

COMPANY LEASE AGREEMENT

THIS COMPANY LEASE AGREEMENT, made as of February 1, 2004 (this "Company Lease"), by and between CREATIVE LIFESTYLES, INC., a not-for-profit corporation organized and existing under and by virtue of the laws of the State of New York (the "Company"), having its principal office at 67 Bruckner Boulevard, Bronx, New York 10454, party of the first part, and NEW YORK CITY INDUSTRIAL DEVELOPMENT AGENCY, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State of New York, duly organized and existing under the laws of the State of New York (the "Agency"), having its principal office at 110 William Street, New York, New York 10038, party of the second part (capitalized terms used in this Company Lease and not defined herein shall have the respective meanings assigned to such terms in the Installment Sale Agreement or the Indenture referred to below):

WITNESSETH:

WHEREAS, the Agency was established by the New York State Industrial Development Agency Act, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended, and Chapter 1082 of the Laws of 1974 of the State of New York, as amended (the "Act"), for the benefit of The City of New York and the inhabitants thereof; and

WHEREAS, to accomplish the purposes of the Act, the Agency has entered into negotiations with several not-for-profit corporations, including the Company (each a "Participant"), in connection with the financing or refinancing of the cost of the acquisition, construction, equipping and furnishing of civic facilities for each such Participant within The City of New York, all for the purpose of providing services to people with developmental disabilities or other special needs; and

WHEREAS, each Participant will lease or sublease, as applicable, its civic facility to the Agency pursuant to a company lease agreement between such Participant and the Agency, and the Agency will sell its leasehold or subleasehold interest in such civic facility to such Participant pursuant to an installment sale agreement between the Agency and such Participant; and

WHEREAS, the Agency, in order to provide funds for a portion of the cost of financing or refinancing such civic facilities and for incidental and related costs, will issue and sell its Civic Facility Revenue Bonds (Special Needs Facilities Pooled Program), Series 2004A-1 and Series 2004A-2 (Federally Taxable) (collectively, the "Bonds"), pursuant to the Act, a resolution of the Agency adopted on July 29, 2003, as amended on December 9, 2003, and an Indenture of Trust, dated as of even date herewith, between the Agency and The Bank of New York, as trustee (the "Trustee"); and

WHEREAS, the Company will finance or refinance the cost of the acquisition, renovation, improvement, equipping and furnishing of three civic facilities (collectively, the "Facility") consisting of (i) a residential facility providing services to individuals with

developmental disabilities located at 3127 Kingsbridge Terrace, Bronx, New York (the “Kingsbridge Terrace Facility”), (ii) a day habilitation facility providing services to individuals with developmental disabilities located at 287 East 148th Street, Bronx, New York (the “148th Street Facility”), and (iii) a day habilitation facility and a facility to house its administrative headquarters located at 67 Bruckner Boulevard, Bronx, New York (the “Bruckner Boulevard Facility”) (collectively, the “Project”); and

WHEREAS, pursuant to the Prime Lease (Kingsbridge Terrace), the Prime Landlord (Kingsbridge Terrace) has leased the Kingsbridge Terrace Facility to the Company; and

WHEREAS, pursuant to the Prime Lease (148th Street), the Prime Landlord (148th Street) has leased the 148th Street Facility to the Company; and

WHEREAS, the Company desires to lease or sublease, as applicable, the Facility to the Agency on the terms and conditions set forth in this Company Lease; and

WHEREAS, pursuant to an Installment Sale Agreement, dated as of even date herewith, between the Agency and the Company (as the same may be amended or supplemented, the “Installment Sale Agreement”), the Agency will sell its leasehold or subleasehold interest in the Facility under this Company Lease to the Company;

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants and representations hereinafter contained, the Company and the Agency hereby agree as follows (provided that in the performance of the agreements of the Agency herein contained, any obligation it may incur for the payment of money shall not subject the Agency to any pecuniary or other liability or create a debt of the State or of the City, and neither the State nor the City shall be liable on any obligation so incurred, but any such obligation shall be payable by the Agency solely out of the installment purchase payments, revenues and receipts payable by the Company under the Installment Sale Agreement):

