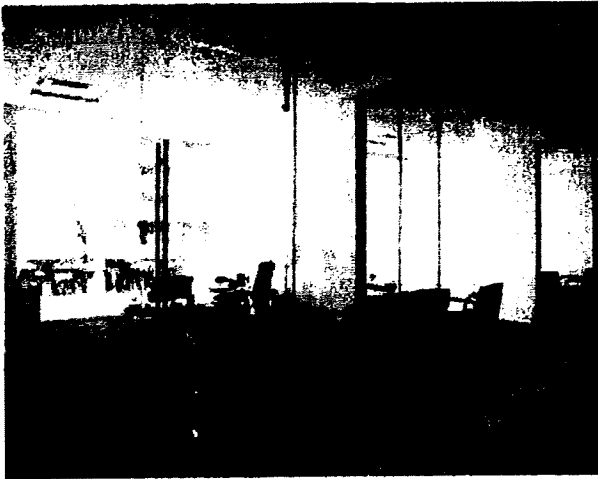
SOLID CORE WOOD VENEER W/ GLASS PANELS

KD DOOR FRAME



MAPLE VENEER

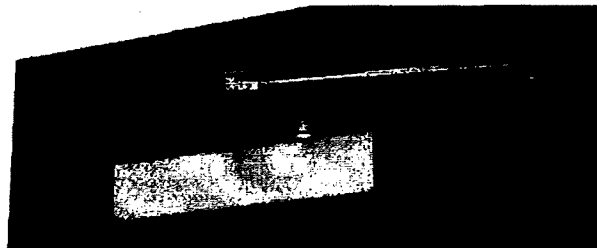
**TEMPERED GLASS ENTRY DOORS & SIDELIGHTS**  
3/8" THICK TEMPERED GLASS DOOR  
STAINLESS STEEL PATCH FITTINGS & 18" HIGH BAR HANDLES  
3/8" THICK TEMPERED GLASS SIDELIGHTS



**DOOR HARDWARE**  
LOCKSETS- SCHLAGE AL SERIES  
GRADE 2 CYLINDRICAL LOCKSETS  
JUPITER SERIES-SATIN CHROMIUM PLATED



SCHLAGE CYLINDRICAL LOCKSET

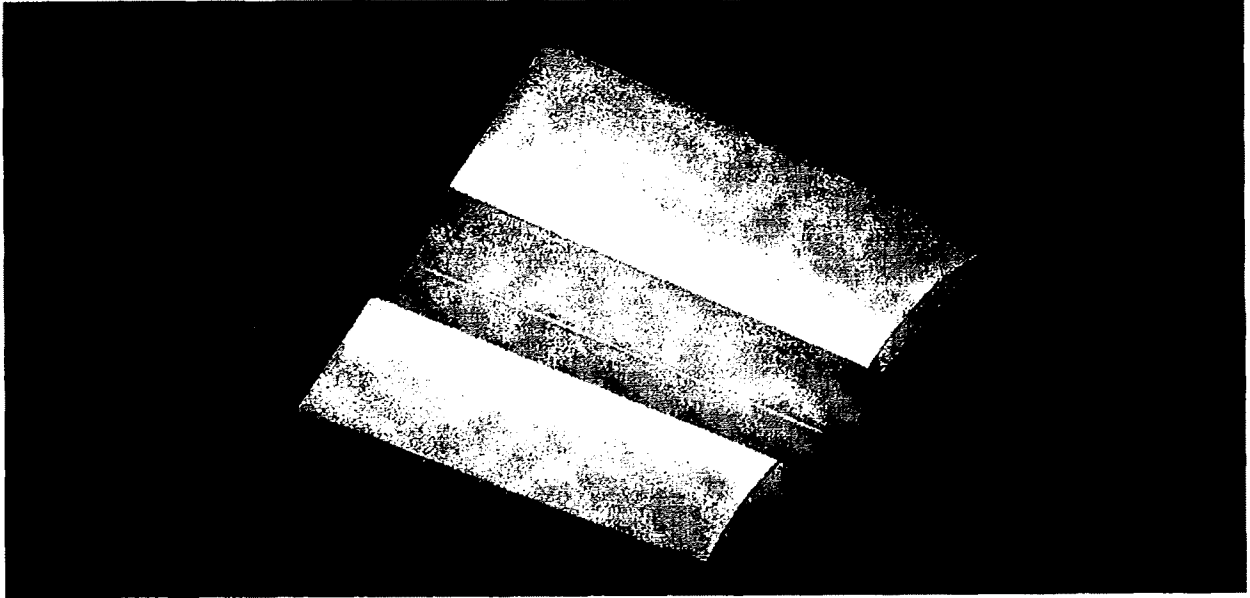


PARALLEL ARM DOOR CLOSER

**LIGHTING & POWER**

**TYPE A- NATIONAL LIGHTING**

SEMI-RECESSED DIRECT/ INDIRECT FLUORESCENT  
SR-AST/CB 2'X2' (2) T5HO (24W) PERFORATED 120VOLT

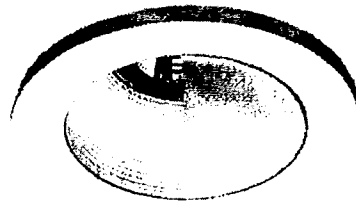


**TYPE B- WAC LIGHTING**

RECESSED LOW VOLTAGE DOWNLIGHT  
HR-D411 TRIM- WHITE FINISH  
HR-8402E HOUSING  
NON IC- NEW CONSTRUCTION  
12 VOLT ELECTRONIC- LAMP: MR16 50W MAX  
MAX

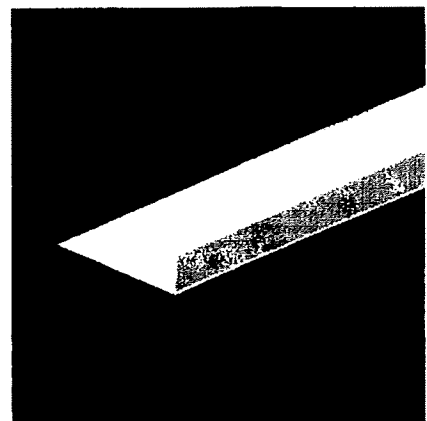
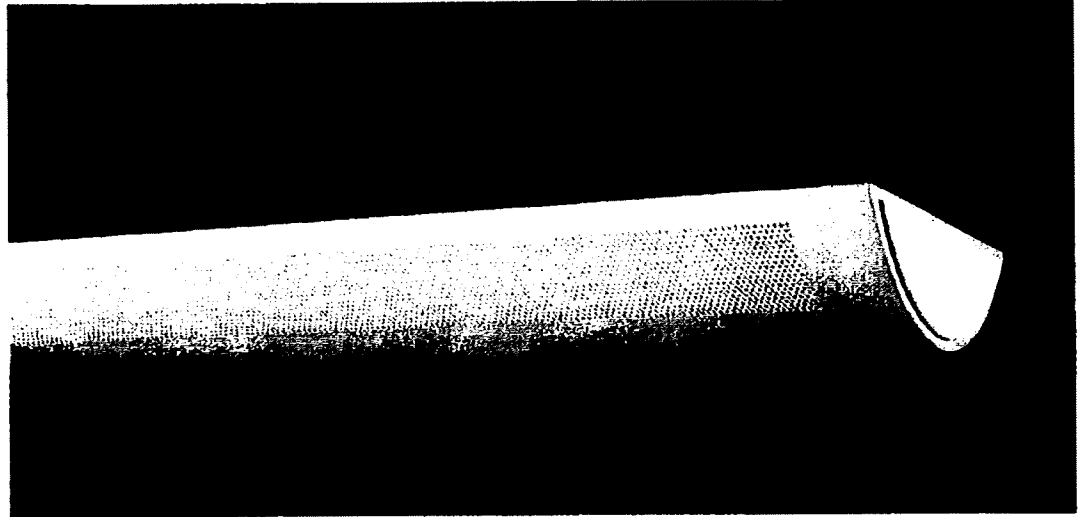
**TYPE B-1- WAC LIGHTING**

RECESSED LOW VOLTAGE WALL WASHER  
HR-D419 TRIM- WHITE FINISH  
HR-8402E HOUSING  
NON IC- NEW CONSTRUCTION  
12 VOLT ELECTRONIC- LAMP: MR16 50W





**LIGHTING & POWER**  
**TYPE C- NATIONAL LIGHTING**  
PENDANT DIRECT/ INDIRECT FLUORESCENT  
S28-1 D/D- (4) T5HO LAMPS- 8'-PFM- 120VOLT

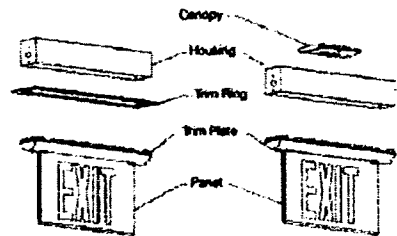
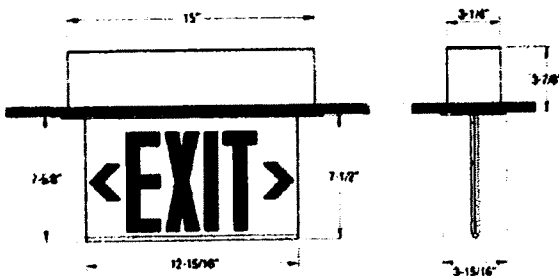


**TYPE D- STARFIRE LIGHTING**  
4" WIDE X 4'-0" LONG- VERSALUX FLUORESCENT SLOT-REGRESSED LENS  
VL-4-1-28/35HO-E-48"-X-W-120V

