

AGREEMENT OF LEASE made this 10th day of August, 2003, by and between CHINATOWN APARTMENTS, INC., a New York Corporation with principal offices at 20 Confucius Plaza, in the Borough of Manhattan, City and State of New York, hereinafter referred to as the "Landlord" and CHAMPION CONFUCIUS LLC, a New York Limited Liability Company, having its principal place of business at 545 Madison Avenue, 12th Floor, New York, New York, hereinafter referred to as the "Tenant".

WITNESSETH: In consideration of the rents, covenants, agreements, conditions and provisions hereinafter contained and set forth on the part of the Tenant to be paid, kept and performed, Landlord hereby leases unto the Tenant and the Tenant hereby hires from the Landlord the garage space located in the premises known as and by street address 50 Division Street, a/k/a 10 and 20 Confucius Plaza, in the Borough of Manhattan, City of New York, (the "Demised Premises" or "demised premises") for a term of ten (10) years (plus a partial month if the term commences on a day other than the first day of a calendar month) commencing on the date Landlord delivers possession of the Demised Premises to Tenant free and clear of all tenants and persons in possession other than parking customer's vehicles, (the "Commencement Date") and ending on the day which is ten (10) years after the Commencement Date.

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

1. RENT.

A. Basic Annual Rent.

Tenant shall pay rent at the following annual rental rates (the "Basic Annual Rent" or "Basic Rent"):

(i) For the period from the Commencement Date through and including the last day of the thirty-sixth full calendar month after the Commencement Date, Nine Hundred and Seventy-five Thousand (\$975,000.00) Dollars per annum (\$81,250.00 per month); then

(ii) For the the following three years , One Million Four Thousand two Hundred and Fifty (\$1,004,250.00) Dollars per annum (\$83,687.50 per month); and then

(iii) For the the final four years of the Lease Term, One Million Thirty-four Thousand Three Hundred and Seventy-seven (\$1,034,377.56) Dollars and Fifty-six Cents per annum (\$86,198.13 per month).

The Basic Annual Rent shall be paid in lawful money of the United States in equal monthly installments in advance on the first day of each calendar month during the term of this Lease, at the office of Landlord or such other place as Landlord may designate, without any set off, counterclaim or deduction whatsoever, except that the first (1st) monthly installment shall be paid upon execution hereof. In the event that this lease shall commence or terminate on a day other than the first (or last) day of a calendar month, Tenant shall pay Landlord with respect to such partial month a pro rata amount of the monthly Basic Rent.

B. Additional Initial Rent Payment.

Upon execution of this Lease, Tenant shall make a non-refundable, non-proratable, one-time additional rent payment to Landlord in the amount of Five Hundred Thousand (\$500,000.00) Dollars. This payment shall be made by certified check to Landlord's attorneys, Kellner Chehebar & Deveney, as Escrow Agent, to be held in escrow until such time as the Landlord tenders possession of the Demised Premises to Tenant. Upon tender of possession of the Demised Premises to Tenant the Escrow Agent shall immediately release the escrowed funds to Landlord.

If this Lease is terminated prior to the date set forth as the end of the original term on account of (i) condemnation, (ii) casualty, (iii) action or demand of the New York City Department of Housing Preservation and Development or the United States Department of Housing or Urban Development (unless said action or demand is on account of Tenant's default or willful and wrongful act), (iv) Landlord's default on its mortgages or Ground Lease, (as hereafter defined), or (v) Landlord's failure to maintain a Certificate of Occupancy in the same form as the last permanent Certificate of Occupancy and Landlord's failure results in the Tenant's (a) actual inability to operate the Demised Premises as a parking garage as contemplated in said form of Certificate of Occupancy and (b) Tenant's surrender of the Demised Premises, the Landlord shall refund to Tenant a pro rata portion of this initial rent payment. The portion to be refunded shall be the product of (x) \$500,000 and (y) a fraction of which the nominator

is number of months remaining in the original term at the time of termination, and the denominator of which shall be 120.

C. Late Payment.

If Tenant shall fail to pay when due (i) any installment of Basic Annual Rent or (ii) any adjustment or other item of additional rent and such failure shall continue for five (5) business days, then Tenant shall pay Landlord, upon demand, as additional rent, a late charge equal to four (4%) percent of such installment or payment as an agreed liquidated amount as compensation for Landlord's additional administrative expenses relating to such late payment. The additional rent attributable to Tenant's late payment of rent pursuant to this Paragraph 1.C. are in addition to and not in lieu of any and all of Landlord's rights and remedies granted under this Lease and by law in the event of non-payment of rent.

2. OCCUPANCY AND OPERATION.

A. Occupancy.

The Tenant shall use and occupy the demised premises as a garage for the parking of motor vehicles and at Tenant's option (i) for car rental as hereafter set forth and/or (ii) advertising wholly within the Demised Premises as hereinafter provided and limited and for no other purpose.

B. Operation.

Tenant agrees to hire a sufficient number of personnel so that the Demised Premises will be adequately staffed and suitably attended for a period of twenty-four (24) hours of each day during the term of this Lease. Tenant agrees to operate its business in a first class manner so as not to adversely affect the Landlord's operation of the apartment buildings which the Demised Premises form a part, and to minimize the disturbance of the occupants thereof and that residential Tenants shall have access at all times to the Demised Premises for parking. Anything contained in this Lease to the contrary notwithstanding, Tenant shall keep the Demised Premises open twenty-four (24) hours a day, seven days a week, excepting however, if Tenant is prevented from doing so by reason of strikes, lock-outs and other conditions beyond its control.

3. UTILITIES.

A. Water.

Landlord shall install a water sub-meter, at Tenant's sole cost and expense, and thereby measure the Tenant's hot and cold water consumption for all purposes, other than ordinary lavatory purposes, at the Demised Premises; and throughout the duration of the Tenant's occupancy and the term of this Lease the Tenant shall keep said sub-meters and installation equipment in good working order and repair.

Landlord shall bill, at the same rate it pays, and Tenant shall pay for hot and cold water consumed as shown on said sub-meter within ten (10) days of rendition of bills as additional rent. Notwithstanding the provisions of this Paragraph, Landlord shall be under no obligation to furnish hot water in amounts exceeding that which is reasonably necessary for the washroom within the Demised Premises.

B. Electric.

(i) Tenant's use of electricity shall be determined by submetering and Landlord shall have the submeter read monthly and based thereon Tenant shall be billed by or on behalf of Landlord for its electric consumption at the same rate charged Landlord. Tenant shall pay Landlord for its electric usage within ten (10) days after rendition of a bill therefor. If at any time during the term hereof Landlord ceases submetering then Tenant shall arrange to obtain electric energy directly from the public utility company furnishing electric service to the building in which the Demised Premises are located. Such electric energy may be furnished to Tenant by means of the then existing building system feeders, risers and wiring to the extent that the same are, in Landlord's sole judgment, available, suitable and safe for such purposes. All meters and additional panel boards, feeders, risers, wiring and other conductors and equipment that may be required to obtain electric energy directly from such public utility company shall be installed and maintained by Tenant at its expense.

(ii) Tenant's use of electric energy in the Demised Premises shall not at any time exceed the capacity of any of the electrical conductors, machinery and equipment in or otherwise serving the Demised Premises.

(iii) 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 Demised Premises by reason of any requirement, act or omission of the public utility serving the Demised Premises or the building in which the Demised Premises are located or for any other reason not attributable to

Landlord. Landlord makes no representation that the quality, character or amount of electric current is adequate or suited for Tenant's needs.

(iv) Tenant shall furnish and install all lighting fixtures, tubes, lamps, bulbs and ballasts required in or about the Demised Premises, at Tenant's sole cost and expense.

(v) Landlord reserves the right, without any liability to Tenant, except to the extent Paragraph 14-A may be applicable, to stop service of any of the ventilating, electric, sanitary, elevator or other building systems serving the Demised Premises, or the rendition of any of the other services, if any, required of Landlord under this Lease, whenever and for so long as may be necessary, by reason of accidents, emergencies, strikes or the making of repairs or changes which Landlord is required by this Lease or by law to make good or in good faith deems necessary, or by reason of difficulty in securing proper supplies of water, electricity, labor or supplies, or by reason of any other cause beyond Landlord's reasonable control. When possible Landlord shall endeavor to provide Tenant with prior notice of an interruption in services of any of the building systems. Interruption or curtailment of any utility or building service for any reason whatsoever, shall not constitute an actual or constructive or partial eviction, nor entitle Tenant to any compensation or abatement or diminution of rent, except to the extent Paragraph 14-A may be applicable, nor 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.

(vi) Tenant acknowledges that it has conducted all necessary inspections and investigations of the electrical system prior to executing this Lease, and satisfied itself as to the adequacy of the same for Tenant's proposed business operations.

(vii) Tenant's obligation to pay any and all additional rent or other obligations referred to in this Paragraph 3 shall survive any expiration or termination of this Lease.

