

SUBLEASE AGREEMENT

This Sublease Agreement, dated as of the ___ day of November, 2008, between ELEMENT^N, INC. (the "Sublessor"), having a place of business at 200 Varick Street, Suite 507B, New York, NY 10014, and NEW WORK CITY, LLC (the "Sublessee"), having a place of business located at _____.

WITNESSETH:

WHEREAS, pursuant to a certain lease, dated April 23, 2004 (the "Lease"), between 200 Varick Street Associates, LLC (the "Overlandlord") and Winka Dubbeldam, Inc., (the "Prime Lessor") the Overlandlord leased to Prime Lessor certain space in the building located at 200 Varick Street, New York, New York (the "Building") and more particularly described therein as Suite 507B, representing 2,000 square feet of space, as more fully set forth on the floor plan attached to the Lease as Exhibit "A" (the "Premises");

WHEREAS, pursuant to a certain sublease agreement, dated May ___, 2008 (the "Prime Lease"), between Prime Lessor and Sublessor, the Sublessor, with the consent of the Overlandlord, leased the Premises to Sublessor; and

WHEREAS, Sublessee desires to sublease certain space in the Premises containing 1,300 square feet of space, as more fully set forth on the floor plan attached hereto as Exhibit "A" (the "Demised Premises") from Sublessor, and Sublessor is willing to sublease the Demised Premises to Sublessee subject to the terms, covenants and conditions set forth in this Agreement.

NOW THEREFORE, in consideration of the mutual promises, covenants and conditions set forth herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Sublessor sublets the Demised Premises unto the Sublessee, and the Sublessee sublets the Demised Premises from the Sublessor, and the parties hereto agree as follows:

1. Term; Commencement; Use.

A. The term of the Sublease shall be six (6) months, beginning on November 1, 2008 (the "Commencement Date") and terminating on May 31, 2009 (the "Sublease Term").

B. Sublessee shall use the Demised Premises for the use permitted under the Lease and for no other purpose whatsoever. Notwithstanding anything to the contrary in this or any other agreement, Sublessee shall not use or permit the use of the Demised Premises, or any portion thereof, for any of the following: (a) telemarketing operation; (b) use by any government agency, bureau or department; (c) guard service; (d) messenger or delivery service; (e) immigration service; (f) school; (g) clinic; (h) medical use of any kind; (i) hospital; (j) social service organization; or (k) personnel or employment agency. Use as a trade organization or association is not prohibited by this paragraph.

2. Base Rent. For each month of the Sublease Term, commencing on the Commencement Date, the Base Rent shall be payable in advance on the first day of each month, without any setoff, counterclaim, or deduction whatsoever, other than as specifically provided for in the Lease, and without prior demand being made therefor as follows:

<u>Period</u>	<u>Monthly Installment</u>
Commencement Date through May 31, 2009:	\$2,750.00 per month

So long as there exists no event of default either at the time of exercise or on the first day of the applicable Extension Term (as hereinafter defined), this Sublease is in full force and effect, and the Tenant named herein has not assigned this Sublease and is in occupancy of the entire Premises, Tenant shall have the right and option to extend the Term hereof for four (4) additional six (6) month periods (the "Extension Terms"; each an "Extension Term") upon written notice to Overlandlord and the Prime Lessor given not less than three (3) months and not more than six (6) months prior to the expiration of the Term, as such Term may be extended, except that in no case shall the fourth Extension Term expire after the expiration of the term of the Prime Lease. If Tenant fails to exercise its option to extend the Term strictly within the time periods set forth in this Section, then Tenant's option to extend the Term shall automatically lapse and Tenant shall have no right to extend such Term. In the event that Tenant exercises an option granted hereunder, the applicable Extension Term shall be upon the same terms and conditions as are in effect under this Lease immediately preceding the commencement of such Extension Term except that the Base Rent due from the Tenant shall be increased to Sublessor's determination of Base Rent and Tenant shall have no further rights or options whatsoever to extend the Term.