**LIGHTING & POWER**

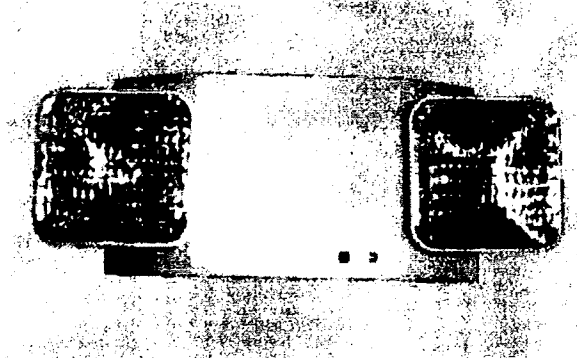
**TYPE F- LIGHT ALARMS**

SIMPLICITY SERIES- EDGELIT L.E.D. EXIT SIGN-  
EMERGENCY "SELF POWERED"- 8-SPLED-W-RW-D



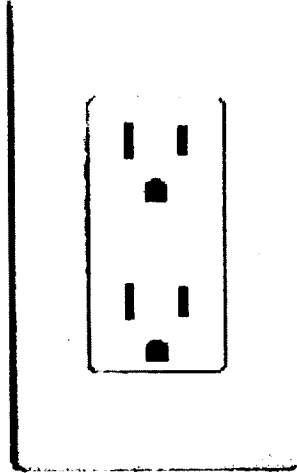
**TYPE G- ENCORE LIGHTING**

6ELPQ-27-0-V-3CP SERIES- LOW PROFILE EMERGENCY LIGHT

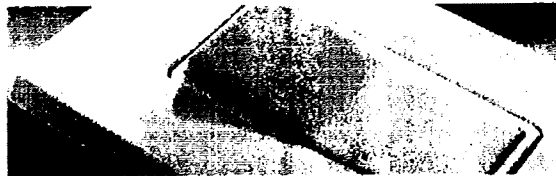


**ELECTRICAL SWITCHES & RECEPTACLES**

LEVITON  
DECORA SERIES



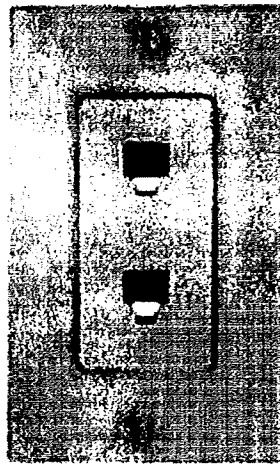
POWER RECEPTACLE



LIGHT SWITCH

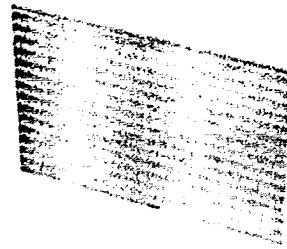
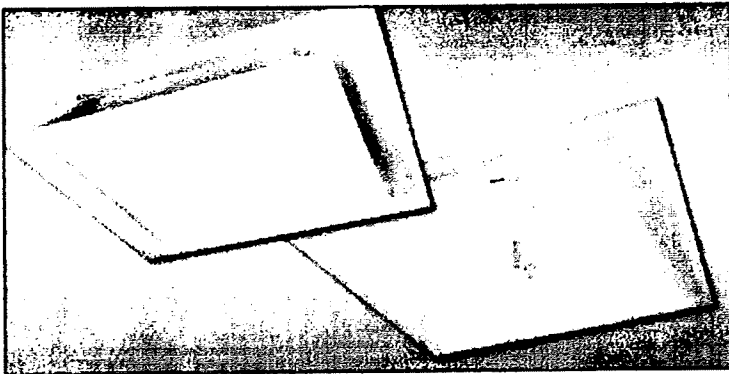
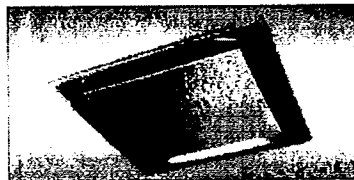
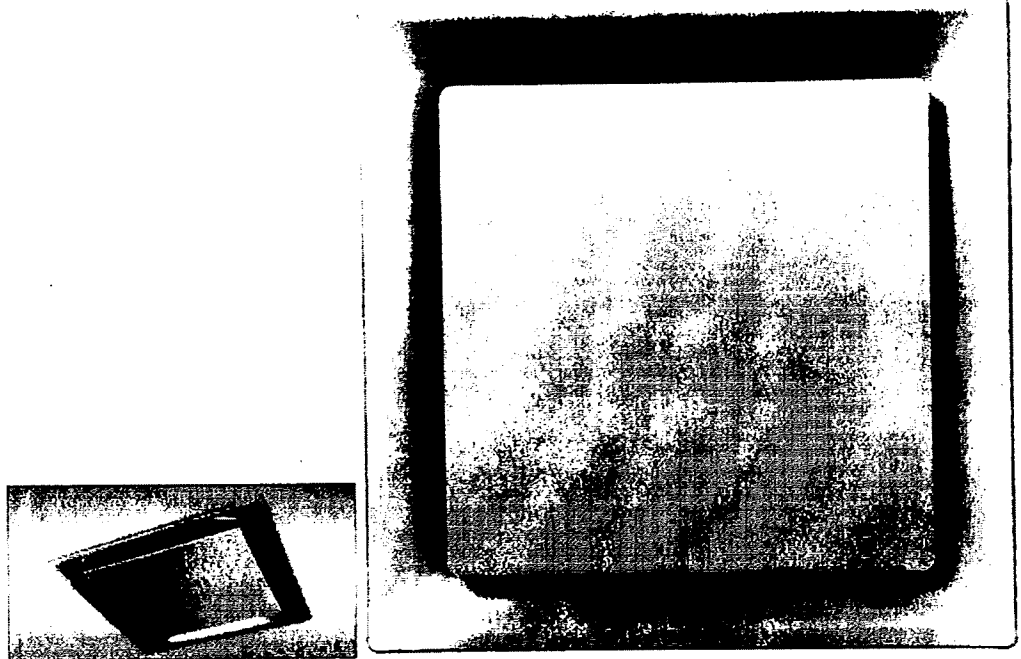


MOTION SENSOR SWITCH



DATA PORTS (BY OTHERS)

**HVAC DIFFUSERS & RETURN GRILLES**  
ANEMOSTAT  
PARAGON PLAQUE DIFFUSERS  
BUTTERFLY VOLUME CONTROL DAMPER



**CONCEALED SPRINKLER HEADS**

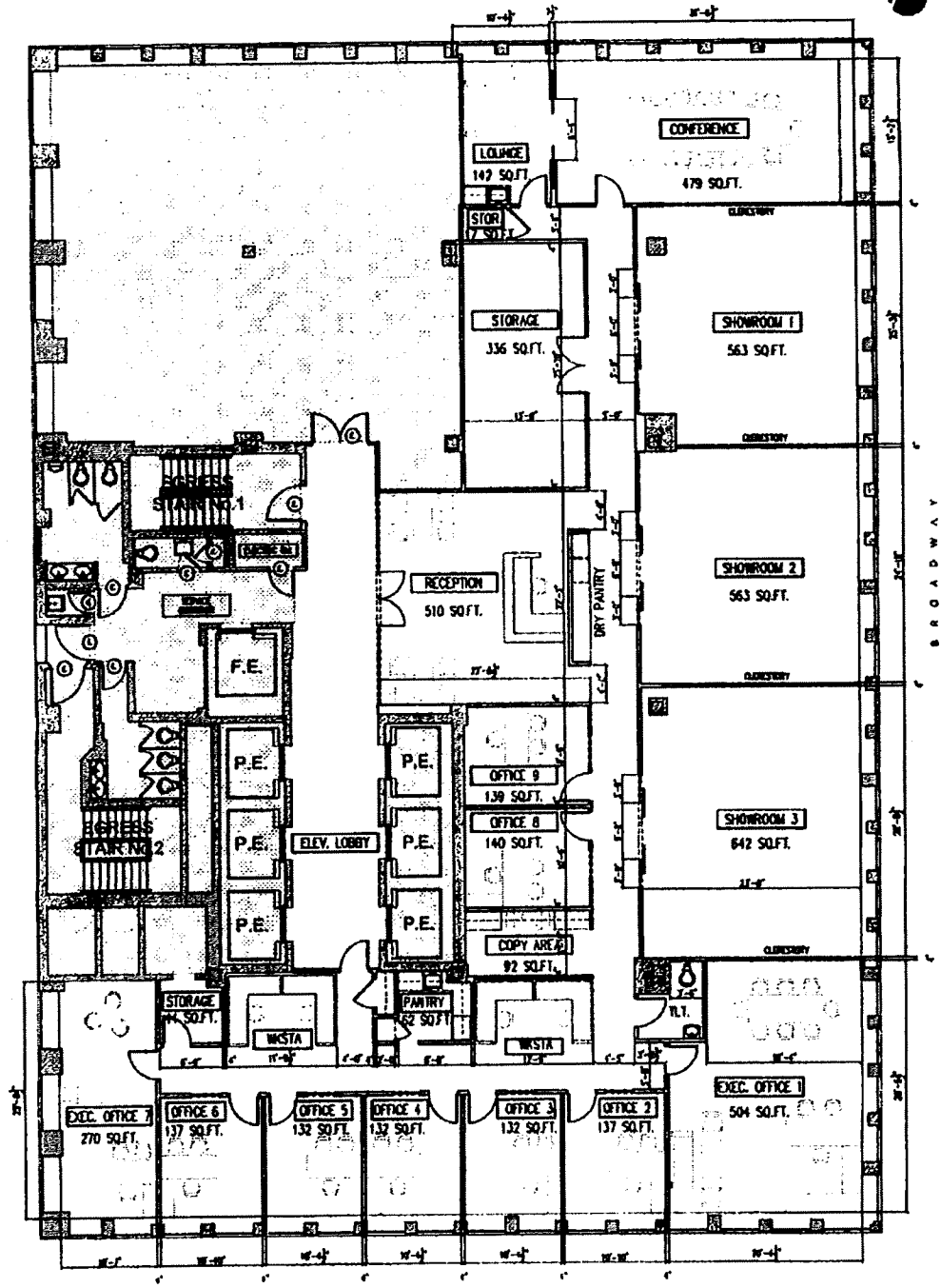


---

**EXHIBIT E-3**

**THE PLANS**

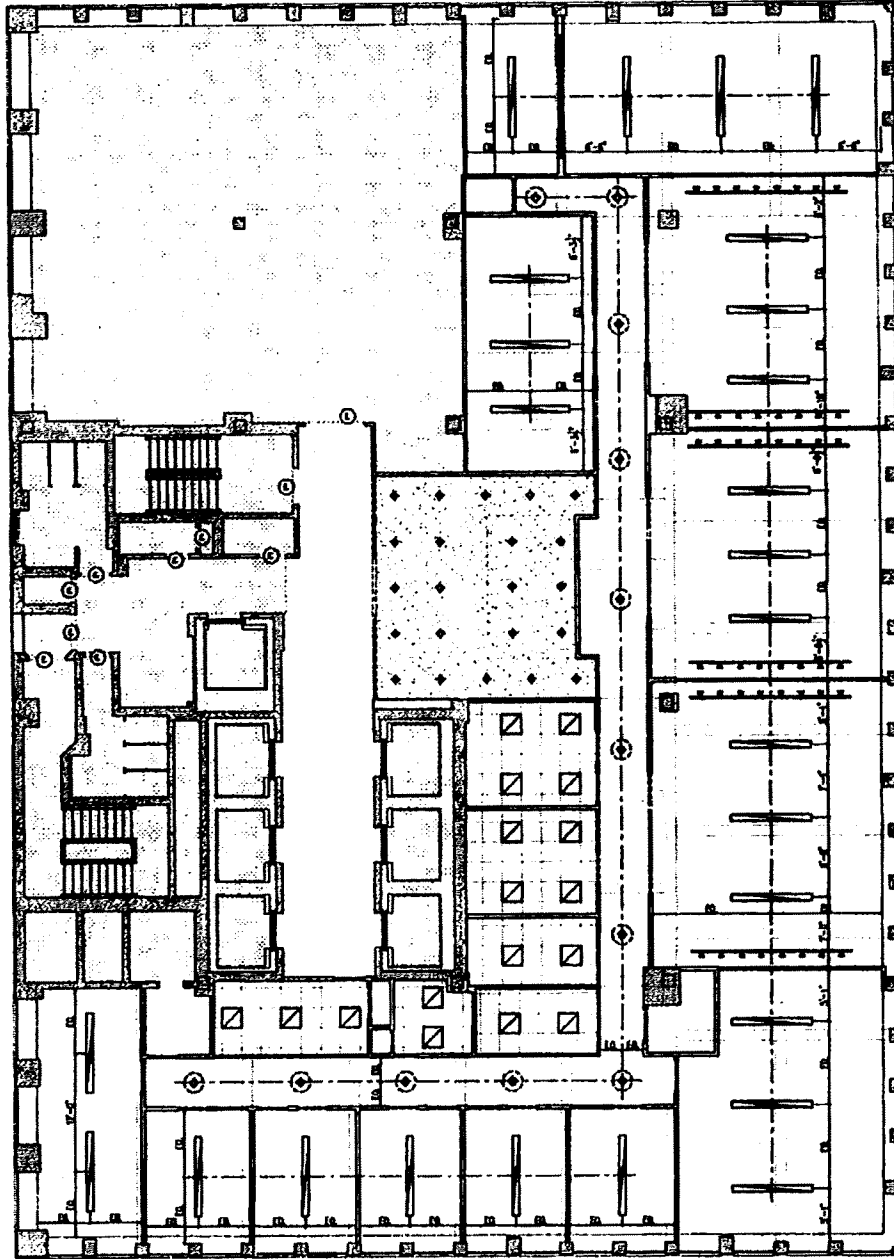
WEST 37TH STREET



247 WEST 37TH STREET  
NEW YORK, NY 10018  
TEL: (212) 221-1000 FAX: (212) 221-3710

NOT FOR  
CONSTRUCTION

PROJECT: GALAXY BRANDS 1407 BROADWAY - 38TH FLOOR		© 2013 - 2013 NTA DESIGN GROUP LLC
TITLE: FLOOR PLAN- AMENDED	PROJ. No. D1068	
SCALE: 3/32"=1'-0" (@11x17 paper)	DATE: 7/24/13	<b>A01</b>

