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May 10, 2010

Mr. David Sitt
Vice President of Operations
Sitt Asset Management
1 Penn Plaza
New York, NY 10119

**RE: 1370 Broadway
Entire 5th Floor**

Dear David

I have been authorized on behalf of Jay Suites ("Tenant") to submit the following term sheet to lease the 5th floor premises at 1370 Broadway from Sitt Asset Management ("Landlord") under the economic terms and conditions we discussed on May 7, 2010, which are outlined below.

Should ownership find these terms acceptable, we would request that you immediately move forward to drafting leases for Tenant review.

PARTIES:

1. Tenant: Jay Suites
(Tenant to form a special purpose entity for leasehold at 1370 Broadway)

Tenant currently maintains suites at the following addresses:

369 Lexington Avenue
2 West 46th Street
30 Broad Street (Opening Soon)

2. Landlord: Sitt Asset Management

3. Building: 1370 Broadway

4. Demised Premises / RSF: Entire 5th Floor; 15,856 r.s.f. (rentable square feet)

**BASE RENT
& ADDITIONAL RENTS:**

5. Base Rent:	<u>Period</u>	<u>Per RSF</u>
	Years 1-4;	\$28.00 per r.s.f.
	Years 5-8;	\$30.00 per r.s.f.
	Years 9- Expiration;	\$32.00 per r.s.f.

6. Additional Rents: Electric
Tenant to pay for its consumption of electric energy on a submetered basis at Landlord's actual cost to deliver such service.

Escalations

Tenant to pay fixed 2% annual increases in Base Rent over the Lease Term. Such increases shall occur no earlier than first anniversary of Lease

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Commencement.

Real Estate Taxes

Tenant to pay its proportionate share of increases in future real estate taxes over a fiscal 2010/2011 base tax amount

TERM & OCCUPANCY:

- 7. **Commencement/Possession:** Upon mutual execution, delivery, and exchange of leases and all requisite documents.
- 8. **Rent Commencement:** * Ten (10) months of 100% rent abatement following Possession and ^{Five Ten} (10) months of 50% rent abatement thereafter
- 9. **Lease Term:** * Twelve (12) years six (6) months from Lease Commencement ^{10 yrs. FROM Rent Commencement}
- 10. **Right of First Offer:** Tenant shall have an ongoing Right of First Offer on all space contiguous to the Demised Premises that becomes available during the Lease Term. Should Tenant exercise its Right of First Offer prior to the 3rd anniversary of the Commencement Date, the rent then payable for such expansion space shall be at a rate equal to Tenant's then escalated rent.

With regard to any Right of First Offer space added after the 3rd anniversary of the Commencement Date, the rent payable for each piece of space leased under this right shall be equal to 95% of the then Fair Market Value, all factors considered.

PROOF OF BOOK FOR BUILDOUT

TENANT WORK

- 11. **Construction:** Tenant, at its sole cost and expense, to bear responsibility for demolition of the existing Premises and construction of its installations.

Tenant requires one hundred eighty (180) continuous days, without interference from Landlord or Landlord's contractor for completion of Tenant's installation. This period to be extended day for day, without cost to Tenant, due to force majeure or delays caused by Landlord.

LANDLORD WORK:

- 12. **Cash Contribution:** NONE
- 13. **Delivery Conditions:** Landlord to deliver the Premises in "as-is" condition.
- 14. **Landlord General** Landlord to receive no fee for profit or overhead. Reimbursement for general conditions to be limited to the actual out-of-pocket expenses to review plans to confirm their conformity with the Base Building systems.
- 15. **Core Closets & Shaft Space:** Landlord, at its sole cost, to provide as required by Tenant, unobstructed vertical penetration for Tenant's communication equipment, H.V.A.C. and electrical requirements, as designated by Tenant on its final approved plan.

Tenant, at no cost to Tenant, to have access to all core closets and shaft spaces, as needed, to implement the construction of its installations.
- 16. **Restoration:** Tenant will not be responsible for restoration of all or any portion of the Demised Premises at the end of the Lease Term.