3. Performance of Sublessor's Obligations under the Lease.

A. Other than as indicated in this Sublease to the contrary, Sublessee covenants and agrees to observe, perform and comply with all of the terms, covenants and conditions to be performed by Sublessor under or in respect of the Lease with respect to the Demised Premises during the Sublease Term, provided that the provisions of this Sublease applicable to the payment by Sublessee of Base Rent or additional rent, and such other conditions as specifically provided for herein, shall supersede the provisions of the Lease. All of the terms, covenants and conditions of the Lease, an accurate and complete redacted copy of which is annexed hereto as Exhibit "B", are incorporated herein and made a part hereof, with the same force and effect as if set forth herein in full. Wherever the word "Tenant" appears in the Lease, the same shall be deemed to refer to Sublessee, except to the extent that such terms are inapplicable to, or specifically inconsistent with the terms of this Sublease. Sublessor does not assume, and nothing contained herein shall be construed as obligating Sublessor to undertake any obligation to observe, perform or comply with the terms, covenants and conditions to be observed, performed or complied with the Overlandlord under the Lease. Sublessee agrees to look solely to the Overlandlord for the performance of such services as Sublessor may be entitled to receive under the Lease, provided, however, that Sublessor will not object to Sublessee making demand upon the Overlandlord directly to enforce the terms of the Lease on Sublessor's

behalf and, upon request by Sublessee, Sublessor will use reasonable efforts, at no cost to Sublessor, to cause Overlandlord to observe and/or perform such services or other obligations under the Lease.

B. Notwithstanding anything to the contrary provided in the Lease or this Sublease, Sublessee agrees that if the Lease and/or the Prime Lease are terminated prior to the Expiration Date thereof, then at Overlandlord's election Sublessee shall either surrender the Demised Premises to Overlandlord within sixty (60) days of Overlandlord's written demand or shall, at Overlandlord's option, attorn to and recognize Overlandlord as Sublessee's Overlandlord under this Sublease and shall execute such instruments as Overlandlord may reasonably request to evidence such attornment.

C. Sublessor represents that: (i) the Lease and Prime Lease are in full force and effect, and (ii) to the best of its knowledge, there is no default that exists.

D. The following provisions of the Lease shall not be incorporated herein by reference and are expressly excluded from the terms of this Sublease: Articles 34, 46(A) and (B), 53, 54, 56, and 59.

E. All of the terms, covenants and conditions of the Prime Lease, an accurate and complete redacted copy of which is annexed hereto as Exhibit "C", are incorporated herein and made a part hereof, with the same force and effect as if set forth herein in full except for the following provisions, which are expressly excluded from the terms of this Sublease: Sections 2, 6, 11, 15 and 16 and except to the extent that such terms are inapplicable to, or specifically inconsistent with the terms of this Sublease.

4. Additional Rent.

A. All costs, charges and expenses that Sublessee is or may become obligated to pay in addition to Base Rent under this Sublease shall be deemed additional rent.

B. In the event of nonpayment by Sublessee of any item of additional rent, Sublessor shall have the same rights and remedies with respect to the additional rent as is provided for herein in case of nonpayment of Base Rent.

C. Sublessee shall pay Sublessor the additional rent when due, without any setoff, counterclaim, or deduction whatsoever (unless Sublessor is entitled to such Abatement from Overlandlord under the Lease or Prime Lessor under the Prime Lease) and without prior demand being made therefore, at the time and in the manner specified herein. Sublessor will provide Sublessee with a statement of the amounts due, the computation, and copies of documentation to substantiate same.

D. Notwithstanding anything to the contrary in this Sublease or Paragraphs 37 and 38 of the Lease with respect to Taxes and fuel charges, Sublessee shall be responsible for 0.5% of the increase in real estate taxes and fuel charges payable over the "Base Tax and Fuel Expenses" (as such terms are defined herein) that Sublessor pays to Prime Lessor

with respect to the Premises pursuant to the Prime Lease. For purposes of this Article 4, “**Base Tax and Fuel Expenses**” shall mean the amount paid by Sublessor to Overlandlord with respect to the Premises, as tenant under the Lease, for the period of July 1, 2008 through June 30, 2009.