4. RESIDENT PARKING.

A. Resident Preference.

Tenant agrees that the residential occupants of the Confucius Plaza Complex shall have first and prior preference to store motor vehicles in the Demised Premises as required by Section 60 of the Multiple Dwelling Law.

B. Resident Rate.

Tenant agrees that it shall not charge more than \$160.00 per month per vehicle, plus applicable sales, parking and other taxes, if any (the "Insider Rate") for One Hundred and Eighty-five (185) cars parked by residential occupants of Confucius Plaza ("Resident Parkers"). If at anytime more than One Hundred and Eighty-five (185) cars owned or leased by Resident Parkers are parked in the Demised Premises, Tenant may charge its then market monthly rate for all cars parked by Resident Parkers in excess of said one Hundred and Eighty-five car limit. Tenant shall apply the market rate in reverse chronological order; i.e. the Resident Parker to apply for a space most recently shall be charged the market rate.

C. Notice of Priority.

Any residential tenant of Chinatown Apartments, Inc. shall, upon thirty (30) days notice to Tenant, by Landlord, be leased a parking space for any vehicle owned or rented by him or her on a monthly or yearly basis so long as all parking spaces are not occupied by other residential tenants.

D. Resident Parker List.

Tenant, by the fifteenth day of the first full calendar month after the Commencement Date and not less frequently than the 10th day of every month thereafter, shall provide Landlord with a list of Resident Parkers setting forth each Resident Parks' name, apartment number, date they applied for a parking space (or if they occupied a space at the commencement of this Lease), the license plate number(s) of each car and the amount charged by Tenant. If, at any time the number of cars parked by Resident Parkers exceeds One Hundred and Eighty-five (185) and a Resident Parker receiving the Insider Rate surrenders his or her space, Tenant shall look to Landlord to determine which Resident Parker shall be billed the Insider Rate. Landlord shall use its best efforts to maintain a chronological list of Resident Parkers waiting for the Insider Rate.

5. INSURANCE.

A. Policy Types and Coverage Limits.

Tenant covenants and agrees to obtain and, at all times during the term of this Lease, keep in force at Tenant's own expense insurance of every kind which may be

required by any federal, state or local statute or ordinance of any governmental body having jurisdiction in connection with the operation of Tenant's business at the Demised Premises and also carry, at Tenant's own expense, with responsible, solvent insurance companies licensed to do business in the State of New York, and reasonably satisfactory to Landlord:

(i) policies of personal injury liability and property damage liability insurance which insurance shall be maintained in such amount as Landlord shall, from time to time, require of Tenant consistent with amounts customarily carried by residential garage operators in Manhattan, but in no event less than the amounts set forth below. As of the date hereof, Landlord requires a Comprehensive Garage Liability Policy providing bodily injury liability insurance against claims for bodily injury, death occurring in, on or about the Demised Premises, naming both Landlord and Landlord's present Managing Agent, Tudor Realty Services, Inc. or any successor of Landlord's present Managing Agent hereafter designated by Landlord as the additional insureds, such insurance to afford minimum protection during the term of this Lease of not less than Twenty Million (\$20,000,000.00) Dollars in respect of any one accident. An umbrella liability policy which, together with this policy that develops limits in the amount of \$20,000,000.00 per occurrence shall be an acceptable alternative.

(ii) Garagekeeper's physical damage legal liability insurance in the amount of Three Million (\$3,000,000.00) Dollars covering the vehicles and property entrusted to the garagekeeper's care against perils of fire, explosion, theft, riot, civil commotion, malicious mischief and vandalism.

(iii) Workmen's Compensation and disability insurance in adequate limits to protect the Landlord.

(iv) Such other insurance as is usually carried in connection with the operation of garages in Manhattan, and in such amounts as may, from time to time, be reasonably required by Landlord against other insurable hazards which at the time are commonly insured against in the case of premises similarly situated, due regard being or to be given to the height and type of the building, its construction, use and occupancy.

B. Policy Provisions.

Tenant shall cause to be included in such insurance policy or policies appropriate clauses pursuant to which the insurance company or companies (i) waive the right of

subrogation against Landlord with respect to losses payable under such policy or policies and/or (ii) agree that such policy or policies shall not be invalidated should the insured waive in writing prior to a loss any or all right of recovery against any party for losses covered by such policy or policies. Tenant will furnish Landlord with either the original policies or certificates of insurance so carried by Tenant. Tenant shall deliver to Landlord and any additional insured, at least ten (10) days prior to the commencement date hereof, such fully paid for policies or certificates of insurance, in form reasonably satisfactory to Landlord, issued by the insurance company or its authorized agent; in the event only a certificate of insurance is available at that time, within sixty (60) days after the commencement date, Tenant shall furnish to Landlord complete, original insurance policies. Such insurance coverage may be blanket policies of Tenant. The renewals of any such insurance coverage shall be delivered to Landlord at least thirty (30) days before the expiration of any existing policy. Any such policies of insurance shall not be cancelable or terminable without thirty (30) days' prior written notice to Landlord. In the event of Tenant's failure to comply with the provisions of this Paragraph, Landlord may cause the same to be done for Tenant's account and the costs thereof shall be deemed immediately payable to Landlord by Tenant upon the rendering of bills for the same as additional rent.

C. Additional Insureds.

All policies of insurance mentioned and provided for herein shall name Landlord, Landlord's Managing Agent, the landlord under the Ground Lease, Landlord's mortgagees, the New York City Department of Housing Preservation and Development and the United States Department of Housing or Urban Development present or future, as the case may be, as additional insureds, as their respective interests may appear (except for Workmen's Compensation and New York Disability Benefits Insurance).

6. INDEMNIFICATION.

Tenant covenants and agrees that to the fullest extent permitted by law, and regardless of negligence, Tenant shall indemnify, defend and save Landlord and Landlord's Managing Agent harmless from and against all liabilities, obligations, damages, penalties, claims, reasonable costs and expenses, including, without limitation, reasonable attorneys' fees, paid,

suffered or incurred as a result of any breach by Tenant, Tenant's agents, contractors, employees, invitees, or licensees, of any covenant or condition of this Lease, or the carelessness, negligence or improper conduct of the Tenant, Tenant's agents, contractors, employees, invitees, or licensees. Tenant's liability under this Lease extends to the acts and omissions of any subtenant, and any agent, contractor, employee, invitee, or licensee of any sub-tenant. In case any action or proceeding is brought against Landlord by reason of any such claim, Tenant, upon written notice from Landlord, will at Tenant's expense, resist or defend such action or proceeding by counsel approved by Landlord in writing, such approval not to be unreasonably withheld or delayed.

7. MAINTENANCE AND REPAIRS.

Tenant shall take good care of the Demised Premises and the fixtures and appurtenances therein and the sidewalks and curbing in front of and adjacent thereto. Tenant, at its own cost and expense, shall promptly make all repairs ordinary or extraordinary, interior or exterior, excepting structural repairs, in and about the Demised Premises including, without limitation, the sidewalks and curbs adjacent to the entrances and exists thereto and all ramps and platforms used as or in connection with entrances to or exits from the Demised Premises as well as that portion of the plumbing, electrical and ventilating systems exclusively serving the Demised Premises as and when needed to preserve them in good working condition and order. All aforementioned repairs, restorations and replacements shall be in quality and class equal to the original work or installations and shall be performed in accordance with the requirements set forth in Paragraph 18 of this Lease. If the Tenant fails to make such repairs, restorations or replacements, the Landlord may (but shall not be obligated to) make the same at the expense of Tenant which shall be collectable as additional rent or otherwise by the Landlord from the Tenant and shall be paid by the Tenant within ten (10) days after rendition of a bill or statement therefor. Landlord shall have no liability to Tenant by reason of inconvenience, annoyance, interruption or injury to business arising from Landlord's making any repairs or changes which the Landlord is required or permitted by this Lease, or required by law or regulation, to make in or to any portion of the Building or the Demised Premises.

Tenant shall maintain the water and wash closets and other plumbing fixtures and drains and same shall not be used for any purposes other than those for which they

were designed or constructed, and no sweepings, rubbish, acids, rags or other substances shall be deposited therein.

Tenant shall at Tenant's expense, keep Demised Premises clean and in order to the satisfaction of Landlord. Tenant shall, at Tenant's own expense, keep the sidewalks, ramps and curbs in and adjacent to the entrances and exits to the Demised Premises free from snow, ice, dirt and rubbish. Tenant shall pay to Landlord the cost of removal of any of Tenant's refuse and rubbish from the Demised Premises. Bills for the same shall be rendered by Landlord to Tenant at such times as Landlord may elect and shall be due and payable when rendered, and the amount of such bills shall be deemed to be, and be paid as, additional rent. Tenant shall, however, have the option of independently contracting for the removal of such rubbish and refuse in the event that Tenant does not wish to have same done by employees of Landlord. Under such circumstances, however, the removal of such refuse and rubbish by others shall be subject to such reasonable rules and regulations as, in the judgment of Landlord, are necessary for the proper operation of the Confucius Plaza Complex. Tenant shall not make or permit to be made on the Demised Premises any unseemly or disturbing noises which may disturb or interfere with the other occupants of the Confucius Plaza Complex.