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BUILDING SERVICES:

17. **Electricity:** Landlord to deliver adequate electrical service to the Demised Premises in order to satisfy Tenant's electrical demand for normal office purposes.
18. **H.V.A.C.:** To be delivered in "as is" condition
19. **Directory Listing:** Landlord to provide, at its sole cost and expense, Tenant listing in the digital tenant directory located in the lobby identifying the names of the Tenant, its employees, or permitted occupants, subtenants, and/or assignees.
20. **Cleaning:** Tenant, at its sole cost and expense, to be permitted to contract with any cleaning service provider of its choosing.

ADDITIONAL PROVISIONS:

21. **Elevator & Freight:** Passenger and freight elevator service to be provided for Tenant, its employees, permitted occupants and guests 24 hours/7 days per week, at no cost to Tenant. Additionally, Tenant to have priority access to at least one freight car at all times during the lease term.
22. **Building Hours:** Tenant to have access to the Building and the Demised Premises 24 hours per day/ 7 days per week / 365 days per year.
23. **Use:** General, executive, and administrative offices
24. **Compliance:** Tenant to have no obligation to comply with code violations unless such violations result from Tenant's use or direct use of the Demised Premises.
25. **Exclusivity:** During the term of this lease and any renewal periods, Landlord shall be prohibited from leasing to other Business Centers or companies engaged in the executive suite business (to be further defined in the lease).
26. **Desk Space:** So long as Tenant is in the business of leasing and or licensing business suites, Tenant to have the unrestricted right to use and occupy the Premises for executive and general offices, and for shared office space and meeting spaces for use by third parties, including, without limitation, providing to its clients shared office facilities, and that the Premises may be divided into one office or individual offices, workstations, small corporate suites, conference rooms, reception areas, and other common space on a long or short term basis.
27. **Sublet & Assignment:** Tenant to have the free right at any time during the Lease Term to assign this Lease or sublease or otherwise permit occupancy of all or any portion of the Demised Premises to any client, related entity or affiliate of Tenant whether by merger or consolidation, or to any successor entity, without Landlord's approval or consent, it being understood that such tenants are engaged in business which is in keeping with prevailing standards of the Building.
- Tenant to also have the right at any time, with Landlord's prior written consent (which shall not be unreasonably withheld, condition, or delayed), to sublease all or any portion of the Demised Premises to any unrelated entities on any terms Tenant negotiates subject to the following conditions:
- A. Landlord to have no right of recapture, or prevent subleasing to a tenant occupying or discussing space in the Building provided Landlord does not have comparable space for a comparable term available in the Building.

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B. Tenants subtenants to have the right to further sublease with Landlord's prior written consent.

- 28. **Non Disturbance:** Tenant to be provided with a non-disturbance agreement from all present and future mortgagees, and holders of superior interests in the land or Building.
- 29. **Requirements of Law:** Tenant shall not be responsible for compliance with laws impacting the Building or the Demised Premises, unless such compliance is as a result of Tenant' use or manner of use of the Demised Premises.
- 30. **Alterations & Repairs:** Tenant to be permitted to make non structural cosmetic alteration and repairs within the Premises without Landlord's consent.
- 31. **Security:** * Tenant to provide security deposit in the amount equivalent to two (2) months of Base Rent in year 1.
- 32. **Brokerage:** One (1) full commission to be paid to Jones Lang LaSalle by Landlord in accordance with our standard rates and schedules to be summarized in an agreement forwarded under a separate cover. Commission to be paid out based upon the following scheduled

- 33.333% upon mutual execution and delivery of the leases (Commencement)
- 33.333% upon the seventh (7th) month following Commencement *12 months*
- 33.333% upon the fifteenth (15th) month following Commencement *18 months*

~~Good boy to mark permit amount from Sean Family,~~

It is understood that this letter is not intended to be construed as a binding lease, nor an agreement to enter into a lease, but identifies the proposed terms of a lease. This letter shall not create any legally binding obligation on any of the parties, and no party shall be bound unless and until Landlord and Tenant shall have entered into a mutually acceptable, final, written, definitive Lease.

Please do not hesitate to contact either me for any clarification of the points outlined in this proposal. We look forward to your timely response.