E. Pursuant to Paragraphs 12, 51 and 52 of the Lease with respect to **Electric Current, Cleaning and Rubbish Removal, Sorting & Separation**, Sublessee shall be responsible for 0.5% of costs that Sublessor pays to Prime Lessor with respect to the Premises pursuant to the Prime Lease.

5. Security Deposit. Sublessee has deposited with Sublessor the sum of one (1) month’s Base Rent in the amount of Two Thousand Seven Hundred Fifty and 00/100 (\$2,750.00) Dollars, as security for the performance and observance by Sublessee of the obligations on the part of Sublessee to be performed (the “Security Deposit”). The security deposit will be held by Sublessor and invested in an interest bearing bank account, certificates of deposit, commercial paper or United States Treasury Bills or Notes at the election of Sublessor, with the interest earned thereon, if any, to be added to the security deposit. Sublessor shall have the right, with written notice to Sublessee, and regardless of the exercise of any other remedy Sublessor may have by reason of a default that continues beyond the applicable cure period, to apply any part of said deposit to cure any default of Sublessee after notice, if required and after the expiration of any applicable cure period, and, if Sublessor does so, Sublessee shall upon demand deposit with Sublessor the amount so applied so that Sublessor shall have the full amount of the security deposit at all times during the term of this Sublease. Within thirty (30) days after the expiration of the Sublease Term and after the Demised Premises are delivered to Sublessor in the condition and otherwise accordance with the terms of this Sublease, Sublessor shall pay to Sublessee the unapplied portion of any security deposit, plus interest thereon.

6. Insurance. Sublessee shall maintain such insurance as required under Section 50 of the Lease throughout the Sublease Term and shall name Overlandlord, Prime Lessor, Sublessor and any other party reasonably requested by Sublessor or required under the Lease as an additional insured (as their interests may appear).

7. Indemnity. Sublessee shall indemnify, hold harmless and upon request defend Overlandlord, Prime Lessor and Sublessor in the same manner and to the same extent as Sublessor is required to indemnify Overlandlord and Prime Lessor pursuant to the terms of Section 50 of the Lease.

Sublessor agrees to indemnify and hold Sublessee harmless from any loss, liability, damage, cost, and expense (including reasonable legal fees) with respect to any occurrence at or condition of the Demised Premises existing before the Commencement Date of this Sublease.

8. Possession. Sublessor will deliver the Demised Premises to Sublessee on the Commencement Date in vacant and broom clean condition and free of all occupants and personal property. Other than as specifically indicated in this Paragraph 8, Sublessor shall have no liability to Sublessee or to any other person for any costs, damages or other claim, by virtue of any delay or failure to deliver possession to the Sublessee by the Commencement Date or any

other date, it being specifically agreed that Sublessee's sole remedy in such event shall be an extension of the Commencement Date by one day for each day of delay or failure to deliver possession to the Sublessee. Notwithstanding the foregoing, if Overlandlord and Prime Lessor's written consent are not issued and possession delivered to Sublessee by November 1, 2008, Sublessee shall have the option to terminate this Sublease on ten (10) days' notice to Sublessor; provided however, if Overlandlord and Prime Lessor deliver such written consent and possession is delivered to Sublessee within such 10-day period Sublessee's notice of termination shall be deemed null and void, *ab initio*.

