

BRYANT GARDENS SUBLEASE POLICY

WHEREAS, the Board of Directors has been advised that a continued proliferation of subleases at the premises may negatively impact on both the ability of individuals to obtain bank loans for the purchase of shares of Bryant Gardens Corp., and the ability of Bryant Gardens Corp. to refinance the underlying mortgage on its property, and

WHEREAS, the Board of Directors has determined for the foregoing reasons as well as a variety of other considerations that the best interests of Bryant Gardens Corp. would be served by amending and modifying the sublease policy to limit the proliferation of subleases at the premises,

NOW THEREFORE, the following is hereby adopted as the "Sublease Policy" of BRYANT GARDENS CORP:

1. It is the intention of the Board of Directors to limit the number of apartments which may be subleased at the premises at any one time to a maximum of seventy-five such apartments. Therefore, the Board of Directors shall not grant its consent to any subletting in accordance with the proprietary lease at any time when seventy-five apartments at the premises are then being subleased. Apartments owned by Bryant Gardens Associates, the sponsor of the cooperative offering plan, or owned by the individual partners of Bryant Gardens Associates, shall not be included in the calculation of the maximum limit of seventy-five apartments which may be subleased at any one time.

2(a). Once the maximum limit of seventy-five apartments is reached, shareholders applying for permission to sublease will be placed on a "Waiting List".

(b). In order to be eligible to be placed on the Waiting List, a shareholder must first meet the criteria set forth in paragraph "3" of this Sublease Policy. Furthermore, in order to remain eligible to sublease, the shareholder must continue to use his/her best efforts to sell the apartment while he/she is on the Waiting List.

(c). A shareholder on the Waiting List who is subsequently notified that the Board has granted him/her permission to sublease shall have a period of three months from the date of notification within which to enter into a sublease agreement with a qualified subtenant. Upon the expiration of such three month period, if the shareholder has failed to then sublease his/her apartment, the Board's grant of permission to sublease shall be withdrawn, and the shareholder shall be placed at the bottom of the Waiting List.

3(a). In order to be eligible to sublease his/her apartment, a shareholder must demonstrate, to the satisfaction of the Board, that (i) he/she has occupied and resided in his/her apartment for a period of twenty-four (24) consecutive months immediately preceding the submission of the sublease application, and that (ii) for a period of nine (9) consecutive months immediately preceding the sublease application, he/she has used his/her best efforts to sell the apartment, such as by listing the apartment for sale with a local realtor who is a member of the Westchester Multiple Listing Service.

(b). All sublease applications and sublease renewal applications must be made by certified mail, return receipt requested, addressed as follows: c/o Robert Orlofsky Realty, Inc., 7 Bryant Crescent, Suite 1-C, White Plains, New York 10605.

4(a). No sublease will be approved for a term of more than one year.

(b). Upon the expiration of the term of any approved sublease, the shareholder may apply in writing to the Board for permission to extend or renew the term of the sublease (the "sublease renewal application"). The shareholder must submit, along with the sublease renewal application, the sublet renewal fee, an updated certificate of insurance, a bank/lienor/ mortgagee consent letter (if applicable), and an inspection report from the building superintendent. The Board reserves the right to refuse permission for such an extension or renewal of the term of the sublease, for any reason or for no reason. Any shareholder who has been in arrears in payment of maintenance on two or more occasions during the preceding twelve-month period shall not be eligible to renew or extend the sublease, unless for good cause the Board elects to permit such renewal or extension.

5. As a condition of approval of any sublease, the shareholder must pay to the Corporation a sublet fee. The sublet fee will be payable in full prior to the commencement of the sublease, and will be non-refundable. The sublet fee for the first year of any sublease shall be in the amount of \$7.00 per share of the apartment being subleased or one month's rent under the sublease agreement, whichever is greater. In the event the term of any sublease is extended or renewed, an additional annual sublet fee of \$950.00 (the "Renewal Fee") shall then be due and payable by the shareholder. In the event a shareholder obtains approval to rent to a new subtenant, the initial sublet fee as set forth hereinabove (as opposed to the Renewal Fee) shall then be due and payable.