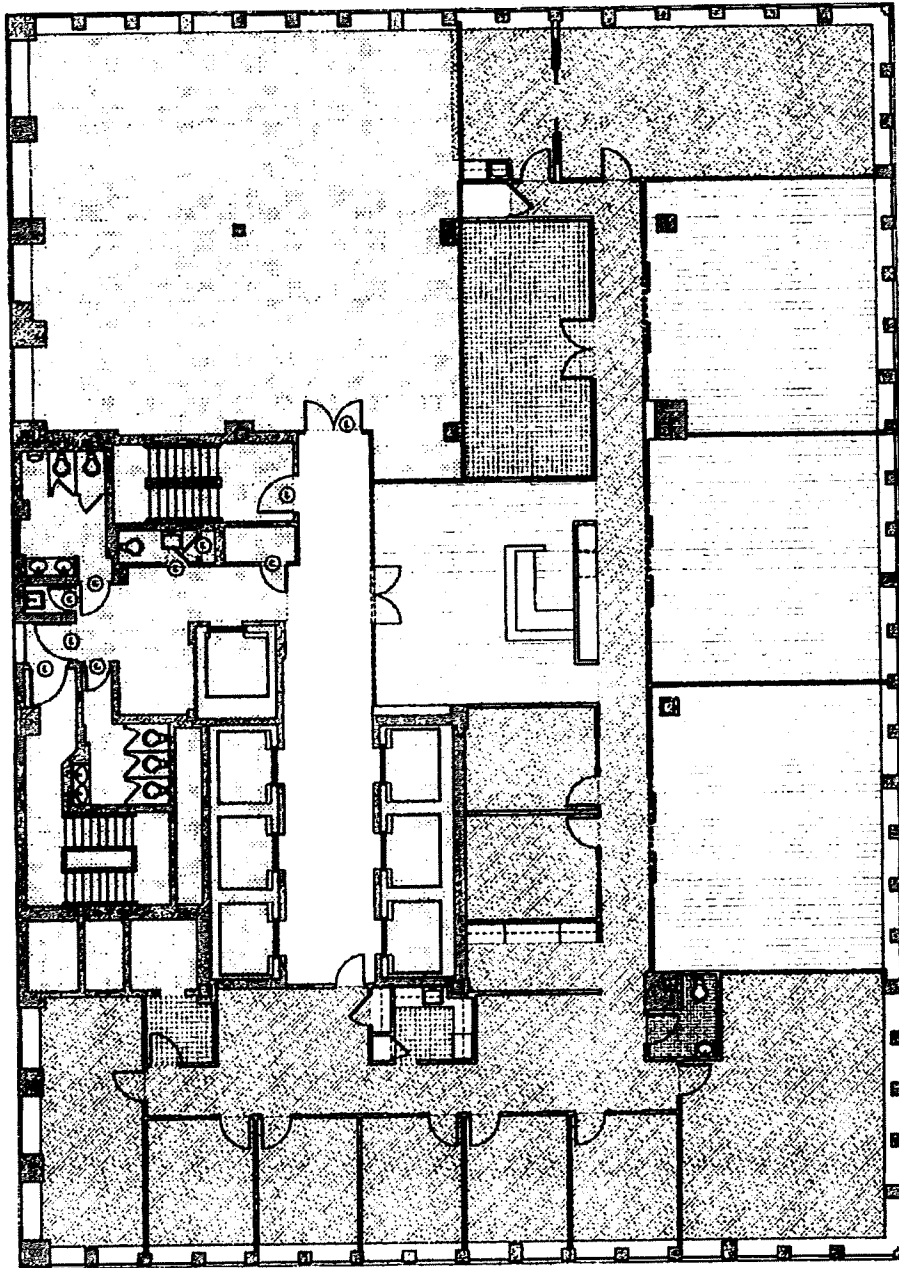


247 WEST 37TH STREET  
 NEW YORK, NY 10018  
 TEL: (212) 221-1988 FAX: (212) 221-2218

NOT FOR  
 CONSTRUCTION

PROJECT: GALAXY BRANDS 1407 BROADWAY - 35TH FLOOR		© 2013 - 2013 NTA DESIGN GROUP LLC
TITLE: REFLECTED CEILING PLAN	PROJ. No. 01068	<b>A03</b>
SCALE: 3/32"=1'-0" (@11x17 paper)	DATE: 7/24/13	





WOOD FLOORING      VINYL TILE      NOT IN CONTRACT  
 CARPET      CERAMIC TILE



247 WEST 37TH STREET  
 NEW YORK, NY 10018  
 TEL. (212) 271-1988 FAX. (212) 271-3218

NOT FOR  
 CONSTRUCTION

PROJECT: GALAXY BRANDS 1407 BROADWAY - 38TH FLOOR		© 2003 - 2013 NTA DESIGN GROUP LLC
TITLE: REFLECTED CEILING PLAN	PROJ. No. 01068	A04
SCALE: 3/32"=1'-0" (@11x17 paper)	DATE: 7/24/13	

---

**EXHIBIT E-4**

**THE ESTIMATED BUDGET**

**Exhibit E-3-1**

**NYLS888319.9**

1407 BROADWAY, 38TH FLOOR GALAXY			RSF	10,900.00
MISC. DEMOLITION	1	LS	\$2,500.00	\$0.23
DRYWALL / CARPENTRY / CEILINGS				
F&I NEW DRYWALL PARTITIONS	668	LF		
F&I NEW 2' X 2' CEILING TILE WITH GRID	1476	SF		
F&I NEW SHEETROCK CEILINGS	667	SF		
PATCH / REPAIR EXPOSED CEILINGS	5141	SF		
PROVIDE BLOCKING	1	LS		
W/O TOILET ACCESSORIES	1	LS		
BOX OUT COLUMNS	4	EA		
PATCH / REPAIR PERIMETER WALLS	0	LS		
CREATE NICHE FOR POCKET DOORS	2	EA		
TOTAL - DRYWALL / CARPENTRY / CEILINGS			\$77,695.00	\$7.13
DOORS / FRAMES / HARDWARE				
F&I PAINT GRADE WOOD DOOR W/ VISION LITE, HM FRAME AND STANDARD HARDWARE	11	EA		
F&I PAINT GRADE WOOD DOOR, HM FRAME AND STANDARD HARDWARE INCLUDING DOOR CLOSER FOR RESTROOM	1	EA		
F&I PAINT GRADE WOOD DOOR, HM FRAME AND STANDARD HARDWARE	1	EA		
F&I PAINT GRADE WOOD CLOSET DOORS ON PIVOT HARDWARE	4	EA		
F&I PAINT GRADE WOOD DOOR, HM FRAME AND STANDARD HARDWARE	1	PR		
F&I SLIDING PAINT GRADE WOOD POCKET DOORS W/ ASSOCIATED HARDWARE	1	PR		
TOTAL - DOORS / FRAMES / HARDWARE			\$22,550.00	\$2.07
ARCH. METAL AND GLASS				
F&I NEW GLASS ENTRANCE DOOR W/ MAGNETIC LOCK	1	PR		
F&I NEW GLASS ENTRANCE DOOR W/ MAGNETIC LOCK	1	EA		
F&I SLIDING GLASS DOORS W/ ASSOCIATED HARDWARE	6	EA		
F&I FULL HEIGHT GLASS PARTITIONS	456	SF		
F&I 2'-0" HIGH CLEARSTORY	152	SF		
F&I RESTROOM MIRROR	1	EA		
TOTAL - ARCH. METAL AND GLASS			\$52,010.00	\$4.77

<b>MILLWORK</b>				
F&I UPPER AND LOWER PLASTIC LAMINATE CABINETS - PANTRY & LOUNGE	22	LF		
F&I CORIAN / STONE COUNTERTOP AT PANTRY	44	SF		
F&I PLASTIC LAMINATE BASE CABINETS AT RECEPTION LOW WALL	9	LF		
F&I CORIAN / STONE COUNTERTOP AT RECEPTION LOW WALL	18	SF		
F&I CORNER PLASTIC LAMINATE COUNTERTOP AT COPY AREA	0	LF		
PROVIDE SUPPORT PANELS	0	EA		
F&I UPPER PLASTIC LAMINATE CABINETS AT COPY ROOM	0	LF		
PROVIDE HAT SHELF AND COAT ROD	5	LF		
F&I RESTROOM VANITIES	1	EA		
F&I RECEPTION DESK - ALLOWANCE	1	LS		
<b>TOTAL - MILLWORK</b>			<b>\$30,615.00</b>	<b>\$2.81</b>
<b>CARPET, VCT AND VINYL BASE</b>				
F&I NEW DIRECT GLUE DOWN CARPET - ALLOWANCE OF \$40.00 / SYD TO FURNISH AND INSTALL CARPET INCLUDING VCT, VINYL BASE, FLOOR PREP, SALES TAX AND DELIVERY - IN OFFICES AND CORRIDOR	591	SYD		
<b>TOTAL - CARPET, VCT AND VINYL BASE</b>			<b>\$23,640.00</b>	<b>\$2.17</b>
<b>WOOD FLOORING</b>				
F&I NEW WOOD FLOORING IN SHOWROOMS #1, 2 & 3 AND RECEPTION AREA	2758	SF		
PROVIDE PAINT GRADE WOOD BASE	364	LF		
<b>TOTAL - WOOD FLOORING</b>			<b>\$52,558.00</b>	<b>\$4.82</b>
<b>PAINTING</b>				
PAINT WALLS	18300	SF		
PAINT RADIATOR ENCLOSURES	258	LF		
PAINT DOORS AND FRAMES	19	EA		
PATCH, SKIM AND PAINT EXPOSED CEILINGS	5141	SF		
PAINT SHEETROCK CEILINGS	667	SF		
<b>TOTAL - PAINTING</b>			<b>\$21,521.00</b>	<b>\$1.97</b>
PATCH RADIATORS	1	LS	<b>\$2,500.00</b>	<b>\$0.23</b>
TOILET ACCESSORIES	1	LS	<b>\$350.00</b>	<b>\$0.03</b>

CERAMIC TILE / STONE

F&I CERAMIC FLOOR TILE	61	SF		
F&I CERAMIC BASE TILE	48	SF		
F&I CERAMIC TILE BACKSPLASH AT PANTRY	49	SF		
F&I DOOR SADDLES	1	EA		

TOTAL - CERAMIC TILE \$2,967.00 \$0.27

SPRINKLER

REMOVE AND RELOCATE EXISTING SPRINKLER HEADS TO MEET NEW LAYOUT	70	EA		
---	----	----	--	--

TOTAL - SPRINKLER \$13,125.00 \$1.20

PLUMBING

F&I PANTRY - LOUNGE SINKS AND FAUCET	2	EA		
F&I WATER CLOSETS	1	EA		
F&I LAVATORIES AND FAUCETS	1	EA		
PROVIDE EJECTOR SYSTEMS	1	LS		

TOTAL - PLUMBING \$17,500.00 \$1.61

HVAC

PROVIDE DISTRIBUTION DUCTWORK, DIFFUSERS AND GRILLES	232	LF		
RELOCATE EXISTING UNITS	1	LS		
PROVIDE COMFORT BALANCE	1	LS		
F&I EXHAUST FANS	1	EA		

TOTAL - HVAC \$56,250.00 \$5.16

<b>ELECTRIC</b>			
PROVIDE TEMP. LIGHTING AND POWER	7284	SF	
POWER AND WIRE EXHAUST FANS	1	EA	
POWER AND WIRE MAGNETIC LOCKS	2	EA	
POWER AND WIRE EJECTOR SYSTEM	1	LS	
F&I GFI OUTLETS	5	EA	
F&I DUPLEX OUTLETS	64	EA	
F&I DOOR RELEASE BUTTON	1	EA	
F&I FLOOR BOXES	1	EA	
PROVIDE SECURITY DEVICE STUB-UPS	4	EA	
F&I SEPARATE CIRCUIT OUTLETS	10	EA	
F&I LIGHT SWITCHES	32	EA	
F&I EXIT LIGHTS	6	EA	
PROVIDE SUB-PANEL	1	EA	
I/O 2' X 2' LIGHT FIXTURES	21	EA	
I/O DECORATIVE STRIP LIGHTS	0	EA	
I/O DOWNLIGHTS	17	EA	
I/O PENDANT DOWNLIGHTS	15	EA	
I/O 1' X 8' LIGHT FIXTURES	26	EA	
I/O 1' X 4' LIGHT FIXTURES	0	EA	
MISC. ELECTRIC	1	LS	
<b>TOTAL - ELECTRIC</b>			<b>\$50,296.00 \$4.61</b>
<b>LIGHT FIXTURES</b>			
F/O 2' X 2' LIGHT FIXTURES	21	EA	
F/O DECORATIVE STRIP LIGHTS	0	EA	
F/O DOWNLIGHTS	17	EA	
F/O PENDANT DOWNLIGHTS	15	EA	
F/O 1' X 8' LIGHT FIXTURES	26	EA	
F/O 1' X 4' LIGHT FIXTURES	0	EA	
PROVIDE EM BALLASTS	14	EA	
SALES TAX AND DELIVERY	1	LS	
<b>TOTAL - LIGHT FIXTURES</b>			<b>\$29,385.00 \$2.70</b>
<b>FIRE ALARM ALLOWANCE</b>	<b>1</b>	<b>LS</b>	<b>\$20,000.00 \$1.83</b>
<b>PRICE DOES NOT INCLUDE COMMUNICATION CABLING</b>			
		<b>SUBTOTAL</b>	<b>\$475,460.00 \$43.62</b>
		<b>G.C. INS., OH&amp;P</b>	<b>\$71,319.00 \$6.54</b>
		<b>ARCH. FEE'S</b>	<b>\$22,000.00 \$2.02</b>
		<b>ENG. FEE'S</b>	<b>\$11,000.00 \$1.01</b>
		<b>FILING</b>	<b>\$6,500.00 \$0.60</b>
		<b>PERFORMANCE BOND</b>	<b>\$11,750.00 \$1.08</b>
		<b>TOTAL</b>	<b>\$598,029.00 \$54.87</b>

EXHIBIT F-1

RIGHT OF FIRST OFFER

(a) Subject to the existing written rights of other occupants of the Building on the date of the Lease to extend or renew their lease terms or to expand or exercise any other rights of first refusal, first offer or otherwise contained in their leases, and the right of Landlord and the current tenant, its affiliates and subsidiaries, to renew the term of the current lease regardless if pursuant to a written agreement now in effect ("Prior Rights"), Tenant shall have a one (1) time option (subject to Landlord's obligation to re-offer the Option Space to Tenant pursuant to the terms of Section (d) of this Exhibit F-1) to expand the Premises in accordance with the terms of this Exhibit F-1. Except as set forth in Exhibit F-1, the space leased by Tenant under Exhibit F-1 shall be part of the Premises and be subject to all other of the provisions of the Lease. The option granted to Tenant under this Exhibit F-1 may be exercised only by the original named Tenant hereunder and may not be exercised by any assignee of the Lease.