9. Condition of Demised Premises. Sublessee acknowledges and agrees that it has made a full and complete inspection of the Demised Premises and that no representations or warranties have been made by Sublessor or anyone on its behalf to Sublessee as to the condition or character of the Demised Premises except those contained in this Sublease. Sublessee agrees to accept the Demised Premises in its present "AS IS" condition, except for any work which the Sublessor has expressly agreed herein to perform. Any painting, decoration or maintenance of the interior of the Demised Premises by Sublessee during the term of the Sublease shall be at Sublessee's sole cost and expense. At the expiration or termination of the subtenancy hereby created, Sublessee shall surrender the Demised Premises broom clean, in good condition, reasonable wear and tear excepted, and shall surrender all keys for the Demised Premises to the Sublessor at the place then fixed for the payment of rent. Sublessee shall remove all its equipment and trade fixtures and any alterations installed by Sublessee if required to be removed pursuant to the Lease, and shall repair any damage to the Demised Premises caused by the installation, presence and/or removal of said equipment, trade fixtures and/or alterations, before surrendering the Demised Premises as aforesaid, provided, however, that Sublessee will not be required to restore any other work or alterations to the Demised Premises to the extent such work or alterations were existing before the Commencement Date.

10. Alterations and Improvements. Sublessee shall make no alterations, changes, additions or improvements in, to or upon the Demised Premises without the prior express written consent of Sublessor and Overlandlord to the extent such consent is required under the Lease, provided, however, that Sublessor agrees that it will not withhold its consent if the Overlandlord has provided its consent.

11. Assignment; Sublease. Sublessee shall not assign this Sublease or sublet the Demised Premises or any portion thereof, nor permit the Demised Premises to be used or occupied by anyone other than Sublessee.

12. Default.

A. In the event that Sublessee defaults in the performance of any of the terms, covenants or conditions of this Sublease after the expiration of any applicable notice and opportunity to cure, Sublessor's remedies shall include, without limitation, the rights and remedies which the Overlandlord is entitled to in the event of a default under the Lease, including without limitation the right to take any action available at law or in equity or otherwise to obtain possession of the Demised Premises and the right to cure any default by the Sublessee hereunder or under the Lease at Sublessee's sole cost and expense. In addition to any default as defined in the Lease or elsewhere in this Sublease, a default shall occur if: (i) Sublessee shall fail

to pay any sum due Sublessor hereunder within five (5) days following written notice thereof from Sublessor; or (ii) Sublessee shall fail to observe, or acts contrary to any provision of this Sublease or the Lease and such failure or act shall fail to be cured within ten (10) days following written notice from Sublessor or, if such breach cannot be cured within such ten (10) days, if Sublessee shall fail within such time to commence and to thereafter diligently continue to cure such default.

B. Notwithstanding any provision of the Lease or of this Sublease permitting Sublessee to cure any default within a specified period of time, if Sublessee shall default (i) in the timely payment of Base Rent or additional rent, and such default shall continue or be repeated for two (2) months in any consecutive twelve (12) month period, or (ii) in the performance of any other material term, condition or covenant of this Sublease more than two (2) times in any consecutive six (6) month period, then Sublessee shall thereby and thereupon forfeit any right to cure such default, and Sublessor may, at its sole option, cancel or terminate this Sublease, without affording to Sublessee any further opportunity to cure such further default, and without regard to whether Sublessee shall have cured or attempted to cure such default(s) within the period after notice, if any, as provided in this Sublease.

C. In the event of a default by Sublessor in the payment of any rent or additional rent pursuant to the Prime Lease, Sublessee shall, upon written demand by Prime Lessor, pay any Base Rent and additional rent due under this Sublease to Prime Lessor on account of the amounts owed by Sublessor to Prime Lessor. In such event, Sublessee shall have no liability to Sublessor for any amounts so paid and such amounts shall be credited by Sublessor against any Base Rent or additional rent due pursuant to this Sublease.

13. Late Charge. If Sublessor has not received the full amount of any Base Rent or additional rent by the end of five (5) calendar days after the date it is due, Sublessee shall pay to Sublessor, as additional rent hereunder, a late charge of ten (10%) percent of the overdue payment.