Very truly yours,



Sean Black

cc: Scott M. Panzer

Jay Sities

Name Jay Sities

Title CEO

Signature Jay Sities

Sitt Asset Management

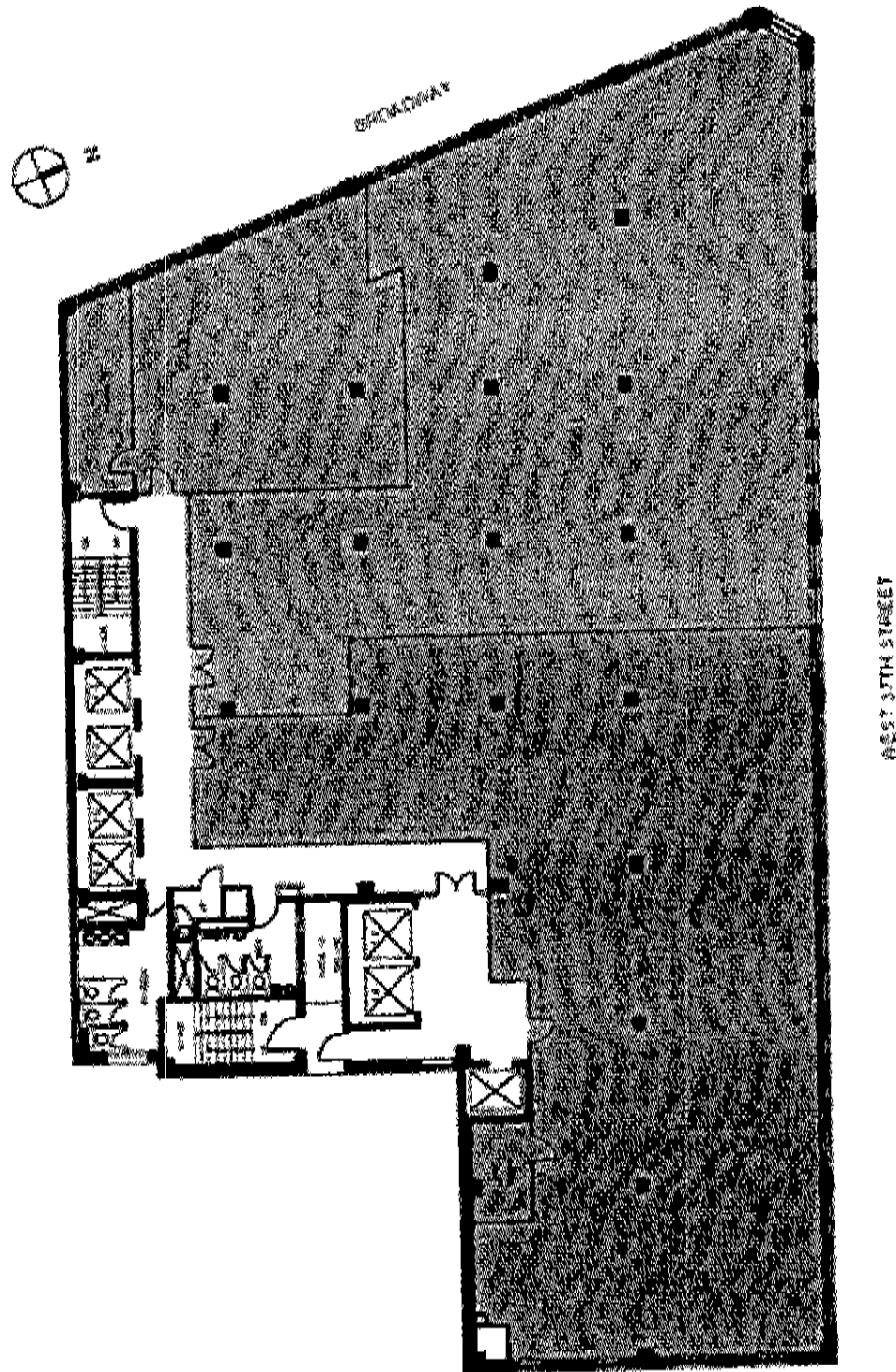
Name DAVID SITT

Title VP

Signature David Sitt

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Entire 5th Floor



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