(b) Tenant shall have the option (the "Expansion Option") to lease the balance of the rentable area of the 38<sup>th</sup> floor (the "Option Space") outlined on the drawing attached hereto as Exhibit F-2. The Option Space is under a lease expiring on December 31, 2015. Tenant must deliver written notice ("Tenant's Option Notice") to Landlord exercising its option to lease the Option Space no earlier than April 1, 2015 and no later than June 30, 2015, TIME BEING OF THE ESSENCE, or the option shall expire.

(c) Within ten (10) Business Days of Landlord's receipt of Tenant's Option Notice, Landlord shall deliver written notice ("Landlord's Option Notice") to Tenant advising Tenant either (i) that Prior Rights have been exercised, in which event the Expansion Option shall be void and of no force and effect, or (ii) that Prior Rights have not been exercised and setting forth Landlord's good faith determination of the Fair Market Rental Value (defined hereinafter) of the Option Space, and the date which Landlord anticipates delivering the Option Space to Tenant (such date, the "Anticipated Option Space Commencement Date"). Tenant shall respond to Landlord's Option Notice by giving written notice thereof (the "Option Response Notice") to Landlord not later than the tenth (10th) Business Day after the date that Landlord delivers Landlord's Option Notice to Tenant, TIME BEING OF THE ESSENCE. The Option Response Notice shall provide either (1) that Tenant accepts the terms set forth in Landlord's Option Notice and thereby Tenant shall lease the Option Space for a term commencing on the Option Space Commencement Date (as hereinafter defined) and expiring on the Expiration Date on the Fair Market Rental Value, or (2) that Tenant elects not to lease the Option Space, and, if requested by Tenant, shall include a request for the amount of the portion of the Cancellation Payment related to the Option Space as provided in Article 1(f) of the Lease to the extent determinable by Landlord at such time. If Tenant does not timely deliver the Option Response Notice to Landlord it shall be deemed that Tenant has elected not to lease the Option Space at the Fair Market Rental Value set forth in Landlord's Option Notice. If Tenant timely delivers the Option Response Notice to Landlord electing not to lease the Option Space or is deemed to have elected not to lease the Option Space by failing to timely deliver such notice, Landlord shall thereafter have the right to lease the Option Space to any Person on terms acceptable to Landlord in Landlord's sole discretion without being required to make any other offer to Tenant regarding the Option Space except as set forth in Section (d) of this Exhibit F-1. Leasing of a portion of the Option Space by Tenant is not permitted.

(d) Notwithstanding anything to the contrary set forth herein, in the event

Exhibit F-1

that Tenant has elected or is deemed to not have elected to lease the Option Space at the Fair Market Rental Value set forth in Landlord's Option Notice and Landlord receives a written offer (a "Third Party Offer") from a proposed Person other than an affiliate of Landlord at any time within six (6) months of the date of the original Landlord's Option Notice to lease the Option Space on terms which are Materially (defined hereinafter) less than the Fair Market Rental Value set forth in the original Landlord's Option Notice which Landlord, in its sole discretion, elects to accept, Landlord shall again deliver a Landlord's Option Notice to Tenant advising Tenant that Landlord has received a Third Party Offer and the terms of such offer. Within seven (7) business days following Tenant's receipt of such Landlord's Offer Notice, TIME BEING OF THE ESSENCE, Tenant shall provide Landlord with an Option Response Notice notifying Landlord if Tenant elects to (i) lease the Option Space at the terms of the Third Party Offer, or (ii) not lease the Option Space at the terms of the Third Party Offer, in which event (or in the event it is deemed that Tenant has elected not to lease the Option Space by failing to timely reply) Landlord may lease the Option Space to such Person on the terms in the Third Party Offer or on terms not Materially less than the Fair Market Rental Value set forth in the original Landlord's Option Notice without having to again offer the Option Space to Tenant. The failure of Tenant to timely deliver an Option Response Notice by the end of such seven (7) business day period shall be deemed an election by Tenant not to lease the Option Space. If Landlord does not lease the Option Space to such Person in accordance with prior sentences, Landlord shall offer the Option Space to Tenant as and when required in accordance with the above provisions only during the six (6) months of the date of the original Landlord's Option Notice. In no event shall Landlord be obligated to offer the Option Space to Tenant after expiration of the six (6) months of the date of the original Landlord's Option Notice or if the Third Party is on terms that are not Materially less than the Fair Market Rental Value set forth in the original Landlord's Option Notice. For purposes herein, the term "Materially" shall mean a difference of more than ten percent (10%) of the net effective rent per rentable square foot (comprised of the base rent, free rent and improvement allowance) amortized on a straight line basis over the term during which Tenant would lease the Option Space (which shall be the Term then remaining for Tenant's leasing of the Premises) included in the Fair Market Rental Value set forth in Landlord's Option Notice, of the net effective rent per rentable square foot (comprised of the base rent, free rent and improvement allowance) amortized on a straight line basis over the lease term included in the terms of the Third Party Offer, provided that for purposes of determining Materially the amount of the security deposit included in the Third Party Offer shall not be considered, it being understood that due consideration shall be given that the term of Tenant's leasing of the Option Space had Tenant elected to lease such space pursuant to the terms of Section (c) of this Exhibit F-1 may differ from the term included in the Third Party Offer. If the Option Space is leased to a third party on terms equal to or more landlord favorable than such Third Party Offer rejected by Tenant or if the period of six months of the date of the original Landlord's Option Notice has expired, Tenant shall have no further right to lease the Option Space and Landlord shall have no obligation to offer such space to Tenant in the future.

(e) If Tenant shall lease the Option Space under the terms of this Exhibit F-1, Landlord shall deliver vacant and exclusive possession of the Option Space to Tenant on the Anticipated Option Space Commencement Date, provided, however, that if a Person holds-over or otherwise remains in occupancy of the Option Space (or any portion thereof) on the Anticipated Option Space Commencement Date the same shall not negate Tenant's leasing of the Option Space and Landlord shall deliver possession of the Option Space to Tenant on the date that such Person vacates and Landlord has legal possession thereof (the Anticipated Option Space Commencement Date, or such later date on which Landlord delivers possession of the Option Space to Tenant is referred to herein as the "Option Space Commencement Date"). Landlord and Tenant intend that this Section (c) constitutes an "express provision to the contrary" for purposes of Section 223-a of the New York Real



Property Law. Upon the Option Space Commencement Date, the Option Space shall be added to the Premises for purposes of the Lease and shall be subject to all of the other provisions of the Lease except as otherwise provided in this Exhibit F.

(f) For purposes of this Exhibit F-1, the following terms shall mean:

(i) "Minimum Occupancy Requirement" shall mean the requirement that the original named Tenant occupies no less than the entire Premises; and

(ii) "Fair Market Rental Value" shall be defined as the rent generally payable in New York City, in the area in which the Building is located, for equivalent space in an office building of approximately the same quality, size and condition as the Building, giving due consideration to the condition and design of the Building, the location of the Option Space in the Building, the Cancellation Option, and all other market concessions relevant to a third-party tenant desiring to lease the Option Space.

(g) Tenant shall not have the right to exercise the Expansion Option (and, accordingly (i) Landlord shall have no obligation to deliver a Landlord's Option Notice to Tenant, and (ii) Landlord shall have the right to lease the Option Space to any other Person without first offering the Option Space to Tenant as contemplated by this Exhibit F-1) if (1) on the date that Landlord offers the Option Space to Tenant or on the Option Space Commencement Date the Minimum Occupancy Requirement is not satisfied, (2) on the date that Landlord offers the Option Space to Tenant or on the Option Space Commencement Date Tenant is in default, or (3) as of the Option Space Commencement Date there is less than five (5) years remaining of the Term. In addition, it is a condition precedent to the exercise of the option described in this Exhibit F-1 that (A) no Event of Default has occurred during the Term which remains uncured, and (B) no more than two (2) cured Events of Default have occurred during the Term.

(h) [Should Tenant timely exercise the Expansion Option, Tenant shall be required to deliver to Landlord an additional security satisfying the requirements of Article 8 of the Lease equal to the number of months of monthly Base Rent comprising the security then held by Landlord with respect to the Premises, multiplied by monthly base rent due for the Option Space as of the commencement of Tenant's leasing thereof in order for its exercise of the Expansion Option described in this Exhibit F-1 to be effective; provided, subject to the terms of this Section (h) Tenant shall have the right to reduce the amount of the security to equal (i) six (6) payments of monthly base rent due for the Option Space commencing on the date on which base rent is first due, which reduction shall be effective as of the first day of the calendar month in which Tenant has made twenty-four (24) consecutive monthly installments of base rent due for the Option Space, and (ii) four (4) payments of monthly base rent due for the Option Space commencing on the date on which base rent is first due, which reduction shall be effective as of the first day of the calendar month in which Tenant has made thirty-six (36) monthly installments of base rent due for the Option Space. Tenant's right to each reduction is subject to the satisfaction of the Reduction Conditions and, if satisfied, each reduction shall be effectuated in accordance with the terms of Section 8 (e) of the Lease. The term for Tenant's leasing of the Option Space shall be coterminous with the remaining Term.][UNDER REVIEW BY TENANT]

(i) At the request of Landlord, Landlord and Tenant shall promptly enter into an amendment, in a form reasonably acceptable to each, confirming Tenant's leasing of the Option Space and setting forth the terms of such leasing provided that the failure of the parties to enter into

---

such an amendment shall not affect Tenant's obligation to lease the Option Space, at Fair Market Rental Value. The rights contained in this Exhibit F-1 are not severable from the Lease and shall be terminated on the expiration or sooner termination of the Lease.

---

**EXHIBIT F-2**  
**OUTLINE OF OPTION SPACE**



EXHIBIT G

FORM OF SUBORDINATION, NON-DISTURBANCE AND  
ATTORNMEN T AGREEMENT

This SUBORDINATION, NON-DISTURBANCE AND ATTORNMEN T AGREEMENT (this "Agreement"), dated as of \_\_\_\_\_, 2013 (the "Effective Date"), is made by and among SWEDBANK AB, NEW YORK BRANCH, having an office located at One Penn Plaza, 15<sup>th</sup> Floor, New York, New York 10119 (together with any and all successors-in-interest under the Loan (as defined below), "Lender"), Tenant (as defined below) and Borrower (as defined below).

DEFINITIONS:

As used in this Agreement, the following capitalized terms shall have the respective definitions as set forth below:

1. "Borrower": 1407 BROADWAY REAL ESTATE LLC, a Delaware limited liability company, having an office located at 1407 Broadway, New York, New York 10018.
2. "Tenant": GALAXY BRANDS HOLDINGS, INC, a Delaware corporation, having an office located in the Leased Space (as defined below).
3. "Property": that certain parcel of real property commonly known as "1407 Broadway" and by the street address 1407 Broadway, New York, New York, designated as Block 814, Lot 15 on the Tax Map of the County of New York, and as more particularly described in Exhibit A annexed hereto and made a part hereof, together with all fixtures located thereon or appurtenant thereto.
4. "Landlord": the landlord named in the Lease and its successors and assigns from time to time, except a "Successor Landlord" (defined in Appendix I annexed hereto and made a part hereof).
5. "Lease": the lease dated as of \_\_\_\_\_, 2013 between Borrower, as landlord, and Tenant, as tenant, with respect to the space designated as Suite 3801 on the 38th floor of the Property, as amended, modified or supplemented from time to time.
6. "Leased Space": the office space designated as Suite 3801 on the 38th floor of the Property, leased to Tenant pursuant to the Lease.

7. **"Loan"**: a certain loan from Lender (or Lender's predecessor-in-interest) to Borrower, including any advances and increases, secured by, among other things, a first lien on the Property as amended, assigned, consolidated, severed, split, securitized, modified or supplemented from time to time.