Tenant shall at Tenant's Expense maintain and keep the corridor leading from the Demised Premises to the courtyard of the Confucius Plaza Complex clean and in order to the reasonable satisfaction of the Landlord, but not have exclusive use and possession of said corridor.

8. COMPLIANCE WITH LAWS.

A. Laws, Ordinances, Orders and Regulations.

Landlord shall deliver the Demised Premises free of violations. Tenant, at Tenant's sole cost and expense, shall promptly comply with all present and future laws, orders and regulations of all state, federal, municipal and local governments, departments, commissions and boards and any direction of any public officer pursuant to law, and all orders, rules and regulations of the New York Board of Fire Underwriters, Insurance Services Office, or any similar body which shall impose any

violation, order or duty upon Landlord or Tenant with respect to the Demised Premises, whether or not arising out of Tenant's use or manner of use thereof, (including Tenant's permitted use) or, with respect to the building if arising out of Tenant's use or manner of use of the Demised Premises or the building (including the use permitted under the lease). Notwithstanding the forgoing Tenant shall not be required to make structural alterations or structural repairs required by law unless caused by Tenant's negligence or willful misconduct. Tenant may, after securing Landlord to Landlord's reasonable satisfaction against all damages, interest, penalties and expenses, including, but not limited to, reasonable attorneys' fees, by cash deposit or by surety bond in an amount and with a company satisfactory to Landlord, contest and appeal any such laws, ordinances, orders, rules, regulations or requirements provided same is done with all reasonable promptness and provided such appeal shall not subject Landlord to prosecution for a criminal offense, or constitute a default under any lease or mortgage under which Landlord may be obligated, or cause the Demised Premises or any part thereof to be condemned or vacated. Tenant shall not do or permit any act or thing to be done in or to the Demised Premises which is contrary to law, or which will invalidate or be in conflict with public liability, fire or other policies of insurance at any time carried by or for the benefit of Landlord with respect to the Demised Premises or the building of which the Demised Premises form a part, or which shall or might subject Landlord to any liability or responsibility to any person, or for property damage. Tenant shall not keep anything in the Demised Premises, except as now or hereafter permitted by the Fire Department, Board of Fire Underwriters, Fire Insurance Rating Organization or other authority having jurisdiction, and then only in such manner and such quantity so as not to increase the rate for fire insurance applicable to the building, nor use the Demised Premises in a manner which will increase the insurance rate for the building or any property located therein over that in effect prior to the commencement of Tenant's occupancy. Tenant shall pay all costs, expenses, fines, penalties, or damages, including Landlord's reasonable attorneys' fees which may be imposed upon Landlord by reason of Tenant's failure to comply with the provisions of this Paragraph, and if by reason of such failure 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 portion of all fire insurance premiums thereafter paid by Landlord which shall have

been charged because of such failure by Tenant. In any action or proceeding wherein Landlord and Tenant are parties, a schedule or "make-up" of rate for the building or the Demised Premises issued by the New York Fire Insurance Exchange, or other body making fire insurance rates applicable to said premises shall be conclusive evidence of the facts therein stated and of the several items and charges in the fire insurance rates then applicable to said premises. Tenant shall not place a load upon any floor of the Demised Premises exceeding the floor load per square foot area that it 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 mechanical equipment. Such installations shall be placed and maintained by Tenant, at Tenant's expense, in settings sufficient, in Landlord's judgment, to absorb and prevent vibration, noise and annoyance.

B. Zoning.

In amplification of, and in no way in limitation of, the foregoing Paragraph A, Tenant acknowledges that this Lease is also subject to and agrees to comply with present zoning ordinances, laws and regulations of the City of New York and all present ordinances, laws, regulations or orders of all boards, bureaus, commissions and bodies of any municipal, county, state or federal government now or hereafter having or acquiring jurisdiction of the Demised Premises and of the use and improvement thereof, the revocable nature of the right, if any, to maintain signs, vaults, or vault space areas/beyond the building lines, and subject to the laws, regulations and conditions now and hereafter imposed upon or required in connection with the operation and maintenance of a garage in a multiple dwelling or apartment structure.

C. Operating Permits, Licenses and Authorizations.

The Tenant, at Tenant's sole cost and expense, shall obtain any and all licenses, permits and other authorizations (except for a Certificate of Occupancy) required for the use of the Demised Premises for the purposes for which it may be used under the terms of this Lease.

D. Certificate of Occupancy.

Tenant acknowledges that Landlord has obtained a Certificate of Occupancy for the buildings in which the Demised Premises are a part, permitting the use of the garage portion thereof for the storage of motor vehicles. The Tenant will not at any time use or occupy the Demised Premises in violation of the Certificate of Occupancy then or thereafter in effect. The current Certificate of Occupancy is annexed as Exhibit "A". Landlord will use its best efforts to obtain a temporary certificates of occupancy in form substantially the same as the last permanent Certificate of Occupancy and keep said temporary certificate in place until a permanent Certificate of Occupancy is issued.

9. SECURITY DEPOSIT.

A. Amount and Administration.

Tenant shall upon execution of this Lease deposit with the Landlord Four Hundred Eighty-seven Thousand Five Hundred (\$487,500.00) Dollars as security for the faithful performance and observance by Tenant of the terms, provisions and conditions of Lease and it is agreed that in the event Tenant defaults in respect of any of the terms, provisions and conditions of this lease including but not limited to the payment of rent and additional rent, Landlord may use, apply or retain the whole or any part of the security so deposited to the extent required for the payment of any rent and additional rent or any other sum as to which Tenant is in default or 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 accrued before or after summary proceedings or other re-entry by Landlord. In the event that Tenant shall fully and faithfully comply with all of the terms, provisions, covenants and conditions of this Lease, the security shall be returned to Tenant within fifteen (15) days after the date fixed as the end of the lease and after delivery of entire possession of the Demised Premises to Landlord. In the event of a sale of the land and building or leasing of the building of which the Demised Premises form a part, 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 agrees to look to the new Landlord solely for the return of said security; and it is agreed that the provisions hereof shall apply to every transfer or assignment made of the security to a new Landlord. Tenant further covenants that it

will not assign or encumber or attempt to assign or encumber the monies deposited herein as security except to an approved assignee of this Lease and that neither Landlord nor its successors or assigns shall be bound by any such assignment, encumbrance, attempted assignment or attempted encumbrance.

If the Tenant furnishes the security in cash then Landlord shall deposit the security above referred to in an interest bearing account in an institution of its own choosing, at a date not later than twenty (20) days after the receipt of said security. Landlord shall be paid one (1%) percent per annum for administration of such security account. The remainder of the interest and/or dividends accruing to such account shall belong to the Tenant but shall be retained by Landlord as additional security in accordance with this Paragraph. Notwithstanding the foregoing, Landlord shall have no obligation to deposit the security in an interest bearing account and no interest shall be payable hereunder to Tenant unless Tenant's Taxpayer Identification Number is furnished in writing to Landlord. Tenant's Taxpayer Identification Number is 83-0363786.

B. Letter of Credit.

If Tenant furnishes the security by letter of credit, then the letter of credit to be delivered to Landlord shall be in form and substance acceptable to Landlord in its sole discretion, and shall be irrevocable and negotiable and shall be issued by a New York City banking institution for a term of not less than one year, shall be freely transferrable and assignable by Landlord or its successors and assigns upon any transfer of the land and buildings to the successor landlord, and shall provide for payment of the amount of the letter of credit to Landlord upon receipt by the bank of a statement of Landlord that Tenant is in default under the Lease, or that the letter of credit will expire within sixty (60) days and that the Landlord has not received a renewal, extension or replacement letter of credit. It is the intention of the parties that such letter of credit, or any renewal, extension or replacement thereof, shall continue in full force and effect throughout the term of this Lease. The form of letter of credit annexed as Exhibit D is acceptable to Landlord.

10. ASSIGNMENT AND SUBLETTING.

A. Transfer of Lease or Demised Premises.

Tenant may not assign this Lease or sublet the entire Demised Premises or any portion of the Demised Premises, excepting, however, the leasing of individual parking spaces in the ordinary course of business, without Landlord's prior written consent. Landlord may withhold its consent to any request for assignment or sublet for any reason and any consent Landlord may grant shall be on such terms and conditions as Landlord may require, including, but not limited to, payment by Tenant of a sublet or assignment fee(s) or payment(s). Tenant shall be responsible for payment of any and all costs and expenses including, but not limited to, reasonable legal expenses and attorneys' fees, incurred by Landlord in connection with such an assignment or sublet. The foregoing provisions of this Paragraph 10 A. notwithstanding, Landlord agrees to not unreasonably withhold its consent to Tenant's sublet of up to thirty (30) parking spaces to a nationally known rental car company.