14. No Waiver. No act or thing done by Sublessor or its agents during the term hereof shall be deemed an acceptance of a surrender of the Demised Premises or of this Sublease, and no agreement to accept such surrender shall be valid unless in writing signed by Sublessor. The failure of either party to seek redress for violation of, or to insist upon the strict performance of, any term, covenant or condition of this Sublease shall be deemed to waive any subsequent or other violation of the terms of this Sublease. Receipt by Sublessor of rent or any other sum of money from Sublessee with knowledge of the breach by Sublessee of any covenant of this Sublease shall not be deemed a waiver of such breach, and no such waiver shall be effective unless in writing signed by Sublessor.

15. Payment on Execution of Sublease. Upon execution of this Sublease, Sublessee shall deliver to Sublessor the first month's Base Rent due hereunder in the amount of (\$2,750.00).

16. Brokers. The parties represent to each other that they dealt with no broker in connection with this Sublease. In the event any broker shall claim a commission by

virtue of the introduction or alleged introduction of Sublessee to the Demised Premises and/or to Sublessor, and such claim is sustained by a court of competent jurisdiction, the party hereto that has breached the representation made in this paragraph shall indemnify and hold harmless the other party from any such brokerage claim or claims, including the reasonable cost (including reasonable attorneys' fees) incurred by the non-breaching party in investigating and/or defending such action or actions. The parties further agree to cooperate each with the other in connection with any such action.

17. Sublessee Holding Over.

A. If Sublessee shall not immediately surrender the Demised Premises at the end of the term, then Sublessee shall, by virtue of this Agreement, become a tenant by the month at one hundred and fifty (150%) percent of the rental required hereunder to be paid by Sublessee during the last month of the term of this Sublease. Said monthly tenancy shall commence with the first day after the end of the term of this Sublease, and shall be subject to all of the conditions and covenants of this Sublease as though the same had originally been a monthly tenancy.

B. In such event, each party hereto shall give to the other at least thirty (30) days' written notice to quit the Demised Premises, except in the event of non-payment of rent in advance or nonpayment of any of the additional rents provided for in this Lease, in which event Tenant shall not be entitled to any notice to quit, the usual thirty (30) days' notice to quit being hereby expressly waived in such instance.

C. Notwithstanding anything herein to the contrary, Sublessee acknowledges and agrees that this provision shall not be deemed a license to remain in possession beyond the term of this Sublease, and that Sublessee shall be liable for any damages incurred by Sublessor by reason of Sublessee's failure to immediately surrender the Demised Premises upon the expiration of the term hereof.

18. Termination Option. So long as there exists no event of default either at the time of exercise or on the Early Termination Date (as hereinafter defined), this Sublease is in full force and effect, and the Sublessee named herein is in occupancy of the entire Demised Premises, Sublessee shall have the right and option to terminate this Sublease (the "Termination Right") upon not less than three (3) months prior written notice to Sublessor. The parties agree that if Sublessee fails to exercise the Termination Right strictly in accordance with this Section, then the Termination Right shall automatically lapse and Sublessee shall have no right to terminate this Sublease. Upon timely exercise of the Termination Right, the date referenced in Sublessee's notice as the date of termination (the "Early Termination Date") shall be deemed the Expiration Date of the Term of the Sublease and Sublessee shall surrender the Demised Premises on or before the Early Termination Date in accordance with the terms of this Sublease.

Sublessor shall have the right and option to terminate this Sublease upon not less than three (3) months prior written notice to Sublessee. Upon exercise of the Sublessor's termination right, the date referenced in Sublessor's notice as the date of termination (the "Early Termination Date") shall be deemed the Expiration Date of the Term of the Sublease and

Sublessee shall surrender the Demised Premises on or before the Early Termination Date in accordance with the terms of this Sublease.

19. Notices. Any notice, approval, consent, acceptance, request, bill, demand or statement required or permitted to be given hereunder from one party to the other shall be in writing and shall be deemed given when hand delivered, when deposited with either a recognized overnight courier service for next-day delivery or with the United States Postal Service in a postage prepaid envelope, certified or registered mail, addressed to the other party at the respective addresses first set forth above. Any notice to the Sublessor hereunder must also be sent at the same time and in the same manner to Attention: James Hays, Esq., Mintz, Levin, Cohn, Ferris, Glovsky, and Popeo, P.C., 666 Third Avenue, New York, New York, 10017.