8. **"Mortgage"**: a certain Leasehold Mortgage Consolidation, Amendment and Security Agreement dated March 2, 2010 and recorded in the Office of the City Register of the City of New York (the **"Land Records"**) on March 15, 2010, at CRFN 201000087190, as amended, assigned, replaced, consolidated, split, modified or supplemented from time to time, given by Borrower to Lender as security for the Loan.

9. **"Assignment"**: a certain Second Amended and Restated Absolute Assignment of Leases and Rents dated March 2, 2010 and recorded in the Land Records on March 15, 2010, at CRFN 201000087191, as amended, assigned, replaced, modified or supplemented from time to time, given by Borrower to Lender as additional security for the Loan.

10. **"Rent"**: all rent, additional rent and other consideration and sums payable by Tenant under the Lease.

11. **"Notice Addresses"**:

**Lender:** Swedbank AB, New York Branch,  
One Penn Plaza, 15<sup>th</sup> Floor  
New York, New York 10119  
Attention: John Matthews

**with a copy to:** DLA Piper LLP (US)  
1251 Avenue of the Americas  
New York, New York 10020  
Attention: John C. Phelan

**Tenant:** Galaxy Brands Holdings, Inc.  
1407 Broadway, Suite 3801  
New York, New York 10018  
Attention: David Scharf

With a copy to:

Latham & Watkins LLP  
885 Third Avenue  
New York, NY 10022  
Attention: Dara Denberg, Esq.







Borrower hereby acknowledges this Agreement and represents, acknowledges and agrees in accordance with Section 8 and Section 12 of this Agreement (as set forth in Appendix I):

**BORROWER:**

**1407 BROADWAY REAL ESTATE LLC, a  
Delaware limited liability company**

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

Name:

Title:

STATE OF \_\_\_\_\_ )

COUNTY OF \_\_\_\_\_ )

ss.:

On \_\_\_\_\_, 201\_, before me, the undersigned, personally appeared \_\_\_\_\_, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed this instrument.

\_\_\_\_\_  
Signature and Office of individual taking acknowledgement

**APPENDIX I**

**RECITALS:**

A. Landlord and Tenant have executed the Lease, pursuant to which Landlord leased to Tenant, and Tenant leased from Landlord, the Leased Space.

B. Tenant and Lender desire to agree on the relative priorities of their interests in the Property and their rights and obligation upon the occurrence of certain events, as described herein.

**AGREEMENT:**

NOW, THEREFORE, for good and sufficient consideration, the parties agree as set forth below.

1. Tenant and Lender agree that:

(a) The Lease and all of Tenant's rights thereunder are and will at all times remain subject and subordinate in each and every respect to the Mortgage, including without limitation, all renewals, increases, modifications, spreaders, consolidations, replacements and extensions thereof, the Assignment, to any and all other instruments securing or otherwise evidencing the Loan, whether now or in the future held by Lender, and to any and all future advances of the Loan secured thereby, and Tenant will not subordinate the Lease to any other lien against the Property without Lender's prior written consent;

(b) Tenant, upon not less than ten (10) business days' prior request from Lender, shall execute and deliver any certificate or other instrument which Lender may reasonably request to confirm Tenant's subordination hereunder;

(c) Except for any security deposit and those payments to be made by Tenant under the Lease based on Landlord's estimate of Taxes (as such term is defined in the Lease), Tenant will not pay Rent more than one (1) month in advance and will not claim any offset against Rent;

(d) Without Lender's prior written consent, excluding any exercise of the Cancellation Option or the Expansion Option which shall not require Lender's consent, Tenant shall not (i) amend, modify, extend, renew or otherwise alter the terms and provisions of the Lease, (ii) intentionally omitted, (iii) intentionally omitted, (iv) intentionally omitted, (v) agree with Landlord to terminate the Lease or enter into or concede to any agreement or arrangement to the

effect of an early termination of the Lease or a surrender of the Leased Space prior to the stated expiration date of the Lease;

(e) Upon receipt of notice from Lender, Tenant will forthwith pay the Rent as and when due under the Lease to Lender until such time as Lender shall direct otherwise (or until an Acquisition shall occur, and then to the Successor Landlord in accordance with the provisions of this Agreement); and

(f) Tenant has no claim to or interest in the Leased Space, legal or equitable, or any contract or option thereof, other than as a tenant under the Lease, and Tenant does not have, and will not acquire, any right or option to purchase any portion of, or interest in, the Property.

2. As long as the term of the Lease shall have commenced pursuant to the provisions thereof, Tenant shall be in possession of the premises demised under the Lease and Tenant is not in default (and as long as there be no circumstances which, but for the giving of notice or the passage of time or both, would otherwise constitute a default) under any of the terms and conditions of this Agreement or of the Lease, Tenant and Lender agree as follows:

(a) If Lender commences a judicial or nonjudicial foreclosure or other proceeding to enforce the Mortgage, or exercises any power of sale (an "Action"), Lender will not name Tenant as a party defendant to such Action (unless it is a condition precedent, under statute, judicial decision or the court in which such Action has been commenced or is pending, to commencing or proceeding with any such Action to name Tenant as a party defendant), and in such event: (i) Lender will not seek affirmative relief from Tenant; (ii) the Lease will not be terminated in connection with such Action; and (iii) neither Tenant's possession of the Leased Space nor its quiet enjoyment thereof in accordance with the provisions of the Lease will be disturbed;

(b) If Lender or Lender's designee or any purchaser of the Property as part of an Action or Acquisition (defined below) (a "Successor Landlord") acquires the Property through an Action or by deed in lieu of foreclosure (an "Acquisition"), Successor Landlord will not disturb Tenant's possession the Leased Space or its quiet enjoyment thereof in accordance with the provisions of the Lease, and the Lease will continue in full force and effect with Successor Landlord and Tenant bound by the terms and provisions of the Lease, as modified in Section 2(d) hereof;

(c) If, notwithstanding the foregoing, the Lease is terminated as a result of an Action, a lease between Successor Landlord and Tenant will be deemed created on the same terms as the Lease, except as modified in Section 2(d) hereof and except that the term of the replacement Lease will be the then-unexpired term of the Lease, and in such event Successor Landlord and

Tenant will execute such a replacement Lease in accordance with the foregoing at the written request of either party; and

(d) In the event Successor Landlord acquires the Property through an Acquisition, the Rent shall, effective as of the date of such Acquisition, be deemed thenceforth to be the Rent payable under the Lease immediately prior to such transfer or Acquisition.

3. In the event of an Acquisition, Tenant will recognize and attorn to Successor Landlord as the landlord under the Lease (as modified hereby) for the balance of the term thereof. Tenant's attornment will be self-operative, and no further instrument shall be required to effectuate the same, except that at Successor Landlord's request, Tenant will execute instruments as are reasonably satisfactory to Tenant and Successor Landlord to confirm such attornment.

4. Successor Landlord shall in no event be:

(a) liable for any act or omission of Landlord occurring prior to the date of the Acquisition, except for any repair and maintenance obligations of a continuing nature imposed on the landlord under the Lease which accrue after the date of the Acquisition;

(b) required to credit to Tenant's account or to trace or otherwise account (i) for any Rent paid by Tenant for any rental period beyond the then-current rental period (not exceeding one (1) month) or (ii) for any security deposit paid by Tenant, unless and to the extent such security deposit has actually been received by Successor Landlord;

(c) bound by any amendment, renewal or extension of the Lease that is: (i) not in a writing signed by both Tenant and Landlord; (ii) inconsistent with the provisions of this Agreement; or (iii) was made without Lender's prior written consent;

(d) subject to any credits, offsets, claims, counterclaims or defenses that Tenant may have against Landlord first arising prior to the date of the Acquisition or against Borrower at any time;

(e) liable for any damages Tenant may suffer as a result of any misrepresentation, breach of warranty or act of or failure to act by any party, other than on the part of Successor Landlord after a reasonable period of time for Successor Landlord to remedy the same;

(f) obligated to make any payment, or to give any credit, reimbursement or allowance, to Tenant, including, without limitation, for any improvements, alterations, demolition

or other work in the Leased Space or the Property (other than to repair and restore the Property following a casualty or condemnation to the extent (if any) required under the Mortgage);

(g) obligated to undertake, continue or complete construction of any improvements in, or alterations of, or capital improvements to the Leased Space or the Property;

(h) obligated to pay any leasing or other commissions arising out of the Lease;

(i) liable for any obligations of Landlord with respect to off-site property or facilities for the use of Tenant (such as off-site leased space and/or parking);

(j) obligated in any manner to recognize any assignee of Tenant under the Lease or any subtenant or undertenant of Tenant if such assignment or sublease was not made in accordance with the terms of the Lease.

5. Lender will have the right, but not the obligation, to cure any default by Landlord under the Lease. Tenant will (A) notify Lender in writing of any material default by Landlord in respect of any of the terms and provisions of the Lease (it being acknowledged that a "material default" includes, without limitation, (x) a failure or undue delay in credit, reimbursement or other payment owed by Landlord to Tenant, and (y) any default that would, with the giving of notice or the passage of time or both, entitle Tenant to terminate the Lease or receive an abatement, credit or offset of any Rent) and (B) provide Lender with copies of all written notices sent to Landlord pursuant to the Lease simultaneously with the transmission of such notices to the Landlord. Any notice of termination by reason of Landlord's default will not be effective unless Tenant has so notified Lender of such default and Lender has had a thirty (30)-day cure period (or such longer period as may be necessary if Landlord's default is not susceptible to cure within thirty (30) days and Lender commences such cure within such 30 day period and diligently prosecutes such cure to completion but in no event longer than 90 days) commencing on the latest to occur of the date on which (a) the applicable cure period under the Lease expires; (b) Lender receives the notice required by this paragraph; and (c) Successor Landlord obtains possession of the Property, if the nature of the default is such that the same is not susceptible to cure without possession. Any notice of credit, offset or abatement will not be effective unless Tenant has notified Lender of the default entitling Tenant to such credit, offset or abatement and Lender has had a thirty (30)-day cure period (or such longer period as may be necessary if the default is not susceptible to cure within thirty (30) days and Lender commences such cure within such 30 day period and diligently prosecutes such cure to completion but in no event longer than 90 days) commencing on the date on which Lender receives the notice required by this paragraph.

6. As of the date this Agreement is executed and delivered by Tenant, Tenant certifies to Lender the following: (a) the Lease represents the entire agreement by and between

---

Borrower and Tenant regarding the Leased Space; (b) the Lease is in full force and effect; (c) neither party is in default under the Lease beyond any applicable notice and grace or cure period, and no event has occurred which with the giving of notice or passage of time or both would constitute a default under the Lease; (d) intentionally omitted and (e) to Tenant's knowledge, all conditions to be performed by Landlord under the Lease to-date have been satisfied.

7. Upon not less than twenty (20) days' prior request from Lender, Tenant will execute, acknowledge and deliver to Lender an estoppel certificate containing the information required to be contained therein pursuant to the Lease and any other information reasonably requested by Lender (it being acknowledged that it shall be reasonable for Lender to request any or all of the statements made in Section 6 above).

8. As of the date this Agreement is executed and delivered by Borrower, Borrower certifies to Lender the following: (a) the Lease represents the entire agreement by and between Borrower and Tenant regarding the Leased Space; (b) the Lease is in full force and effect; (c) neither party is in default under the Lease beyond any applicable notice and grace or cure period, and no event has occurred which with the giving of notice or passage of time or both would constitute a default under the Lease; (d) intentionally omitted; (e) to Borrower's best knowledge, after commercially reasonable inquiry, all conditions to be performed by Tenant under the Lease to-date have been satisfied; (f) the Lease satisfies all requirements of the Loan Agreement as are applicable to the Lease. Borrower acknowledges and agrees that any misrepresentation under this Section 8 shall constitute a default under the Loan Documents.

9. Wherever in this Agreement Lender's consent, authorization or approval is required, unless otherwise specifically indicated, such consent, authorization or approval shall be granted, withheld or conditioned in Lender's reasonable discretion.

10. Tenant acknowledges and agrees that this Agreement constitutes notice to Tenant of the existence of the Mortgage and that, as of the date thereof, all of the rents and leases relating to the Property have been assigned by Borrower to Lender (pursuant to the Mortgage, the Assignment and various other instruments) as additional security for the Loan.

11. Any claim by Tenant against Successor Landlord under the Lease or this Agreement shall be satisfied solely out of Successor Landlord's interest in the Property and the rent, issue and profit derived therefrom, and Tenant will not seek recovery against or out of any other assets of Successor Landlord. Successor Landlord will have no liability or responsibility for any obligations under the Lease that arise subsequent to any transfer of the Property by Successor Landlord to the extent such obligations have been assumed by such transferee.