B. Landlord's Acceptance of Rent.

Tenant acknowledges that the acceptance of rent by Landlord from an assignee or sublessee or other party, in the event of any assignment or transfer in violation of the provisions of this Lease shall not be deemed a waiver of the prohibition of this Paragraph 10 or an acceptance of the assignee, sublessee or occupant as Tenant. Tenant shall remain fully and primarily liable for the payment of Base Rent and additional rent due and to become due under this Lease and for the performance of all of the covenants, agreements, terms, provisions and conditions of this Lease on the part of Tenant to be performed or observed.

C. Transfer of Interest of Tenant.

Tenant hereby agrees that the transfer of a majority of the issued and outstanding capital stock of any corporate tenant or subtenant of this Lease or of a majority of the total interest in any partnership or limited liability company tenant, however accomplished, whether in a single transaction or in a series of related or unrelated transactions, or the creation of new stock, partnership or membership interests by which an aggregate of more than fifty (50%) percent of Tenant's stock, membership or partnership interests shall be vested in a party or parties who are non-stockholders, nonmembers or non-partners as of the date hereof, other than the children of Kenneth Rosenblatt or Gary Rosenblatt, whether any such transfers are effected by operation of law or otherwise, shall be deemed an assignment of the Lease or a sublease of the Demised Premises. Within twenty (20) days after written request by

Landlord at any time during the term of this Lease, Tenant, shall deliver to Landlord a complete list of all the shareholders members or partners, as the case may be, of Tenant containing such information as Landlord may reasonably request including, but not limited to, the amount of shares or percentage interest held by each shareholder, member or partner broken down by class and type of shares or interest, the date or dates on which each shareholder, member or partner acquired his/her shares or interest as well as the number of shares or percentage interest acquired on such date(s) and the purchase price(s) thereof. The Landlord acknowledges that the transfer of fifty percent or more of the membership interest in the Tenant to the children, spouses or descendants of Kenneth Rosenblatt or Gary Rosenblatt shall not be deemed an assignment or sublease of the Demised Premises

11. SPRINKLERS.

The Tenant, at the Tenant's sole cost and expense, shall keep and maintain in good working order and condition, the sprinkler system in the Demised Premises, and shall likewise, at its sole cost and expense, pay for necessary replacements that may be required in order to maintain such sprinkler system in good working order and repair. The said sprinkler system shall be maintained in such condition as may be required, requested or recommended by the New York Board of Fire Underwriters or the New York Fire Insurance Exchange or any bureau, department or official of the State, or City government. The Tenant, at Tenant's own cost and expense, shall be required to make any change, modification, alterations and install additional sprinkler heads or other equipment necessary or required by reason of the Tenant's business, or the change of locations of partitions, fixtures or other contents of the Demised Premises by Tenant. Landlord represents that the sprinkler system has been installed in compliance with all applicable rules and regulations.

12. LANDLORD'S LIABILITY.

A. Property Damage.

Landlord or its agents shall not be liable for any damage to property of the Tenant or Tenant's customers or licensees or of others entrusted to employees of the Landlord, nor for the loss of or damage to any property of the Tenant or Tenant's customers or licensees by theft or otherwise; unless caused by Landlord's negligence,

after notice of all but latent defects of conditons, the Landlord or its agents shall not be liable for any injury or damage to persons or property resulting from fire, explosion, steam, gas, electricity, water, rain, snow or leaks from any part of the said 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 the Landlord nor its agents be liable for any such damage caused by other tenants or persons in the Confucius Plaza Complex or caused by operation or construction of any private, public or quasi-public work. Tenant shall give immediate notice to Landlord in case of fire or accidents in the Demised Premises or in the building or of defects therein or in any fixtures or equipment.

B. Darkened Windows

If at any time any windows of the Demised Premises are temporarily or permanently closed, darkened or bricked up for any reason whatsoever, including but not limited to Landlord's own acts, Landlord shall not be liable for any damage Tenant may sustain thereby and Tenant shall not be entitled to any compensation therefor nor abatement of rent, nor shall the same release Tenant from its obligations hereunder nor constitute an eviction.

C. Withheld or Delayed Consent.

In the event that it was determined that Landlord was unreasonable in withholding or delaying of its consent to any matter which under this Lease Landlord's consent is necessary, and Landlord has agreed to not unreasonably withhold its consent, then Tenant's sole and exclusive remedy shall be to seek and obtain an injunction requiring the granting of such consent. Tenant hereby waives any claim that it may assert for damages as a result of Landlord's failure or delay in granting such consent.

D. Interruption or Injury to Tenant's.

Tenant specifically agrees there shall be no allowance to Tenant for diminution of rental value and no liability on the part of Landlord by reason of inconvenience, annoyance or interruption or injury to business arising from Landlord or others making repairs, alterations, additions or improvements in or to any portion of the Confucius

Plaza Complex or the Demised Premises or in and to the fixtures, appurtenances or equipment thereof except as allowed in Paragraph 14-A of this Lease.

13. WINDOW CLEANING.

Tenant will not clean, nor require, permit, suffer or allow any window in the Demised Premises to be cleaned from the outside in violation of Section 202 of the Labor Law or of the rules of the Board of Standards and Appeals, or of any other board or body having or asserting jurisdiction, or of any laws that may hereafter be enacted with respect to window cleaning.

14. ACCESS TO PREMISES.

The Tenant shall permit Landlord to erect, use and maintain pipes and conduits in and through the Demised Premises. Landlord or Landlord's agents shall have the right to enter the Demised Premises at all times to examine the same and to show them to prospective purchasers or lessees of the building, and to make such decorations, repairs, alterations, improvements or additions as Landlord may deem necessary or desirable, and Landlord shall be allowed to take all material into and upon said premises that may be required therefor without the same constituting an eviction of tenant in whole or in part and the rent reserved shall in no wise abate while said decorations, repairs, alterations, improvements or additions are being made by reason of loss or interruption of business of Tenant, or otherwise except as set forth in Paragraph 14-A. At all times during the term, Landlord shall have the right to exhibit the premises to prospective purchasers and prospective mortgagees and during the nine (9) month's period prior to the expiration of the term of this Lease or any renewal term, the Landlord may exhibit the premises to prospective tenants and have the right, during such period, to place upon the premises the usual "To Let" notices which Tenant shall permit to remain thereon without molestation. If during the last month of the term, Tenant shall have removed all or substantially all of Tenant's property therefrom, Landlord may immediately enter and alter, remove and redecorate the Demised Premises without elimination or abatement of rent, or incurring liability to Tenant for any compensation, and such acts shall have no effect upon this Lease. If Tenant shall not be personally present to open and permit an entry into said premises at any time, when for any reason an entry therein shall be necessary or permissible, Landlord or

Landlord's agents may enter the same by a master key, or may formally enter the same, without rendering Landlord or such agents liable therefor (if during such entry, Landlord or Landlord's agents shall accord reasonable care to Tenant's property) and without in any manner affecting the obligations and covenants of this Lease. Nothing herein contained, however, shall be deemed or construed to impose upon Landlord any obligation, responsibility or liability whatsoever, for the care, supervision or repair of the building or any part thereof, other than as this Lease expressly requires of the Landlord. Landlord shall also have the right, at any time, without incurring any liability to Tenant therefor, to change the arrangement and/or location of entrances or passageways, doors and doorways, 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, except that the Landlord shall not have the right to change the garage entrance from the exterior, the ramps and the floor plan of the garage. Landlord agrees that it will not permanently diminish the number of cars that can be parked in the Demised Premises and that any pipes or other installations that may be placed in the Demised Premises shall be placed along walls, columns or ceilings.

14-A. SPACE DAYS ABATEMENT.

If during any calendar year Tenant shall be unable to use all or part of the Demised Premises for more than Three Hundred (300) Space Days (defined below) as a result of Landlord's exercising its right of access to the Demised Premises as set forth in Paragraph 14 of this Lease, then, and in any such event, Tenant shall be entitled to an abatement of Basic Rent pursuant to a formula (the Abatement Formula") set forth below.

The Abatement Formula shall be calculated by multiplying: (a) one hundred (100%) percent of the Basic Rent payable for any calendar month in which Tenant is unable to use all or part of the Demised Premises; by (b) a fraction, the numerator of which is the total number of Space Days (after application of the Three Hundred Space Days per annum for which the Tenant is not entitled to Abatement) during such calendar month that the Tenant is actually unable to use parking spaces in the Demised Premises

and the denominator of which is the number of usable parking spaces in the Demised Premises multiplied by the number of days in such calendar month.

The term Space Days shall mean and refer to one day's use of a parking space in the Demised Premises. For example, if Tenant is unable to utilize one parking space for two days, then for the purposes hereof, the same shall be deemed to have deprived Tenant of two Space Days. If Tenant is unable to use two parking spaces on a given day, then Tenant shall also be deemed to have been deprived of two space days.