ARTICLE I

The Company does hereby lease to the Agency, and the Agency does hereby lease from the Company, the Facility Realty and the Facility Equipment described in Exhibit A and Exhibit B, respectively, attached hereto, including all subsequent improvements thereto and substitutions or replacements of such equipment now or hereafter located therein, for the term herein provided and for use as provided in the Installment Sale Agreement. It is the intention of the Company and the Agency that leasehold title to all improvements hereafter constructed by the Company to the Facility shall vest in the Agency as and when the same are constructed. Accordingly, the Company and the Agency agree that the Agency shall hold leasehold title to all improvements hereafter constructed by the Company to the Facility, together with all substitutions or replacements of such equipment constituting the Facility Equipment.

ARTICLE II

The term of this Company Lease shall commence on the Closing Date and shall expire: (a) with respect to the Kingsbridge Terrace Facility, the earliest of (i) July 1, 2024 (11:59 p.m., New York City time), (ii) the termination or rescission of the Prime Lease (Kingsbridge Terrace), (iii) one Business Day prior to the expiration of the term of the Prime Lease (Kingsbridge Terrace), (iv) the assignment by the Participant of its interest in the Prime Lease (Kingsbridge Terrace) (other than pursuant to Section 6.1 of the Installment Sale Agreement), (v) the day on which the Participant ceases to possess the Kingsbridge Terrace Facility Realty, (vi) the expiration or earlier termination of the Installment Sale Agreement, or (vii) the payment in full of all the Bonds (whether at maturity or earlier redemption or upon defeasance or discharge of the Bonds under the Indenture as provided in Section 10.01 thereof) so that the Bonds shall cease to be Outstanding under the Indenture; (b) with respect to the 148th Street Facility, the earliest of (i) July 1, 2024 (11:59 p.m., New York City time), (ii) the termination or rescission of the Prime Lease (148th Street), (iii) one Business Day prior to the expiration of the term of the Prime Lease (148th Street), (iv) the assignment by the Participant of its interest in the Prime Lease (148th Street) (other than pursuant to Section 6.1 of the Installment Sale Agreement), (v) the day on which the Participant ceases to possess the 148th Street Facility Realty, (vi) the expiration or earlier termination of the Installment Sale Agreement, or (vii) the payment in full of all the Bonds (whether at maturity or earlier redemption or upon defeasance or discharge of the Bonds under the Indenture as provided in Section 10.01 thereof) so that the Bonds shall cease to be Outstanding under the Indenture; and (c) with respect to the Bruckner Boulevard Facility, the earliest of (i) July 1, 2024 (11:59 p.m., New York City time), (ii) the expiration or earlier termination of the Installment Sale Agreement, or (iii) the payment in full of all the Bonds (whether at maturity or earlier redemption or upon defeasance or discharge of the Bonds under the Indenture as provided in Section 10.01 thereof) so that the Bonds shall cease to be Outstanding under the Indenture.

ARTICLE III

The sole rental hereunder shall be the single sum of ten dollars (\$10), receipt of which is hereby acknowledged by the Company.

ARTICLE IV

The Company hereby delivers possession to the Agency of the Facility.

ARTICLE V

The Company represents and warrants that the execution and delivery by the Company of this Company Lease and the performance by the Company of its obligations under this Company Lease and the consummation of the transactions herein contemplated have been duly authorized by all requisite corporate action on the part of the Company and will not violate (i) any provision of law, or any order of any court or agency of government, (ii) the certificate of incorporation or bylaws of the Company, or (iii) any indenture, agreement or other instrument to which the Company is a party or by which it or any of its property is subject to or bound or be in

conflict with or result in a breach of or constitute (with due notice and/or lapse of time) a default under any such indenture, agreement or other instrument, or result in the imposition of any lien, charge or encumbrance of any nature whatsoever on the Facility other than Permitted Encumbrances. The Company represents and warrants that it has full right and lawful authority to enter into this Company Lease for the full term hereof.