12. Lender, Borrower and Tenant hereby agree as follows:

(a) All notices, requests demands and other communications required or permitted to be given under this Agreement must be in writing and sent by (x) certified mail, return receipt requested, or (y) nationally recognized overnight delivery service or (z) personally delivered, in each case providing evidence of the date of delivery, with all charges prepaid, addressed to the appropriate party at its respective Notice Address. All such notices, requests, demands and other communications shall be deemed to have been given on the date when received or delivery is rejected or refused. Any party hereto may update its Notice Address by written notice to the other parties hereto. To the extent any telephone numbers, facsimile numbers and/or e-mail addresses are set forth in the definition of "Notice Addresses," such information is for reference and convenience purposes only, and shall not alter the notice requirements set forth in this Section 12(a).

(b) This Agreement is governed by, and will be construed in accordance with, the internal laws of the state or commonwealth in which the Property is located, without giving effect to the conflict of laws principles thereof.

(c) If any term of this Agreement or the application thereof to any person or circumstances shall to any extent be invalid or unenforceable, the remainder of this Agreement or the application of such term to any person or circumstances other than those as to which it is invalid or unenforceable shall not be affected thereby, and each term of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

(d) LENDER, BORROWER AND TENANT HEREBY EXPRESSLY WAIVE TRIAL BY JURY IN ANY PROCEEDING BROUGHT BY, OR COUNTERCLAIM ASSERTED BY, LENDER, BORROWER OR TENANT RELATING TO THIS AGREEMENT.

(e) If Tenant consists of more than one person, the obligations and liabilities of each such person hereunder shall be joint and several.

(f) This Agreement may not be modified in any manner or terminated except by an instrument in writing executed by the parties hereto.

(g) In the event of a conflict between the terms of the Lease and the provisions of this Agreement, the provisions of this Agreement shall govern and control.

(h) This Agreement binds and inures to the benefit of Lender and Tenant and (subject to Section 4(h) above) their respective successors, assigns, heirs, administrators, executors, agents and representatives.

---

(i) This Agreement may be executed in any number of counterparts which, taken together, shall constitute one instrument.

13. Tenant acknowledges that it is not a third-party beneficiary under the Mortgage or the loan documents related thereto. In no event shall Lender or any Successor Landlord have any personal liability for the obligations of Landlord under the Lease and should the Successor Landlord succeed to the interests of the Landlord under the Lease, Tenant shall look only to the estate and property of any such Successor Landlord in the Property for the satisfaction of Tenant's remedies for the collection of a judgment (or other judicial process) requiring the payment of money in the event of any default by any Successor Landlord as landlord under the Lease, and no other property or assets of any Successor Landlord shall be subject to levy, execution or other enforcement procedure for the satisfaction of Tenant's remedies under or with respect to the Lease; provided, however, that Tenant may exercise any other right or remedy provided thereby or by law in the event of any failure by Successor Landlord to perform any such material obligation.

[no further text appears on this page]



**EXHIBIT A**

**LEGAL DESCRIPTION OF PROPERTY**

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Manhattan, County, City and State of New York, bounded and described as follows:

BEGINNING at the corner formed by the intersection of the southerly side of 39th Street with the westerly side of Broadway;

RUNNING THENCE southeasterly along the westerly side of Broadway 205 feet more or less to the corner formed by the intersection of the northerly side of 38th Street with the said westerly side of Broadway;

THENCE westerly along the northerly side of 38th Street 156 feet 2-3/8 inches, more or less to a point distant 200 feet East of 7th Avenue;

THENCE northerly at right angles to 38th Street 98 feet 9 inches to the center line of block;

THENCE westerly along said center line of the block and parallel with 38th Street 200 feet to the easterly side of 7th Avenue;

THENCE northerly along the easterly side of 7th Avenue 98 feet 9 inches to the corner formed by the intersection of the said easterly side of 7th Avenue with the southerly side of 39th Street;

THENCE easterly along the southerly side of 39th Street 301 feet 2-5/8 inches to the corner aforesaid, the point or place of BEGINNING.

---

**EXHIBIT H**

**BUILDING CERTIFICATE OF OCCUPANCY**

NY6888319.9



THAT THE SPACES LEFT ON WHICH THE PROJECT IS LOCATED IS BOUNDED AS FOLLOWS

BEING at a point on the WEST side of Broadway  
 Street 0 feet from the corner formed by the intersection of  
 Broadway and West 30th Street  
 running North Northerly 281' 0" feet  
 along Southerly 80' 9" feet  
 along Southerly 98' 9" feet  
 along Northerly 281' 2 1/2" feet  
 along Easterly 200' 0" feet  
 along Easterly 176' 7 3/8" feet  
 to the point of start of beginning

PERMIT NO. 10003160 DATE OF COMPLETION 7/19/91 CONSTRUCTION CLASSIFICATION CL 1, FIREPROOF  
 OCCUPANCY GROUP CLASSIFICATION Commercial HEIGHT 03 AREA 110' 247

THE FOLLOWING FIRE DETECTION AND EXTINGUISHING SYSTEMS ARE REQUIRED AND WERE INSTALLED IN COMPLIANCE WITH APPLICABLE LAWS.

	YES	NO		YES	NO
Smoking system			Automatic sprinkler system		
Visual alarm device					
Standard fire alarm and signaling system					
Direct detection					
Flow alarm and signal system					

WASTE DRAINAGE DISCHARGES INTO:  
 A) STORM SEWER  B) COMBINED SEWER  C) PRIVATE DRAINAGE DISPOSAL SYSTEM

SEWAGE DRAINAGE DISCHARGES INTO:  
 A) SEWAGE SEWER  B) COMBINED SEWER  C) PRIVATE DRAINAGE DISPOSAL SYSTEM

LOCATION OF RECORDS:  
 BOARD OF EXAMINERS AND APPEALS CAL. NO. \_\_\_\_\_  
 CITY PLANNING COMMISSION CAL. NO. \_\_\_\_\_  
 OTHER \_\_\_\_\_

THE CITY OF NEW YORK



DEPARTMENT OF BUILDINGS ALST 100031600  
CERTIFICATE OF OCCUPANCY AMENDED

Borough: MADISON Date: JA 2 1950 No. 14535  
Address: 1487 Broadway Zoning District: CS-3  
This certificate represents C.D. NO 98255T  
Block 818 Lot 15  
These CERTIFICATES that the above-named building provides located at  
CONFORMS ESSENTIALLY TO THE APPROVED PLANS AND SPECIFICATIONS AND TO THE REQUIREMENTS OF ALL APPLICABLE LAWS,  
RULES AND REGULATIONS FOR THE USES AND OCCUPANCIES SPECIFIED HEREIN

PERMISSIBLE USES AND OCCUPANCY

CLASSIFICATION	PERMISSIBLE USES AND OCCUPANCY
	<p>NOTE: Loading platform and berths designed for a live load of 120 pounds per square foot and 2000 pounds concentrated load or 175 pounds per square foot. Driveway designed on basis of this live load. Loading berths measuring 10' by 25' are required by the zoning resolution.</p> <p>Excess portion of truck ramp and loading platform may be used for accessory parking and storage of trucks or passenger cars.</p> <p>NOTE: Not more than 25% of the total floor area of the building may be used for manufacturing purposes. Such manufacturing shall be incidental to the conduct of a retail business on the premises; but space not exceeding 5% of the total floor area of the building may be used for other than incidental manufacturing, all in accordance with section 4-A and 4-1 of the zoning resolution (old zoning).</p> <p>NOTE: Factory use limited to type permitted in a retail and retail-1 district under zoning resolution (old zoning).</p> <p>Fire Department Approvals: Sprinkler System: September 8, 1950. Spinning System: September 29, 1950.</p> <p>Amended C of O issued to indicate prior legal use of loading berths and parking on first floor and legal uses of 43rd and 42nd floors.</p>

RECEIVED  
JAN 21 1950

OPEN SPACE USES

N. 2. NO CHANGES OF USE OR OCCUPANCY SHALL BE MADE UNLESS A NEW AMENDED CERTIFICATE OF OCCUPANCY IS OBTAINED. THIS CERTIFICATE OF OCCUPANCY IS ISSUED SUBJECT TO FURTHER LIMITATIONS, CONDITIONS AND SPECIFICATIONS NOTED ON THE REVERSE SIDE.

GROUP SUPERVISOR: [Signature]  
 ORIGINAL  OFFICE COPY - DEPARTMENT OF BUILDINGS  COPY

*[Handwritten mark]*

VIA EMAIL AND FEDERAL EXPRESS

August 15, 2014

1407 Broadway Real Estate LLC  
1407 Broadway, Suite 2200  
New York, New York 10018  
Attention: Mr. Arthur McGinley

1407 Broadway Real Estate LLC  
c/o The Lightstone Group  
1985 Cedar Bridge Avenue, Suite 1  
Lakewood, New Jersey 08701  
Attention: General Counsel, Commercial Leasing  
Lease Administrator

RE: Notice of Transfer  
Galaxy Brand Holdings, Inc.  
1407 Broadway Lease

Ladies and Gentlemen:

Reference is made to that certain Agreement of Lease between 1407 Broadway Real Estate LLC ("Landlord") and Galaxy Brands Holdings, Inc. ("Tenant"), dated as of August 14, 2013, as modified by the Commencement Date Agreement, dated as of January 10, 2014 (collectively referred to herein as the "Lease"), and that letter from Tenant to you dated August 1, 2014 regarding a notice of transfer (the "August 1 Letter"). Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Lease.

As stated in the August 1 Letter, pursuant to an Agreement and Plan of Merger, dated June 24, 2014, by and between Tenant and the other parties thereto, Tenant is merging with and into SBG Universe Brands, LLC ("Merger Sub"), a newly formed subsidiary of Sequential Brands Group, Inc., a NASDAQ-listed company ("Sequential"), with Merger Sub continuing as the surviving entity in the merger (the "Merger"). As a newly formed subsidiary, Merger Sub does not have audited financial statements available at this time. However, we have set forth in Exhibit A to this letter a comparison of (i) Tenant's balance sheet as of May 14, 2013 (the "Initial Balance Sheet"), (ii) Tenant's balance sheet as of July 31, 2014 (the "Current Balance Sheet") and (iii) Merger Sub's balance sheet immediately following the Merger (the "Post-Merger Balance Sheet"). As shown in Exhibit A, the tangible net worth of Merger Sub as set forth in the Post-Merger Balance Sheet exceeds the Tenant's tangible net worth as set forth in both the Initial Balance Sheet and the Current Balance Sheet. The Chief Financial Officer of Merger Sub, by execution of this letter, certifies that Exhibit A is true and correct.

Merger Sub has assumed by operation of law all obligations of Tenant under the Lease effective as of the closing of the Merger and transfer to Merger Sub does not relieve Tenant of any of its obligations under the Lease.

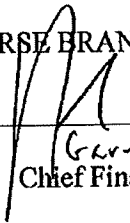
Regards,

SBG UNIVERSE BRANDS, LLC

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

Name:

Title:

  
Gary Klein  
Chief Financial Officer

**Exhibit A**



Galaxy Brand Holdings, Inc  
Tangible Net Worth Calculation

	May 14, 2013	July 31, 2014	Post-Merger
Total Assets	\$ 247,557,982	\$ 242,802,018	\$ 306,013,666
Less: Total Liabilities (a)	(44,835,059)	(28,079,109)	(4,424,666)
Less: Intangibles/Goodwill	(219,346,237)	(224,116,202)	(298,430,148)
Equals: Tangible Net Worth	<u>\$ (16,623,314)</u>	<u>\$ (9,393,293)</u>	<u>\$ 3,158,852</u>

Note(s):

(a) Excludes Deferred Tax Liabilities

Sanity Check:

Cash	\$ 14,329,212	\$ 11,735,088	\$ 2,000,000
Accounts Receivables	12,925,363	3,417,513	3,417,513
Other Current Assets	774,035	2,166,004	2,166,004
Fixed Assets (ex. Intangibles)	183,135	1,367,210	-
Total Assets	<u>28,211,745</u>	<u>18,685,815</u>	<u>7,583,517</u>
Less:			
Other Current Liabilities	7,599,898	6,829,109	4,424,666
Debt	37,235,161	21,250,000	-
Total Liabilities	<u>44,835,059</u>	<u>28,079,109</u>	<u>4,424,666</u>
Tangible Net Worth	<u>\$ (16,623,314)</u>	<u>\$ (9,393,294)</u>	<u>\$ 3,158,852</u>

## LEASE MODIFICATION AGREEMENT

Agreement dated as of <sup>June</sup> ~~May~~ 10, 2019 by and between SRI Eleven 1407 Broadway Operator LLC ("Landlord"), with an address at 1407 Broadway, Suite 2200, New York, New York 10018 and SBG Universe Brands, L.L.C, the successor-by-merger to Galaxy Brands Holdings, Inc. ("Tenant"), with an address at 1407 Broadway, Suite 3801, New York, New York 10018.