20. **Waiver of Jury Trial; Waiver of Counterclaims.** **Sublessor and Sublessee each agree to and they hereby do waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other with respect to any matter whatsoever arising out of or in any way connected with this Sublease, the relationship of sublessor and sublessee, and Sublessee's use or occupancy of the Demised Premises and/or any claim of injury or damage, and any statutory remedy. It is further mutually agreed that in the event Sublessor commences any summary proceeding for possession of the Demised Premises, Sublessee will not interpose any counterclaim of whatever nature or description in any such proceeding.**

21. Entire Agreement. This Sublease, together with the documents referred to herein and incorporated herein by reference, constitutes and contains the entire agreement between the parties with respect to the subject matter hereof and each party acknowledges that it did not, in entering into this Sublease, rely upon any representation or promises made by or on behalf of the other except as expressly set forth herein. No provision of this Sublease shall be modified, waived or discharged other than by an instrument in writing signed by Sublessor and Sublessee.

22. Severability. Whenever possible, each provision of this Sublease shall be interpreted in such a manner as to be effective and valid under applicable law. If, however, any provision of this Sublease or the application of any provision to any party or circumstance shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating this Sublease or any other provision hereof, or the application of the provision in question to other parties or other circumstances.

23. Construction. All parties to this Sublease and their counsel have reviewed and revised this Sublease, and hereby agree that the rule of construction that any ambiguities are to be construed and resolved against the drafting party shall not be applied to the interpretation of this Sublease.

24. Miscellaneous.

A. Nothing contained in this Sublease shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent or of

partnership or of joint venture or of any association between Sublessor and Sublessee other than the relationship of sublessor and sublessee, any intention to create any other relationship being hereby expressly disavowed.

B. Neither this Sublease nor any memorandum thereof shall be recorded.

C. As used in this Sublease, and where the context so requires: (1) the masculine shall be deemed to include the feminine and neuter and vice-versa, and (2) the singular shall be deemed to include the plural and vice-versa

D. The laws of the State of New York shall govern the validity, construction, performance, and enforcement of this Sublease.

E. Time is of the essence with respect to each covenant, term and provision of this Sublease to be performed by the Sublessee.

F. If Sublessee enters into this Sublease as a corporation or other limited liability entity, each of the persons executing this Sublease on behalf of Sublessee does hereby covenant that Sublessee is a duly authorized and existing corporation or other limited liability entity, qualified to do business in the State of New York, and that such entity has full right and authority to enter into this Sublease.

G. If in this Sublease it is provided that Prime Lessor's, Sublessor's or Overlandlord's consent or approval as to any matter will not be unreasonably delayed or withheld, and it is established by a court or body having final jurisdiction thereover that Prime Lessor, Sublessor or Overlandlord has been unreasonable, the only effect of such finding shall be that Prime Lessor, Sublessor or Overlandlord, as the case may be, shall be deemed to have given its consent or approval; but neither Prime Lessor, Sublessor nor Overlandlord shall be liable to Sublessee in any respect for money damages by reason of withholding or delaying its consent.

H. This Sublease is subject to the express written consent of the Overlandlord and Prime Lessor, and shall be of no force or effect until and unless it shall have been approved by or on behalf of the Overlandlord and Prime Lessor.

[CONTINUED ON NEXT PAGE FOR SIGNATURES]

IN WITNESS WHEREOF, Sublessor and Sublessee have respectively signed this Sublease as of the day and year first above written.

SBLESSOR:

ELEMENT^N, INC.

By: _____

Name: Rabih Nassar

Title:

SUBLEESSEE:

NEW WORK CITY, LLC

By: _____

Name: Tony Baciagalupo

Title:

Ss no:

EXHIBIT “A”

(Floor Plan)

EXHIBIT “B”

(Copy of Lease)

(See Attached)

EXHIBIT “C”

(Copy of Prime Lease)

(See Attached)

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