In the event that Tenant's inability to access any parking spaces arises out of a fire or other casualty, then the rent adjustment provisions of Paragraph 20 shall control and this paragraph 14-A shall have no effect.

15. DEFAULT.

A. Monetary Default.

If Tenant shall default in the the payment of any installment of Basic Rent, or in the payment of any additional rent or any other charge payable by Tenant to Landlord, on any day upon which the same ought to be paid, and such default shall continue for seven (7) business days after service by Landlord upon Tenant of written demand specifying the Basic Rent, additional rent or other charges due under this Lease; then Landlord may without notice, re-enter the Demised Premises either by force or otherwise, and dispossess Tenant by summary proceedings or otherwise, and the legal representative of Tenant or other occupant of the Demised Premises, and remove their effects and hold the Demised Premises as if this Lease had not been made, and Tenant hereby waives the service of notice of intention to re-enter or to institute legal proceedings to that end. If Tenant shall default hereunder prior to the date fixed as the commencement of any renewal or extension of this Lease, Landlord may cancel and terminate such renewal or extension agreement by written notice if Tenant has not cured within the applicable grace period.

B. Non-Monetary Default.

If Tenant defaults in fulfilling any of the covenants of this Lease other than the covenants for payment of rent and additional rent; or if the Demised Premises becomes

abandoned for thirty (30) consecutive days unless by reason of damage or destruction thereto or to the Confucius Plaza Complex; or if any execution or attachment shall be issued against Tenant or any of Tenant's property whereupon the Demised Premises shall be taken or occupied by someone other than the tenant; or if this lease be rejected under Section 325 of Title 11 of the United States Code; then, in any one or more of such events, upon Landlord serving a written fifteen (15) day notice upon Tenant specifying the nature of said default and upon the expiration of said fifteen (15) days, if Tenant shall have failed to comply with or remedy such default, or if the said default or omission complained of shall be of a nature that the same cannot be completely cured or remedied within said fifteen (15) day period, and if Tenant shall have diligently commenced curing such default within such fifteen (15) day period, and shall not thereafter with reasonable diligence and in good faith, proceed to remedy or cure such default, then Landlord may serve a written ten (10) day notice of cancellation of this Lease upon Tenant, and upon the expiration of said ten (10) days this Lease and the term hereunder shall end and expire as fully and completely as if the expiration of such ten (10) days period were the day herein fixed for the end and expiration of this Lease and the term thereof and Tenant shall then quit and surrender the Demised Premises to Landlord but Tenant shall remain liable as hereinafter provided.

16. REMEDIES OF LANDLORD AND WAIVER OF REDEMPTION.

A. Reservation of Remedies.

Nothing contained in Paragraph 16 or elsewhere in this Lease shall be deemed to preclude the Landlord in the event of a default in the payment of rent or additional rent immediately on the due dates thereof or thereafter from commencing an action or summary proceedings for the nonpayment thereof, nor preclude the Landlord from serving any of the notices provided for in this Lease after the commencement of any action or summary proceedings for nonpayment, and any such action or proceeding shall be without prejudice to all other rights and remedies of the Landlord under this Lease and any pertinent laws.

B. Damages.

In case of any such default, re-entry, expiration and/or dispossession by summary proceedings or otherwise, (a) the rent shall become due thereupon and be paid up to

the time of such reentry, dispossess and/or expiration, together with such expenses as Landlord may incur for legal expenses, attorneys' fees, brokerage and/or putting the Demised Premises in good order, or for preparing same for re-rental; (b) Landlord may relet the premises or any part or parts thereof, either in the name of Landlord or otherwise, for a term or terms which may, at Landlord's option, be less than or exceed the period which would otherwise have constituted the balance of the term of this Lease and may grant concessions or free rent; and/or (c) Tenant or the legal representatives of Tenant shall also pay Landlord, as liquidated damages for the failure of Tenant to observe and perform said Tenant's covenants herein contained, any deficiency between the rent hereby reserved and/or covenanted to be paid and the net amount, if any of the rents collected on account of the lease or leases of the Demised Premises for each month of the period which would otherwise have constituted the balance of the term of this Lease. The failure or refusal of Landlord to re-let the premises or any part or parts thereof shall not release or affect Tenant's liability for damages. In computing such liquidated damages, there shall be added to the said deficiency such expenses as Landlord may incur in connection with re-letting, such as legal expenses, attorneys' fees, brokerage and for keeping the Demised Premises in good order or for preparing the same for re-letting. Any such liquidated damages shall be paid in monthly installments by Tenant on the rent day specified in this Lease and any suit brought to collect the amount of the deficiency for any month shall not prejudice in any way the rights of Landlord to collect the deficiency for any subsequent month by a similar proceeding. Landlord, at Landlord's option, may make such alterations, repairs, replacements and/or decorations in the Demised Premises as Landlord in Landlord's sole judgment considers advisable and necessary for the purpose of re-letting the Demised Premises; and the making of such alterations and/or decorations shall not operate or be construed to release Tenant from liability hereunder as aforesaid. Landlord shall in no event be liable in any way whatsoever for failure to re-let the Demised Premises, or in the event that the Demised Premises are re-let, for failure to collect the rent thereof under such re-letting, and in no event shall Tenant be entitled to receive any excess, if any, of such net rents collected over the sums payable by Tenant to Landlord.

C. Injunctive Relief: Waiver of Redemption.

In the event of a breach or threatened breach by Tenant of any of the covenants or provisions hereof, Landlord shall have the right of injunction and the right to invoke any remedy allowed at law or in equity as if re-entry, summary proceedings and other remedies were not herein provided for. Mention in this Lease of any particular remedy shall not preclude Landlord from any other remedy, in law or in equity. Tenant hereby expressly waives any and all rights of redemption granted by or under any present or future laws in the event of Tenant being evicted or dispossessed for any cause, or in the event of Landlord obtaining possession of Demised Premises, by reason of the violation by Tenant of any of the covenants and conditions of this lease, or otherwise.

17. END OF TERM.

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

Any holding over for a period after the expiration of the term hereof shall be construed to be a tenancy from month-to-month at a rental factor equal to the sum of (a) the then current market value of the Demised Premises, as determined by an independent expert in the real estate business selected by Landlord; and (b) all additional rentals, as specified herein (prorated), on a monthly basis and shall otherwise be on the terms and conditions herein specified so far as the same are applicable.

The parties agree that the fair market value of the Demised Premises during such holdover period shall in no event be less than three (3) times the Base Rent being charged Tenant during the last year of the term hereof.

18. TENANT'S ALTERATIONS.

A. Landlord's Consent.

Tenant shall make no changes in or to the Demised Premises of any nature without Landlord's prior written consent. Subject to the prior written consent of

Landlord, and to the provisions to this Paragraph, Tenant, at Tenant's expense, may make alterations, installations, additions or improvements which are non-structural and which do not affect utility services or plumbing and electrical lines, in or to the interior of the Demised Premises, by using contractors or mechanics first approved in each instance by Landlord. Tenant shall, before making any alterations, additions, installations and improvements, at its expense, obtain all permits, approvals and certificates required by any governmental or quasi-governmental bodies and (upon completion) certificates of final approval thereof, and shall deliver promptly duplicates of all such permits, approvals and certificates to Landlord, and Tenant agrees to carry, and will cause Tenant's contractors and sub-contractors to carry, such worker's compensation, general liability, personal and property damage insurance as Landlord may reasonably require. If any mechanic's lien is filed against the Demised Premises, or the building of which the same forms a part, for work claimed to have been done for, or materials furnished to Tenant, whether or not done pursuant to this Paragraph, the same shall be discharged by Tenant within thirty (30) days thereafter, at Tenant's expense, by payment or filing a bond as permitted by law. All fixtures and all paneling, partition, railings and like installations, installed in the Demised Premises at any time, either by Tenant or by Landlord on Tenant's behalf, shall, upon installations, become the property of Landlord and shall remain upon and be surrendered with the Demised Premises unless Landlord, by notice to Tenant no later than twenty (20) days prior to the date fixed as the termination of this Lease, elects to relinquish Landlord's right thereto and to have them removed by Tenant, in which event the same shall be removed from the Demised Premises by Tenant prior to the expiration of the lease, at Tenant's expense. Nothing in this Paragraph shall be construed to give Landlord title to, or to prevent Tenant's removal of, trade fixtures, moveable office furniture and equipment, but upon removal of same from the Demised Premises or upon removal, of other installations as may be required by Landlord, Tenant shall immediately, and its expense, repair and restore the Demised Premises to the condition existing prior to any such installations, and repair any damage to the Demised Premises or the building due to such removal. All property permitted or required to be removed by Tenant at the end of the term remaining in the Demised Premises after Tenant's removal shall be deemed abandoned and may, at the election of the Landlord, either be retained as

Landlord's property or may be removed from the Demised Premises by Landlord, at Tenant's expense.

