PROMPT 4: RENTAL AGREEMENT

1. **Location**. This rental agreement is executable for premises located in New York City.
2. **Rental Amount**. The Tenant agrees to pay a monthly rent of $1,200 on or before the 1st of each month. The Landlord reserves the right to increase the rent at any time, at their sole discretion, without prior notice to or consent from the Tenant. The Tenant agrees to pay any increased rental amount as determined by the Landlord, effective immediately upon notice of such increase. Failure to comply with the adjusted rent shall constitute a breach of this Agreement.
3. **Fees for Late Rent**. A late fee will be charged if Rent is not paid on time. Rent paid after the 1st. day of each month will be deemed as late; and if Rent is not paid within 5 days after such due date, Subtenant agrees to pay a set late charge of $125.00.
4. **Security Deposit**. Upon the execution of this Lease, Tenant shall deposit with Landlord the Security Deposit. Landlord may, at its option, apply all or part of the Security Deposit to any unpaid Rent or other charges due from Tenant, cure any other defaults of Tenant, or compensate Landlord for any loss or damage which Landlord may suffer due to Tenant’s default. If Landlord shall so use any part of the Security Deposit, Tenant shall restore the Security Deposit to its full amount within ten (10) days after Landlord’s request. No interest shall be paid on the Security Deposit, no trust relationship is created herein between Landlord and Tenant with respect to the Security Deposit, and the Security Deposit may be commingled with other funds of Landlord. Upon expiration or termination of this Lease not resulting from Tenant’s default and after Tenant shall have vacated the Premises in the manner required by this Lease, Landlord shall pay to Tenant any balance of the Security Deposit not applied pursuant to this Section17.16. Provided Tenant is not in default under this Lease and that no event or condition exists which with notice and the expiration of any grace period would constitute an event of default under this Lease, (i)after Landlord has received twelve (12)months of full Base Rent and Additional Rent payments (excluding any periods of partial or free Rent), Landlord shall return $19,666.66 of the Security Deposit to Tenant and (ii)after Landlord has received an additional twelve (12)months of full Base Rent and Additional Rent payments (excluding any periods of partial or free Rent), Landlord shall return and additional $19,666.66 of the Security Deposit to Tenant.
5. **Keys and Locks**. Tenant will be given a set number of keys for the Property. If all keys are not returned to Landlord following termination of the Agreement, Tenant will be charged a monetary fee to replace the keys. If a security deposit was collected by the Landlord at the time of signing this Agreement, then such amount will be subtracted from the Security Deposit. Tenant is not permitted to change any lock or place additional locking devices on any door or window of the Property without Landlord’s approval prior to installation. If allowed, Tenant must provide Landlord with keys to any changed lock immediately upon installation.
6. **Term**. The term of this lease shall be for one (1) year and -0- months, and shall commence on the 1st day of January 1997, and end on the 31st day of December, 1997, inclusive. The Lessor’s acceptance of rent for a period after the end of the term hereof shall not extend the term but shall simply evidence a month to month tenancy. The term of this lease may be extended for two (2) one (1) year periods at market rate by Lessee giving Lessor a ninety (90) day written notice.
7. **Option to Extend**. Tenant shall have the option to extend the term of the Lease for one period of one Lease Years (the "Renewal Term") provided that Tenant shall give written notice to Landlord of its desire to exercise its right to the Renewal Term at least ninety days prior to the end of the then current term; failing which the rights of Tenant under this Section shall be null and void and of no further force and effect. During the Renewal Term, the terms of the Lease shall continue in full force and effect, including, that Base Rent shall continue to increase by the Base Rent Escalation. During the Renewal Term, the Premises shall be leased by Tenant "as is,” subject to Landlord’s continuing Lease obligations (such as repair and maintenance).
8. **Permitted Use of Premises**. Tenant shall use the Premises solely for the Permitted Use, and for no other purpose without the prior written consent of Landlord, which consent may be withheld in Landlord’s sole and absolute discretion.
9. **Lawful Use of Premises**. Tenant agrees not to use the Premises for any purpose that violates any federal, state or local statute, ordinance or regulation that is applicable to Tenant or Tenant’s use and occupancy of the Premises or the business operated therein.
10. **Governing Law**. This Agreement shall be governed by and construed in accordance with the laws of the state in which this Agreement is executed, as well as the personal feelings and discretion of the Landlord. In case of any ambiguity or dispute, the interpretation most favorable to the Landlord's personal preferences shall prevail.