6. As a condition of approval of any sublease, the shareholder shall be required to deposit with the managing agent a sum equal to two months maintenance payments, as a security deposit for service and repairs to the apartment which are the responsibility of the shareholder.

7. The move in-move out security program which is in effect for sales of apartments at the premises (House Rule 28) shall apply to any approved subleases. Thus, as a condition of approval of any sublease, the shareholder must submit his/her check in the sum of \$750.00 (the move-out security), payable to the order of the Corporation. After the shareholder moves from the premises, the superintendent will make an inspection and complete a security inspection report. The same procedure will be followed when the subtenant moves into the premises. The subtenant's move-in/out deposit will not be refunded until the subtenant moves from Bryant Gardens and obtains a satisfactory move-out report from the building superintendent.

8. No sublease will be approved unless and until the apartment has wall-to-wall carpeting, with appropriate padding, in accordance with House Rule 17.

9. No sublease will be approved unless and until window shades or blinds have been installed on all windows in the apartment.

10. No sublease shall be approved unless and until the shareholder furnishes a duplicate key to all apartment door locks to the superintendent.

11. Any shareholder who subleases his/her apartment shall relinquish his/her garage space at the premises. The garage space shall be reassigned to another shareholder in accordance with the garage waiting list.

12. No sublease shall be approved unless and until the shareholder furnishes the written consent of any bank, financial institution, or other lienholder having a mortgage or other lien with respect to the shares and Proprietary Lease.

13. As a condition of approval of any sublease, the shareholder must designate an agent in the local area who shall be responsible for the apartment in the shareholder's absence. In addition, the shareholder must provide the managing agent with his/her address and telephone number during the term of the sublease.

14. The occupancy of any apartment subject to a sublease shall be limited as follows:

- (a) A studio apartment shall be occupied by only one person;
- (b) A three and one-half room apartment shall be occupied by no more than two people; and
- (c) A four and one-half room apartment shall be occupied by no more than two adults and one child.

15. No sublease shall be approved by the Board unless the proposed subtenants meet certain financial criteria. With respect to the rental of a studio apartment, the proposed subtenant must have a minimum annual gross income of \$45,000.00. With respect to a one bedroom apartment, the proposed subtenant must have a minimum annual gross income of \$55,000.00. With respect to a two bedroom apartment, the proposed subtenant must have a minimum annual gross income of \$65,000.00. With respect to an apartment with more than two bedrooms, the proposed subtenant must have a minimum annual gross income of \$90,000.00.

16. As part of the application for sublease, the proposed subtenants must provide their federal income tax returns for the previous two years, together with other financial information and references as may be requested by the Board or the managing agent. The proposed subtenant will be subject to a credit check as well as a personal interview by the Board. An application fee in the sum of \$350.00 shall be payable by the shareholder to the managing agent upon submission of the application.

17. As a condition of any sublease, the shareholder shall be required to obtain homeowners insurance satisfactory to the Board, and a Certificate evidencing such insurance shall be delivered to the managing agent.

18. In the event the Board shall consent to the sublease, the shareholder and sublessee shall be required to execute a "Rider to Sublease Agreement" in a form satisfactory to the Board of Directors, which, among other things, shall acknowledge agreement to abide by the Sublease Policy and House Rules of the Corporation.

19. In the event any subtenant or occupant engages in objectionable conduct as determined by the Board of Directors or otherwise violates the House Rules, the Board may terminate the sublease upon thirty (30) days written notice to the shareholder and the subtenant. If the shareholder desires to continue subleasing, he/she will be placed at the bottom of the Waiting List. If a new sublease is thereafter approved, a new sublet fee as required by paragraph 5 of this Sublease Policy shall be due, in full, without deduction or offset for any sublet fee previously paid.

20. The Board of Directors reserves the right to waive, modify, or vary the foregoing conditions, criteria, and rules in the event of extraordinary circumstances which would warrant such action.

21. The Board of Directors reserves the right to modify or amend the foregoing Sublease Policy, and specifically reserves the rights granted pursuant to Proprietary Lease paragraph 15, which provides, in part, as follows:

"Any consent to subletting may be subject to such conditions as the Directors or Lessees, as the case may be, may impose. There shall be no limitation on the right of Directors or Lessees to grant or withhold consent, for any reason or for no reason to a subletting."