B. Liens.

In the event of Tenant's failure to release of record any such lien within the aforesaid period, Landlord may remove such lien by paying the full amount thereof or by bonding or in any other manner Landlord deems appropriate without investigating the validity thereof and irrespective of the fact that Tenant may contest the propriety or the amount thereof. Any amount paid or deposited by Landlord for any of the aforesaid purposes, and all legal and other expenses of Landlord, including reasonable attorneys' fees, in defending any such action or in procuring the discharge of such lien, with all necessary disbursements in connection therewith, together with interest thereon from the date of such payments at the Interest Rate, as defined in Paragraph 36, shall be paid by Tenant to Landlord within ten (10) days after demand therefor.

C. Permits.

All permits in connection with Tenant's work which may be required by governmental agencies having jurisdiction thereover shall be obtained by Tenant at Tenant's sole cost and expense and any plans which may be required in connection with such permits, shall be prepared and filed by the Tenant at its sole cost and expense.

D. Rubbish Removal.

Upon completion of any work, Tenant, at its sole cost and expense, shall remove all debris and rubbish from the Demised Premises and clean the same and shall remove all debris and rubbish outside the surrounding area and the Confucius Plaza Complex, as defined in Paragraph 37, caused by such work.

E. Initial Work.

The Landlord approves the Tenant's initial work and proposed signage set forth in the annexed Exhibit C, to be completed by Tenant at its sole cost and expense and in all other respects in conformance with this Paragraph 18 and all other applicable provisions of this Lease.

F. Cosmetic Work.

The consent requirement of Paragraph 18A notwithstanding, Tenant may make purely cosmetic renovations or alterations within the Demised Premises without Landlord's consent.

19. SUBORDINATION AND ATTORNMENT.

This lease is subject and subordinate to a certain Agreement of Lease made by the New York City Educational Construction Fund, as Landlord, and Chinatown Apartments, Inc., as Tenant, dated July 26, 1973, for a term of seventy-five (75) years (the "Ground Lease"), demising certain ground and air space contained in the building of which the Demised Premises forms a part, and all other ground or underlying leases and to all mortgages which now exist and to all renewals, modifications, consolidations, replacements and extensions thereof. This clause shall be self-operative and no further instrument of subordination shall be required by any mortgagees. In confirmation of such subordination, Tenant shall execute promptly any certificate that Landlord may request. Landlord represents that nothing contained in the aforesaid lease with the New York City Educational Construction Fund prohibits Landlord from entering into this Lease or from fulfilling any of the terms, covenants and conditions or agreements contained herein.

20. DESTRUCTION BY FIRE OR OTHER CASUALTY.

A. If the Building and/or the Demised Premises is partially or totally damaged or destroyed by fire or other casualty (and this Lease is not terminated as provided in this Section), Landlord shall, except as set forth in subsection C below, repair the damage and restore and rebuild the Demised Premises (except for Tenant's personal property and improvements) with reasonable diligence after notice to it of the damage or destruction and the collection of the insurance proceeds attributable to such damage or destruction.

B. If all or part of the Demised Premises is damaged or destroyed or rendered untenable by fire or casualty, Basic Rent payable shall be reduced in the proportion that the untenable area of the Demised Premises prior to such damage or destruction bears to the total area of the destruction to the date the damage to the Demised Premises is substantially repaired so as to permit Tenant to restore any damaged Tenant's personal property or improvements, provided, however, should Tenant reoccupy a portion of the Demised Premises during the period in which repair work is taking place for the purpose of conducting business thereat and prior to the date the

Facility is substantially repaired or made rentable, Basic Rent shall be allocable to such re-occupied portion, based upon the proportion which the rentable square feet of the re-occupied portion of the Demised Premises bears to the entire rentable square feet of the Demised Premises and shall be payable by Tenant from the date of such occupancy.

C. If the Building is so damaged or destroyed by fire or other casualty (whether or not Facility is damaged or destroyed) that Landlord elects to demolish the Building, or the Ground Lease is terminated, then Landlord may terminate this Lease by giving Tenant notice to such effect within ninety (90) days after the date of fire or other casualty and Basic Rent payable shall be prorated and adjusted as of the date of termination, which date shall not be sooner than the tenth day after such notice is given. Any prepaid portion of Rent or Additional Rent for any period following the effective date of termination shall be refunded by Landlord to Tenant.

D. If the Demised Premises are damaged through no fault of Tenant by fire or other cause so that the same shall be wholly or substantially untenable or that Tenant shall be unable to carry on Tenant's business therein, and if repairs to the Demised Premises are not substantially completed within one year (plus such period of delay as is caused by the acts or omissions of Tenant, its agents, contractors or employees, acts of G-D or other unforeseen circumstances), after the fire or other casualty referred to, the Lease may be terminated by Tenant, but only upon the giving of written notice of an intention to terminate by the Tenant to the Landlord within thirty (30) days after the end of such one year period, but in no event later than the date the Demised Premises is restored. Nothing herein shall be deemed to prevent the Landlord from giving the termination notice provided in Paragraph 20C.

E. Notwithstanding the foregoing provisions of this Section, if by reason of a breach of this Lease on the part of Tenant Landlord is unable to collect all or substantially all of the rent insurance proceeds, then, without prejudice to any other remedies which may be available against Tenant, any reduction of Basic Rent provided for herein shall be reduced by the amount by which such rent insurance proceeds have been so reduced. Further, nothing contained in this Section shall relieve Tenant from liability that may exist as a result of any damage or destruction by fire or other casualty.

F. Landlord will not carry insurance of any kind on Tenant's personal property and improvements and shall not be obligated to repair any damage to or replace Tenant's personal property and improvements.

G. The provisions of this Section shall be deemed an express agreement governing any case of damage or destruction of the Facility by fire or other casualty and Section 227 of the Real Property Law of the State of New York, providing for such a contingency in the absence of an express agreement, and any other law of like import, now or hereafter in force, shall have no application in such case and are hereby waived by the parties hereto.

H. No penalty shall accrue for reasonable delay which may arise by reason of adjustment of an insurance loss on the part of the Landlord and/or the Tenant, and for reasonable delay on account of "labor troubles", or any other cause beyond Landlord's control. Any work required to be done, whether by the Landlord or the Tenant, shall be done with reasonable dispatch.

21. EMINENT DOMAIN.

If the whole or any substantial part of the Demised Premises shall be acquired or condemned by eminent domain for any public or quasi-public use or purpose, then and in that event, the term of this Lease shall cease and terminate from the date of title vesting in such proceeding, and the Tenant shall have no claim against the Landlord for the value of any unexpired term of said lease and assigns Tenant's entire interest in any such award to Landlord. Nothing in this Paragraph shall prohibit Tenant from asserting a separate claim with the condemning authority for (a) the value of property owned by Tenant, (b) any moving expenses incurred by Tenant as a result of such condemnation and (c) any other separate claim which Tenant may hereafter be permitted to make provided, however, that such separate claim shall not reduce or adversely affect the amount of Landlord's award.

22. WAIVER OF JURY TRIAL.

Landlord and Tenant 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 said premises and/or any claim of injury or damage, and any emergency, statutory or any other statutory remedy. It is further mutually agreed that in the event Landlord commences any summary proceeding for possession of the Demised Premise, Tenant will not interpose a counterclaim of whatever nature or description in any such proceeding.

23. INABILITY TO PERFORM.

This Lease and the obligation of Tenant to pay rent hereunder and perform all of the other covenants and agreements hereunder on part of Tenant to be performed shall in no wise be affected, impaired or excused because Landlord is unable to fulfill any of its obligations under this Lease (other than delivery of possession at the time of commencement of this Lease) or to supply or is delayed in supplying any service expressly or impliedly to be supplied or is unable to make, or is delayed in making any repairs, additions, alterations, or decorations or is unable to supply or is delayed in supplying any equipment or fixture if Landlord is prevented or delayed from so doing by reason of strike or labor troubles or any outside cause whatsoever, including, but not limited to, governmental preemption in connection with a National Emergency or by reason of any department or subdivision thereof of any government agency or by reason of the conditions of supply and demand which have been or are affected by war or other emergency.

24. NOTICES.

A. Notice from Landlord to Tenant.

Except as otherwise in this Lease provided, a bill, statement, notice or communication which Landlord may desire or be required to give to Tenant, shall be deemed sufficiently given or rendered, if in writing, delivered to Tenant personally or sent by certified mail addressed to Tenant at 545 Madison Avenue, 12th Floor, New York, New York 10022, or at the last known residence address or business address of Tenant, and the time of the rendition of such bill or statement and of the giving of such

notice or communication shall be deemed to be the time when the same is delivered to Tenant, mailed, or left at the premises as herein provided.

B. Notice from Tenant to Landlord.

Any notice by Tenant to Landlord must be served by either registered or certified mail addressed to Landlord at the address first hereinabove given or at such other address as Landlord shall designate by written notice.