### WITNESSETH

Whereas, reference is hereby made to that certain lease ("Lease") dated as of August 14, 2013, between 1407 Broadway Real Estate LLC, Landlord's predecessor-in-interest, as landlord, and Tenant, as tenant, covering the premises designated as Suite 3801 (the "Premises" or the "Original Premises") in the building known as 1407 Broadway, New York, New York (the "Building");

Whereas, the term of the Lease expires on October 31, 2024; and

Whereas, Tenant desires to modify the Lease as set forth below, and Landlord is willing to modify the Lease, upon and subject to the terms and conditions hereinafter set forth.

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

1. (a) Effective as of January 1, 2021 (the "Effective Date"), the Premises shall be deemed to include the space designated as "Suite 3805" on the thirty-eighth (38<sup>th</sup>) floor of the Building (such space highlighted on the plan attached hereto as Exhibit A, is hereinafter referred to as the "Additional Premises" or "Suite 3805"). For purposes of this Agreement, the parties acknowledge that the Additional Premises shall be deemed to consist of 2,959 rentable square feet. Accordingly, from and after the Effective Date, the Premises shall consist of, and be defined as, the Original Premises and the Additional Premises and, accordingly, all of the provisions of the Lease which are applicable to the Original Premises shall likewise also apply to the Additional Premises, except as may be otherwise expressly set forth in this Agreement to the contrary.

(b) Tenant shall accept possession of the Additional Premises when such possession is delivered by Landlord, in its then current "as-is" condition, and Landlord shall have no obligation to perform any work or make any installations in order to prepare the Additional Premises for Tenant's occupancy or otherwise, except as expressly set forth in Paragraph 5 below. The taking possession of the Additional Premises by Tenant shall be conclusive evidence as against Tenant that at the time such possession was so taken, the Additional Premises (including, without limitation, all electrical service and other utilities serving the Additional Premises) was in good and satisfactory condition and otherwise acceptable to Tenant in all respects. Without limitation of the provisions of Section 15(a) of the Lease, prior to taking occupancy of the Additional Premises, Tenant shall deliver to Landlord a certificate of insurance reflecting that the insurance coverage required pursuant to

12637356 v3

the provisions of the Lease specifically includes the Original Premises and the Additional Premises.

2. The preamble to the Lease is hereby modified and supplemented to provide that Tenant shall pay Base Rent for the Additional Premises, commencing as of the Effective Date, at the following rates:

<u>Period</u>	<u>Annual Base Rent</u>	<u>Monthly Base Rent</u>
Effective Date (i.e., January 1, 2021) – January 31, 2021	\$195,974.57	\$16,331.21
February 1, 2021 – January 31, 2022	\$199,880.45	\$16,656.70
February 1, 2022 – January 31, 2023	\$203,875.10	\$16,989.59
February 1, 2023 – January 31, 2024	\$207,958.52	\$17,329.88
February 1, 2024 – October 31, 2024	\$212,101.12	\$17,675.09

Such obligation to pay Base Rent for the Additional Premises during the term of the Lease shall be in addition to and without limitation of Tenant's further obligation to pay all items of Additional Rent for such period, as provided for in the Lease.

3. Effective as of the Effective Date, for purposes of this Agreement, the following terms shall have the following meanings with respect solely to the Additional Premises only: (i) the term "Base Tax Year" set forth in the preamble to the Lease shall mean the 2020/2021 fiscal tax year; and (ii) the term "Tenant's Proportionate Share" set forth in the preamble to the Lease shall mean 0.269%.

4. Effective as of the Effective Date, the amount of the security deposit set forth in Section 8(a) of the Lease shall be increased from \$621,300.00 to \$674,325.27. Therefore, Tenant shall, on or before the Effective Date, *time being of the essence*, deliver to Landlord, by official bank check, the sum of \$53,025.27, or an additional letter of credit in such amount, or an amended letter of credit in the aggregate amount of \$674,325.27, in any event complying with all applicable terms of the Lease, as amended by this Agreement, as security under the Lease.

5. (a) Commencing after the date hereof, Landlord shall perform, at its sole cost and expense, the following items of work ("Landlord's Expansion Work") in the Additional Premises: install electrical submeter to measure Tenant's consumption of electricity in the Premises. Landlord shall perform Landlord's Expansion Work with reasonable diligence, but without any obligation, however, to employ contractors or labor at overtime or other premium pay rates or to incur any extraordinary or unusual cost or expense in connection therewith.

(b) Landlord may enter the Original Premises and the Additional Premises from time to time, and shall have free and unrestricted access in and to the Original Premises and the Additional Premises at all times, in order to perform Landlord's Expansion Work, and entry by Landlord, its agents, servants, employees or contractors for such purpose shall not constitute an actual or constructive eviction, in whole or in part, or entitle Tenant to any abatement or diminution of rent, or relieve Tenant from any of its obligations under this Agreement or the Lease, or impose any liability upon Landlord, or its agents, by reason of inconvenience or annoyance to Tenant, or injury to, or interruption of Tenant's business or otherwise.

(c) No promise, agreement, representation or warranty, verbal or otherwise, has been made to Tenant by Landlord, its agents or employees, and no expenditure for work or materials will be made by or on behalf of Landlord in the Additional Premises, except as herein specifically set forth with respect to Landlord's Expansion Work. Without limitation of the foregoing, Tenant hereby acknowledges that no representation or warranty has been made by or on behalf of Landlord as to the date or anticipated date of completion of Landlord's Expansion Work. It is distinctly understood and agreed that Landlord's agreement to perform Landlord's Expansion Work as expressed herein, shall be applicable only to the particular term herein demised and shall not in any manner be operative in connection with any extension of the term or any renewal of the Lease, by operation of law, or otherwise.

(d) Notwithstanding anything to the contrary set forth in the Lease, all of Landlord's Expansion Work shall be performed to "building standard". The term "building standard" as used herein shall mean such materials and construction techniques as Landlord may elect to use from time to time, in Landlord's sole and absolute discretion, as part of Landlord's standard construction in the Building. Without limitation of the foregoing, in no event shall "building standard" be deemed to include any special, custom or above-building standard work which may have previously been performed by Landlord or any tenant of the Building or which may hereafter be performed by Landlord or any tenant of the Building.

6. It is specifically acknowledged by the parties that this Agreement is the result of substantive negotiations between the parties. It is understood and agreed that all parties shall be deemed to have prepared this Agreement in order to avoid any negative inference that might be drawn against the preparer thereof.

7. Tenant warrants and represents that there was no broker, finder or like agent instrumental in consummating this Agreement other than Shorestein Realty Services East LLC (the "Broker"), and that no dealings, communications, conversations or prior negotiations were had by Tenant with any brokers, finders or like agents other than the Broker concerning the extension and modification of the Lease pursuant to this Agreement. The execution and delivery of this Agreement by Landlord shall be conclusive evidence that Landlord has relied upon the foregoing warranty and representation of Tenant. Tenant covenants and agrees to pay, indemnify and hold Landlord harmless from and against any and all claims for all brokerage commissions, fees or other compensation by any brokers, finders or like agents, other than the Broker (who shall be paid by Landlord pursuant to the terms of a separate agreement), claiming to have dealt with Tenant in connection with this

Agreement, or arising out of any conversations or negotiations had by Tenant with any brokers, finders or like agents other than the Broker concerning the extension and modification of the Lease, and for any and all costs, expenses (including, without limitation, reasonable attorneys' fees, disbursements and court costs), liabilities and penalties incurred by Landlord in connection with or arising out of any such claims. The provisions of this paragraph shall survive the expiration or earlier termination of the Lease.

8. As a material inducement to Landlord to execute and deliver this Agreement, Tenant hereby covenants and represents that (i) to the best of Tenant's knowledge, Landlord is not in default of any of the terms, covenants, provisions, warranties, representations and conditions of the Lease through the date hereof and that there are no offsets or defenses thereto and (ii) Tenant shall continue to accept the Original Premises in its current as-is condition, and Landlord has no obligation to perform any work or alterations in or to the Original Premises or the Additional Premises, except as expressly provided in Paragraph 5 above.

9. Except as otherwise set forth in this Agreement, all of the terms and provisions of the Lease are hereby ratified and confirmed and shall remain unmodified and in full force and effect. As used in this Agreement, unless the context requires otherwise, the term "Lease" shall mean the Lease as modified by this Agreement.

10. (a) The covenants, agreements, terms, provisions and conditions contained in this Agreement shall bind and inure to the benefit of the parties hereto and their respective heirs, successors, legal representatives and permitted assigns, if any.

(b) This Agreement may not be modified orally, but only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

(c) In the event of any inconsistency between the terms and provisions of this Agreement and the terms and provisions of the Lease, the terms and provisions of this Agreement shall govern and be binding.

(d) This Agreement shall not be binding upon Landlord unless and until at least two originals hereof have been executed by Tenant and counter-executed on behalf of Landlord and at least one of such originals shall have been returned to Tenant or Tenant's attorneys.

(e) This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Agreement may be validly executed by facsimile or pdf. signature.

(f) Any waiver by any party of a breach of any provision of this Agreement shall not operate as or be construed to be a waiver of any other breach of that provision or of any breach of any other provision of this Agreement. The failure of a party to insist upon strict adherence to any provision of this Agreement on one or more occasions will not be considered a waiver or deprive that party of the right thereafter to insist upon strict adherence to that provision or any other provision of this Agreement. Any waiver must be in writing

and signed by the party against whom such waiver is sought.

(g) If any provision of this Agreement is judicially held to be invalid, illegal, or unenforceable, the balance of this Agreement shall remain in effect, and if any provision is inapplicable to any person or circumstance, it shall nevertheless remain applicable to all other persons and circumstances.

(h) Any capitalized term used but not defined herein shall have the meaning ascribed to such term in the Lease.

**[SIGNATURE PAGE TO FOLLOW]**

In witness whereof, the parties hereto have executed this Agreement as of the day and year first above written.

Landlord:

Tenant:

SRI Eleven 1407 Broadway Operator LLC

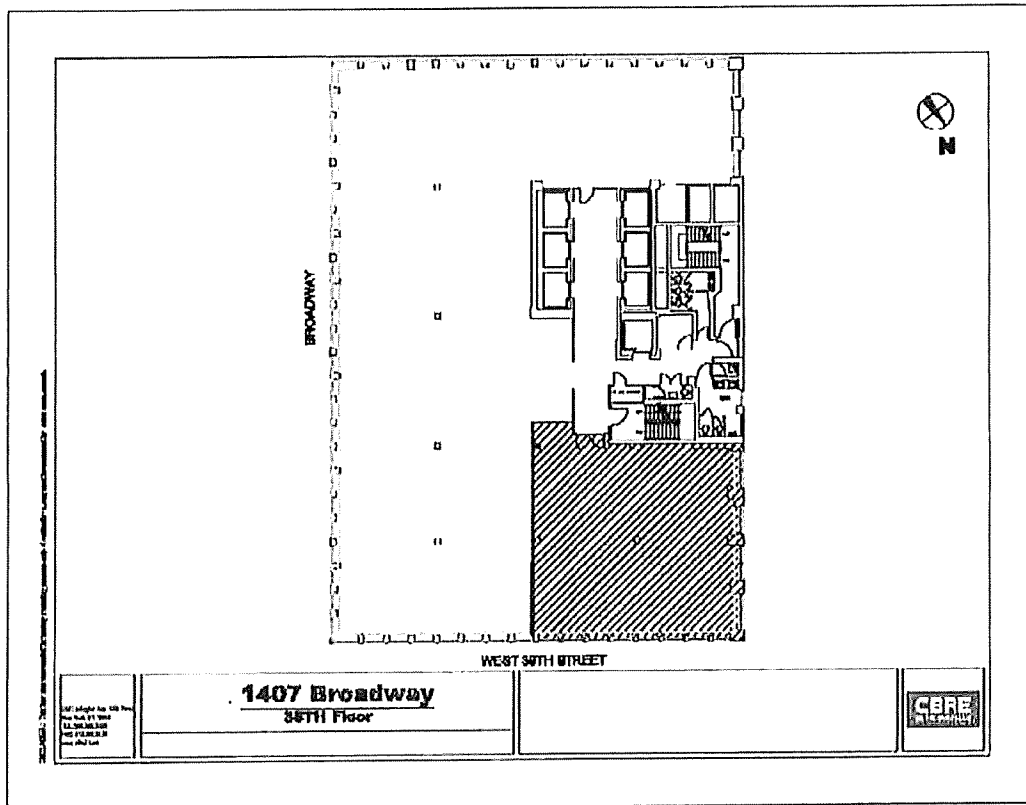
SBG Universe Brands, LLC

by: Ronnie E. Rayoff  
Name: Ronnie E. Rayoff  
Title: VP

By: Peter Lops  
Name: Peter Lops  
Title: CFU

**EXHIBIT A**

**DESCRIPTION OF THE ADDITIONAL PREMISES**



No warranty or representation is made or is to be implied as to the accuracy of the information reflected in this Exhibit. The information reflected in this Exhibit is subject to errors, omissions or changes without notice. The plans in this Exhibit are not drawn to scale. Any and all plans and/or drawings provided are not to be relied upon for exact measurements and/or configurations. The location and dimensions of walls, partitions, columns, stairs and openings are approximate and subject to deviations due to mechanical work, job conditions and requirements of governmental departments and authorities, and no resulting deviation shall affect the rent or Tenant=s obligations under this Agreement.