25. ADJACENT EXCAVATION – SHORING.

If any excavation shall be made upon land adjacent to the Demised Premises, or shall be authorized to be made, Tenant shall afford to the person causing or authorized to cause such excavation, license to enter upon the Demised Premises for the purpose of doing such work as said person shall deem necessary to preserve the wall or the building of which Demised Premises form a part from injury or damage and to support the same by proper foundations without any claim for damages or indemnify against Landlord, or diminution or abatement of rent.

26. BANKRUPTCY.

A. Effect of Bankruptcy on Tenant's Lease.

If at any time during the term hereby demised there shall be filed by or against Tenant in any court pursuant to any statute either of the United States or of any State, a petition in bankruptcy or insolvency or for reorganization or for the appointment of a receiver or trustee of all or a portion of Tenant's property, and within ninety (90) days thereof Tenant fails to secure a discharge thereof, or if Tenant makes an assignment for the benefit of creditors or petitions for or enters into an arrangement, this Lease, at the option of Landlord, exercised within ninety (90) days after notice to the happening of any one or more of such events, may be cancelled and terminated and in which event neither the Tenant nor any person claiming through or under by virtue of any statute or of an order of any court shall be entitled to possession or to remain in possession or occupancy of the demised premises but shall forthwith quit and surrender the demised premises, and the Landlord, in addition to the other rights and remedies Landlord has by virtue of any other provision herein or elsewhere in this Lease contained or by virtue of any statute or rule of law, may retain as liquidated damages any rent, security

deposit or monies received by Landlord from Tenant or others in behalf of Tenant. For purposes hereof the word "Tenant" shall mean the lawful holder of this Lease.

B. Landlord's Remedy.

It is stipulated and agreed that in the event of the termination of this Lease pursuant to (A) hereof, Landlord shall forthwith notwithstanding any other provisions of this lease to the contrary, be entitled to recover from Tenant as and for liquidated damages an amount equal to the difference between the rent reserved hereunder for the unexpired portion of the term demised and the then fair and reasonable rental value of the Demised Premises for the same period. In the computation of such damages, the difference between any installment of rent becoming due hereunder after the date of termination and the fair and reasonable rental value of the Demised Premises for the period for which such installment was payable shall be discounted to the date of termination at the rate of six (6%) percent per annum. If such premises or any part thereof be re-let by the Landlord for the unexpired term of said lease, or any part thereof, before presentation of proof of such liquidated damages to any court, commission or tribunal, the amount of rent reserved upon such re-letting shall be deemed prima facie to be the fair and reasonable rental value for the part or the whole of the premises so re-let during the term of the re-letting. Nothing herein contained shall limit or prejudice the right of the Landlord to prove for and obtain as liquidated damages by reason of such termination, an amount equal to the maximum allowed by any statute or rule of law in effect at the time when, and governing the proceedings in which such damages are to be proved, whether or not such amount be greater, equal to, or less than the amount of the difference referred to above.

27. SERVICES.

Landlord reserves the right to stop the service of the, elevator, sprinkler system, plumbing and electric systems when necessary, by reason of accident, or of repairs, alterations or improvements, in the judgment of Landlord desirable or necessary to be made, until such repairs, alterations or improvements shall have been completed, and shall further have no responsibility or liability, except to the extent Paragraph 14-A may be applicable, for failure to supply steam, elevator, sprinkler, plumbing and electric service, when prevented from so doing by strikes or accidents or by any cause beyond

Landlord's reasonable control, or by orders or regulations of any Federal, state or municipal authority.

28. SIDEWALKS, ENTRANCE AND RAMPS.

The sidewalks, entrances, passages, courts, elevators, stairways, corridors, halls, ramps or yards, shall not be obstructed or encumbered by Tenant or used for any purpose other than ingress and egress to and from the Demised Premises. Landlord shall have the right to prohibit any advertising by Tenant which in Landlord's reasonable opinion, tends to impair the reputation or desirability of the building of which Demised Premises form a part. No curtains, blinds, shades or screens shall be attached to or hung in, or used in connection with any window or door of the Demised Premises without the prior written consent of the Landlord.

29. ADMINISTRATIVE APPROVAL.

Anything contained in this Lease to the contrary notwithstanding, these provisions are subject to the approval of and consent of the New York City Department of Housing Preservation and Development and the United States Department of Housing or Urban Development and shall be a condition precedent for any alteration affecting a structural change in the Demised Premises.

30. QUIET ENJOYMENT.

Landlord covenants and agrees with Tenant that upon Tenant paying the Base Rent and additional rent and observing and performing all the terms, covenants and conditions on Tenant's part to be observed and performed, Tenant may peaceably and quietly enjoy the premises hereby demised, subject, nevertheless, to the terms and conditions of this Lease including but not limited to the condemnation, leases and mortgages herein mentioned.

31. FAILURE TO GIVE POSSESSION.

If the Landlord is unable to give possession of the Demised Premises on August 1, 2003, the anticipated date of the commencement of the term hereof, because of the holding-over or retention of possession of any tenant, undertenant or occupants, Landlord shall not be subject to any liability for failure to give possession on said date

and the validity of this Lease shall not be impaired under any circumstances. Landlord shall use commercially reasonable efforts, including commencement and diligent prosecution of litigation to remove the current tenant from the Demised Premises. The foregoing provision notwithstanding, in the event that the Commencement Date does not occur on or before July 31, 2004, Tenant shall have the right to terminate this Lease and all sums paid by Tenant Escrow Agent shall be promptly returned to Tenant. If permission is given to Tenant to enter into possession of, or occupy, the Demised Premises prior to the commencement date of the term of this Lease, Tenant covenants and agrees that such occupancy shall be deemed to be under all the terms, covenants and conditions of this Lease. The provisions of this Paragraph are intended to constitute "and express provision to the contrary" within the meaning of Section 223-a of the New York Real Property Law.

32. NO REPRESENTATIONS BY LANDLORD.

Neither Landlord nor Landlord's agents have made any representations or promises with respect to the physical condition of the Demised Premises, the building of which it forms a part or the land upon which said building is erected, the rents, leases, expenses or operation, or any other matter or thing affecting or relating to the Demised Premises except as expressly set forth herein and no rights, easements or licenses are acquired by Tenant by implication or otherwise except as expressly set forth in the provisions of this Lease. Tenant has inspected the Demised Premises and is thoroughly acquainted with its condition and agrees to take same as is. All understandings and agreements heretofore made between the parties hereto are merged in this Lease, which alone fully and completely expresses the agreement between the Landlord and Tenant.

33. NO WAIVER.

The failure of the Landlord to seek redress for violation of, or insist upon strict performance of any covenant or condition of this Lease shall not prevent a subsequent violation which would have originally constituted a violation from having all the force and effect of an original violation. The receipt by Landlord of rent with knowledge of the breach of a covenant of this Lease shall not be deemed to be a waiver by Landlord. No payment by Tenant or receipt by Landlord of a lesser amount than the monthly

Base Rent shall be deemed other than on account of the earliest stipulated rent, nor shall any endorsement or statement of any check or payment or any letter accompanying and check or payment be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to its right to recover the balance of such rent or pursue any other remedy contained in this Lease or at Law. No act or thing done by Landlord or Landlord's agent shall be deemed an acceptance of a surrender of the Demised Premises and no agreement to accept such surrender shall be valid unless in writing and signed by Landlord.

34. ESTOPPEL CERTIFICATE.

Tenant and Landlord, at any time, and from time to time, upon at least ten (10) days prior notice by the requesting party, shall execute, acknowledge and deliver to requesting, and/or any other person, firm or corporation specified by the requesting party, a statement certifying that this Lease is unmodified and in full force and effect (or, if there have been modifications, that the same are in full force and effect as modified and stating the modifications), stating the dates through which rent and additional rent have been paid, and stating whether or not there exists any defaults by Landlord under this Lease, and, if so, specifying each default. Tenant shall not request such certificate more than once per calendar year.

35. SUCCESSORS AND ASSIGNS.

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

36. INTEREST RATE.

Wherever used in this Lease, the term "Interest Rate" shall mean a rate per annum equal to the lesser of (a) three (3%) percent above the commercial lending rate announced from time to time by JP Morgan Chase Bank (New York, New York), as its prime rate for ninety (90) day unsecured loans, or (b) the maximum rate allowed by law.

37. DEFINITIONS.

The term "Landlord" as used in this lease means only Chinatown Apartments, Inc. or the mortgagee or superior lessor in possession for the time being of the land and building of which the Demised Premises form a part, so that in the event of any sale or sales of said land and building, or in the event of a lease of the land and building or recovery of possession of the Confucius Plaza Complex by the ground lessor, the said Landlord shall be and hereby is entirely freed and relieved of all covenants and obligations of Landlord hereunder, and it shall be deemed and construed without further agreement between the parties or their successors in interest, or between the parties and the purchaser, at any such sale, or the said lessee of the land and building, that the purchaser or the lessee of the building has assumed and agrees to carry out any and all covenants and obligations of Landlord hereunder.

The words "re-enter" and "re-entry" as used in this Lease are not restricted to their technical legal meaning.

The term "business days" as used in this Lease shall exclude Sundays and Saturdays and all days observed by the State or Federal Government as legal holidays.

The term "Confucius Plaza Complex" as used in this Lease shall mean the building known as 10 and 20 Confucius Plaza, and the sidewalks, courtyards, ramps and areas between and immediately surrounding said buildings.

38. BROKER.

Tenant represents to Landlord that no broker brought about the transaction of this Lease and all of the terms thereof are a result of direct dealings of the parties with each other. Landlord and Tenant hereby agree to indemnify and hold each other free and harmless from any claim for brokerage commission made by any other party claiming to act for or on behalf of either Landlord or Tenant in this transaction, provided written notice is given by either party to the other of such claim and each party, at its own expense, has the opportunity to contest and defend the same.

39. LIMITED PERSONAL GUARANTY.

In order to induce Landlord to enter into this Lease, the owner of the largest interest in Tenant and each owner of a twenty-five (25%) percent, or greater, interest in Tenant, has agreed to execute and deliver to Landlord his limited personal guaranty of performance of

Tenant's obligations under this Lease. A copy of the limited personal guaranty to be executed is attached as Exhibit "B". Nothing contained in the guaranty shall limit the Tenant's liability in the event of a breach of the terms and provisions of this Lease.

41. HAZARDOUS MATERIALS AND SUBSTANCES.

A. If it is found that the Demised Premises are contaminated with any asbestos, asbestos-treated materials or asbestos containing materials and any governmental agency with jurisdiction requires the removal and/or control of the same, it is agreed that: (a) if said contamination existed prior to commencement of this lease or if such contamination was introduced into the Demised Premises by any person or entity other than Tenant or its guests, contractors, invitees, licensees or employees, then Landlord shall, at Landlord's expense, see to the removal and/or control of same as required; and (b) if said contamination was introduced into the Demised Premises by Tenant or its guests, contractors, invitees, licensees or employees, then said contamination shall be removed and/or controlled by and at the expense of Tenant. This provision shall survive the termination of this Lease. Tenant agrees to indemnify, defend and hold Landlord harmless from all loss, damage, claims, actions, costs, expenses, and causes of action arising from or in connection with any asbestos, asbestos-treated material, asbestos-containing material or Hazardous Substance introduced into the Demised Premises by Tenant its guests, contractors, invitees, licensees or employees.

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


CHAMPION CONFUCIUS LLC

CHINATOWN APARTMENTS, INC.

By: 

Name: Kenneth Resendiz

Title: Member

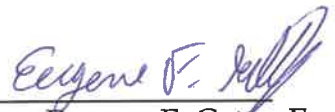
By: 

Name: Justin Yu

Title: President

and 1st month Rent
Receipt of the Initial Additional Rent Payment is acknowledged and the undersigned agrees to act in accordance with paragraph 1B herein.

Kellner Chehebar & Deveney


By: Eugene F. Getty, Esq.

As Escrow Agent

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

On the 10th day of July in the year 2003 before me, the undersigned, personally appeared Justin Yu, 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.

Eugene F. Getty
Notary Public

EUGENE F. GETTY
Notary Public, State of New York
No. 02GE4963825
Qualified in Nassau County
Commission Expires March 19, 2006

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

On the 10th day of July in the year 2003 before me, the undersigned, personally appeared Kenneth Rosenblatt, 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.

Eugene F. Getty
Notary Public

EUGENE F. GETTY
Notary Public, State of New York
No. 02GE4963825
Qualified in Nassau County
Commission Expires March 19, 2006

EXHIBIT A

LIMITED PERSONAL GUARANTY

GUARANTY dated as of July 10, 2003, made by Gary Rosenblatt residing at 15 East 69th Street, New York, New York (the "Guarantor"), in favor of CHINATOWN APARTMENTS, INC. (the "Landlord") with offices located at 20 CONFUCIUS PLAZA, New York, New York 10002.

In consideration of and in order to induce Landlord to enter into the lease dated the 10th day of July, 2003, for the parking garage located at 50 Division Street, New York, New York, with CHAMPION CONFUCIUS LLC (the "Tenant"), a New York Corporation of which the Guarantor owns 50 % of the membership interest (the "Lease"), the Guarantor agrees as follows:

(a) Guarantor unconditionally, irrevocably and as a primary obligor, guarantees to Landlord the full and faithful performance and observance by Tenant of all of the terms, covenants, provisions and conditions contained in the Lease on the part of Tenant to be performed or observed, including, without limiting the generality of the foregoing, the payment of all rent and additional rent required to be paid by Tenant pursuant to the provisions of the Lease, except for Tenant's obligation to make repairs. The full and faithful performance and observance by Tenant of all of the terms, covenants and conditions of the Lease, as aforesaid, is sometimes hereinafter referred to as the "Tenant's Obligation".

(b) In the event that Tenant shall duly surrender the Demised Premises and deliver all keys to the Premises to Landlord (the date upon which Tenant duly surrenders possession and delivers the keys to the Demised Premises to the Landlord being hereinafter referred to as the "Surrender Date"), Guarantor shall be released from all liability with respect to the Tenant's Obligations arising or accruing after the Surrender Date, but Guarantor shall continue to be liable under this guaranty for (i) all Tenant's Obligations which arose or accrued on or before the Surrender Date and (ii) any liability of Guarantor theretofore or thereafter accruing under paragraph (g) of this guaranty.

(c) Tenant shall be deemed to have duly surrendered the Demised Premises to Landlord on the last day of the month during which (i) Tenant shall have delivered a written declaration to Landlord which shall state that Tenant has surrendered to Landlord all of Tenant's right, title and interest in the Lease, the Demised Premises and all alterations, installations, additions and improvements in or at the Demised Premises, to the intent and purpose that the estate and interest of the Tenant in the Demised Premises and this Lease shall be wholly extinguished on the date of the delivery of such notice; (ii) the Tenant shall have fully vacated and voluntarily delivered possession of the Demised Premises to Landlord except and (iii) at the time of such delivery of possession, the Demised Premises shall be broom clean, vacant and unoccupied except for motor vehicles of customers and the Lease and the Demised Premises shall be free and clear of any encumbrance arising out of or in connection with the acts or omissions of the Tenant; such notice, surrender and delivery of the Demised Premises shall not be construed to diminish, limit, or otherwise reduce any liability or obligation that Tenant would otherwise have under the Lease.


(d) This guaranty shall remain and continue in full force and effect notwithstanding any amendment, modification, renewal, extension or assignment of

the Lease and regardless of whether Guarantor shall have approved or consented to any of the foregoing and, except as hereinabove specifically limited, whether or not Tenant be actually in possession of the Demised Premises. Guarantor expressly waives any notice of nonpayment, nonperformance or nonobservance of any of Tenant's Obligations, or of proof, notice or demand of any sort in order to charge Guarantor. The validity of this guaranty and the obligations of Guarantor hereunder shall not be terminated, affected or impaired by reason of the assertion or non-assertion by Landlord against Tenant of any of the rights or remedies reserved to Landlord pursuant to the Lease, nor by any waivers of default, extensions of time, or settlement of any action or proceeding with regard to any matter whatsoever arising out of or in any way connected with the Lease.

(e) Guarantor expressly waives trial by jury in any action, proceeding or counterclaim brought by Tenant or Landlord with regard to any matter whatsoever arising out of, under or in any way connected with this guaranty or the Lease, and Guarantor expressly waives the right to interpose a counterclaim against Landlord in any action or proceeding brought by Landlord against Guarantor with regard to this guaranty. If Landlord shall make any expenditure or incur any obligation for the payment of money in connection with the enforcement of this guaranty including, but not limited to, reasonable attorneys' fees, costs and disbursements in instituting, prosecuting or defending any action or proceeding, Guarantor shall reimburse Landlord on demand for all such expenditures made and obligations incurred with interest at the maximum rate permitted by applicable law.

(f) Wherever referred to in this guaranty, whether or not specifically so stated, "Tenant" shall mean Tenant and Tenant's successors, assigns and sublessees; "Landlord" shall mean Landlord and Landlord's successors or assigns; the "Lease" shall mean and also refer to and include any and all amendments, modifications, extensions, renewals and replacements of the Lease; and all pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural, as the identity of the person or parties may require, and this guaranty shall inure to the benefit of Landlord, and to any person, firms or corporation to whom Landlord's interest in the Lease shall be transferred or assigned. If the Guarantor be more than one person, the liability of each of the persons under the Article shall be joint and several.

(g) All notices permitted or required to be given to either party shall be sent by personal delivery or by registered or certified mail, return receipt requested, to the party at the address hereinabove set forth or to such other address as the party may designate from time to time, by written notice given to the other in accordance with these provisions.



GARY ROSENBLATT