**SECOND LEASE MODIFICATION AGREEMENT**

**THIS SECOND LEASE MODIFICATION AGREEMENT** (this "Agreement") made as of the 18th day of June, 2020 by and between **SRI ELEVEN 1407 BROADWAY OPERATOR LLC** ("Landlord"), a Delaware limited liability company, having an address c/o Shorenstein Realty Services East LLC, 1407 Broadway, Suite 2200, New York, New York 10018, as landlord, and **SBG UNIVERSE BRANDS, LLC SUCCESSOR-BY-MERGER TO GALAXY BRANDS HOLDINGS INC.** ("Tenant"), a Delaware corporation, having an office at 1407 Broadway, Suite 3801, New York, New York 10018, as tenant.

**WITNESSETH:**

**WHEREAS**, Landlord is the landlord of the building located at 1407 Broadway, New York, New York (the "Building"); and

**WHEREAS**, Tenant is in possession of Suite 3801 on the 38th floor of the Building (collectively, the "Premises") pursuant to a written agreement of lease, dated August 14, 2013 (the "Original Lease"), by and between Landlord's predecessor-in-interest, 1407 Broadway Real Estate LLC, as landlord, and Galaxy Brands Holdings, Inc., as tenant, as *defacto* assigned to Tenant by Agreement and Plan of Merger, dated June 24, 2014, and as modified by Lease Modification Agreement, dated June 6, 2019 (the "First Amendment" with the Original Lease, the "Lease") for a term which expires on October 31, 2024; and

**WHEREAS**, pursuant to the Lease, the base rent for the Premises for the period from February 1, 2020 through January 31, 2021 is \$60,160.06 per month ("Base Rent"); and

**WHEREAS**, Tenant pays Landlord for central air conditioning and 20 tons of Condenser Water at the Premises in the sum of \$666.67 per month ("Water"), which sum does not include electric current; and

**WHEREAS**, the Lease is secured by a letter of credit in the sum of \$621,300.00 held by Israel Discount Bank (IDB) of New York in favor of Landlord on account of Tenant (the "LOC"); and

**WHEREAS**, as a result of the COVID-19 pandemic, Tenant has requested that Landlord: (i) draw down on the LOC in the sum of \$366,851.07 (the "Draw Amount") and apply the proceeds to Tenant's account for Base Rent and Water for the period from April 2020 through September 2020, and Additional Rent (as defined in the Lease<sup>1</sup>) due and owing through May 1, 2020, and (ii) defer Tenant's obligation to pay 50% of the Base Rent for the months of October 2020, November 2020 and December 2020 in the aggregate sum of \$90,240.09 (the "Deferred Amount"); and

**WHEREAS**, Landlord is willing to modify Tenant's obligation to pay Base Rent, Water and additional rent through June 2021, pursuant to the terms and conditions set forth below.

<sup>1</sup> Exhibit B to the Original Lease provides that "[t]he term 'Additional Rent' shall mean all sums other than Base Rent as shall become due and payable from Tenant to Landlord or to any third party as Landlord shall direct pursuant to this Lease."

**NOW, THEREFORE**, in consideration of the mutual covenants herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

1. **Capitalized Terms; Recitals.**

a) Capitalized terms used but not otherwise defined herein shall have the meanings ascribed thereto in the Lease.

b) The recitals set forth in the beginning of this Agreement are incorporated herein as a part of this Agreement with the same effect as if set forth in the body hereof.

c) As of the Effective Date, the term "**Lease**" shall be deemed to refer, collectively, to the Lease, as amended by this Agreement.

2. **Application of the Draw Amount.**

a) Notwithstanding anything to the contrary in Article 8 of Lease, Tenant acknowledges and agrees that Landlord is entitled to draw down on the LOC for the Draw Amount, which includes Base Rent, Water and Additional Rent for the period from June 1, 2020 through September 1, 2020, which are not yet due and owing at the time of this Agreement.

b) Provided that Landlord draws down on the LOC and obtains the Draw Amount, then such proceeds shall be applied to Tenant's account, as follows: (i) Base Rent for the period from April 2020 through September 2020 in the total sum of \$360,960.36; (ii) Water for the period from April 2020 through September 2020 in the total sum of \$4,000.02; (iii) the remainder of the real estate tax escalation for the 2019-2020 fiscal year in the sum of \$275.06; (iv) the remainder of Business Improvement District (BID) tax escalation for Building assessed for the 2019-2020 fiscal year in the sum of \$295.88; (v) administrative fees ("MSI") for March 2020 and April 2020 in the total sum of \$57.72; and (vi) utilities for March 2020 and April 2020 in the total sum of \$1,262.03. Landlord shall not charge Tenant interest or late fees on the foregoing amounts, which shall be paid with the proceeds of the LOC, provided that the Draw Amount is timely repaid in accordance with the terms of this Agreement. Tenant acknowledges and agrees that Additional Rent may come due for the period from May 2, 2020 through September 2020, which is not provided for in this Agreement. Tenant further agrees to pay all Additional Rent which may come due for the period from May 2, 2020 through September 1, 2020 in the same provided for under the Lease. For the avoidance of any doubt, Additional Rent, as defined in the Lease, includes, but is not limited to, electric utility charges, metered water utility charges, Tenant's proportionate share of property tax escalations, operating expenses, and administrative fees. In the event that Landlord cannot draw down on the LOC pursuant to the terms hereof, this Agreement shall be deemed null and void and of no force and effect.

c) Provided Landlord draws down on the LOC in the sum of the Draw Amount, the balance of the LOC will total \$254,448.93 (the "LOC Balance"). Accordingly, all references to a new letter of credit in the aggregate amount of "\$674,325.27" in the First Amendment are hereby deleted. Notwithstanding the foregoing, Tenant shall, on or before January 1, 2021, *time being of the essence*, deliver to Landlord, by official bank check, the sum of

\$53,025.27, or an amended letter of credit in the sum of \$307,474.20 (the "Amended LOC"), in accordance with Section 4 of the First Amendment.

d) Tenant shall pay Landlord the sum of \$120,320.12 (the "Cash Security"), representing two months Base Rent, in equal monthly installments in the sum of \$20,053.35, in the same manner as Rent provided for in the Lease, for six (6) consecutive months commencing on July 1, 2021 through December 1, 2021, inclusive (the "Cash Security Payment Period"). Within 15 days of Tenant paying the Cash Security to Landlord in full, Tenant shall obtain a new letter of credit in the total sum of \$427,794.32 (the "New LOC"), representing the aggregate sum of the Amended LOC and the Cash Security. Landlord shall return the Cash Security to Tenant within two weeks of receiving the New LOC.

3. **Deferred Amount.**

a) Landlord hereby agrees to defer Tenant's obligation to pay the Deferred Amount for the months of October 2020, November 2020 and December 2020. Tenant shall repay the Deferred Amount in equal monthly installments of \$15,040.01, payable as additional rent in advance on the first day of each month, commencing on January 1, 2021 and ending on June 1, 2021, inclusive (the "Deferred Amount Repayment Period," with the Cash Security Payment Period, the "Repayment Period"). Landlord shall not charge Tenant interest or late fees on the Deferred Amount, provided that is timely repaid in accordance with the terms of this Agreement. During the period from June 1, 2020 through the expiration of the Repayment Period, Tenant shall continue to pay Base Rent and Additional Rent at the rates and in the manner provided for in the Lease, except as amended by this Agreement.

b) If Tenant shall be in default under the Lease, beyond any applicable notice and cure period, at any time from June 1, 2020 until the end of the Repayment Period, Landlord shall have the right to accelerate the Cash Security and/or Deferred Amount (or such portions thereof as shall be then due and payable) and declare the same immediately due and payable, and Landlord shall have available to it all remedies for non-payment of rent set forth in the Lease. For the avoidance of doubt and notwithstanding anything to the contrary contained herein or in the Lease, neither of the following shall be deemed an Event of Default: (i) Tenant's payment of Fixed Rent, Water and Additional Rent in accordance with the terms set forth herein, and/or (ii) Tenant replenishing the LOC the manner and in accordance with the time frame set forth herein.

4. **No Broker.** Tenant represents and warrants to Landlord that Tenant has not dealt with any broker, agent, or finder in connection with this Agreement. Tenant agrees to indemnify, defend and hold Landlord harmless from all damages, judgments, liabilities and expenses (including attorneys' fees) arising from any claims or demands of any broker, agent or finder with whom Tenant has dealt for any commission or fee alleged to be due in connection with this Agreement. The provisions of this Paragraph 4 shall survive the expiration or earlier termination of the Lease.

5. **Miscellaneous.**

a) For the valuable consideration set forth above, the receipt and sufficiency of which is hereby acknowledged, Tenant, for itself and its administrators, representatives,

executors, heirs, beneficiaries, predecessors, successors, successors in interest, agents, attorneys and assigns (collectively, "Tenant Parties") hereby waive, release and forever discharge Landlord, its administrators, representatives, executors, heirs, beneficiaries, predecessors, successors, successors in interest, agents, affiliates, parent companies, holding companies, subsidiaries, divisions, attorneys, assigns, members, officers, directors, and employees (collectively, "Landlord Parties") from claims, actions and causes of action, suits, torts, debts, dues, sums of money, accounts, reckoning, bonds, bills, specialties, covenants, contracts, deeds, liens, controversies, agreements, promises, variances, trespasses, damages, judgments, extents, executions, claims and demands whatsoever in law or in equity, which, against Landlord Parties said Tenant Parties ever had, now have or hereafter can, shall or may have for, upon or by reason of any matter, cause or thing whatsoever from the beginning of the world to the date of this Agreement.

b) Except as otherwise provided herein, all of the terms, covenants, conditions and provisions of the Lease shall remain and continue unmodified, in full force and effect and binding upon the Tenant, the Tenant Parties, Landlord and the Landlord Parties.

c) Tenant hereby certifies to Landlord that as of the date hereof (i) the Lease is in full force and effect and has not been further modified or amended, (ii) Landlord is not now in default under the Lease and Tenant knows of no event which, with notice or the passage of time or both would constitute a default by Landlord, and (iii) Tenant has made no demand against Landlord and has no present right to make such demand with respect to charges, liens, defenses, counterclaims, offsets, claims, or credits against the payment of rent or additional rent or the performance of Tenant's obligations under the Lease.

d) Landlord hereby certifies that upon receipt of the Draw Amount and any Additional Rent that may be due and owing under the Lease as of the date hereof, Tenant shall not be in monetary default under the Lease. As of the date hereof, to Landlord's actual knowledge Tenant is not in default with respect to any non-monetary Event of Default under the Lease.

e) This Agreement may not be changed, modified, discharged, canceled or waived orally, or in any manner other than by an agreement in writing signed by the parties hereto.

f) Unless the text of this Agreement shall indicate otherwise, the defined terms used herein shall have the meanings ascribed to such terms in the Lease.

g) This Agreement shall be binding upon and inure to the benefit of, the parties hereto and their respective successors and permitted assigns.

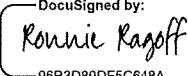
h) This Agreement may be executed in one or more counterparts, each of which shall constitute an original and all of which when taken together shall constitute one and the same instrument. Signatures hereto may be evidenced by facsimile transmission or electronic mail in portable document format (PDF), the same of which shall be treated as originals.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

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

**LANDLORD:**

**SRI ELEVEN 1407 BROADWAY  
OPERATOR LLC**

By:    
 DocuSigned by:  
96B3D89DF5C648A  
Name: **Ronnie Ragoff**  
Title: **VP**

**TENANT:**

**SBG UNIVERSE BRANDS, LLC  
SUCCESSOR-BY-MERGER TO  
GALAXY BRANDS HOLDINGS INC**

By:    
Name: **David Conn**  
Title: **CEO**