ARTICLE VI

Neither the Agency nor the Company shall assign or transfer this Company Lease, nor sublease the whole or any part of the Facility, nor subject this Company Lease to any lien, claim, mortgage or encumbrance (other than Permitted Encumbrances), in any manner, nor sell, assign, convey or otherwise dispose of the Facility or any part thereof, during the term of this Company Lease, in any manner, to any Person, except that (i) the Company and the Agency will grant a mortgage on their respective interests under this Company Lease to the Trustee and the Bond Insurer pursuant to the Agency Mortgage, (ii) the Agency shall sell its leasehold interest in the Facility under this Company Lease to the Company pursuant to the Installment Sale Agreement, and (iii) the Company may sublease all or portions of the Facility in accordance with the Installment Sale Agreement. This Company Lease shall be subject and subordinate to the Agency Mortgage, the Indenture and the Installment Sale Agreement and such mortgage liens, security interests, pledge and assignment thereunder.

ARTICLE VII

It is the intention of the Agency and the Company under this Company Lease that the sale by the Agency pursuant to the Installment Sale Agreement of its leasehold interest in the Facility under this Company Lease shall not result in a merger of the leasehold estates and interests of the Company and the Agency under this Company Lease so as to effect a termination or any other impairment of this Company Lease; and until the termination of this Company Lease in accordance with its terms or the expiration hereof in accordance with Article II hereof, this Company Lease shall continue in full force and effect to the same extent as if the Agency had not sold its leasehold interest in the Facility to the Company pursuant to the Installment Sale Agreement.

ARTICLE VIII

Except for the Installment Sale Agreement, this Company Lease contains the entire agreement between the parties hereto with respect to the subject matter hereof and all prior negotiations and agreements are merged in this Company Lease. This Company Lease may not be changed, modified or discharged in whole or in part and no oral or executory agreement shall be effective to change, modify or discharge in whole or in part this Company Lease or any obligations under this Company Lease, unless such agreement is set forth in a written instrument executed by the Company and the Agency. No consent or approval of the Company shall be deemed to have been given or to be effective for any purposes unless such consent or approval is set forth in a written instrument executed by the Company. No consent or approval of the Agency shall be deemed to have been given or to be effective for any purposes unless such consent or approval is set forth in a written instrument executed by the Agency.

ARTICLE IX

All notices or other communications required or permitted to be given hereunder shall be in writing and shall be given by hand delivery, Federal Express, or other reputable courier service, or by postage prepaid registered or certified mail, return receipt requested, and shall (except to the extent otherwise expressly provided herein) be deemed to have been given and received (whether actually received or not) (i) when received at the following addresses if hand delivered or sent by Federal Express, or other reputable courier service, and (ii) three (3) Business Days after being post-marked if sent by registered or certified mail, return receipt requested, addressed to the parties hereto as hereinafter provided, or to such other substitute address and/or addressee as any party hereto shall designate by written notice to the other party in accordance with the terms of this Article IX; provided, however, that no such notice of change of address and/or addressee shall be effective unless and until actually received by the party to whom such notice is sent. Any notice shall be sent in the manner set forth above in this Article VIII and shall be addressed, if to the Agency, to New York City Industrial Development Agency, 110 William Street, New York, New York 10038, Attention: General Counsel, with a copy to the Executive Director of the Agency at the same address, and if to the Company, to Creative LifeStyles, Inc., 67 Bruckner Boulevard, Bronx, New York 10454, Attention: Executive Director, with a copy to Nolan & Heller, LLP, 39 North Pearl Street, Albany, New York 12207, Attention: Robert G. Wakeman, Esq.

ARTICLE X

This Company Lease shall be governed by, and construed in accordance with, the laws of the State of New York.

The terms of this Company Lease are and shall be binding upon and inure to the benefit of the Agency and the Company and their respective successors and assigns.

If any one or more of the provisions of this Company Lease shall be ruled invalid by any court of competent jurisdiction, the invalidity of such provision(s) shall not affect any of the remaining provisions hereof, but this Company Lease shall be construed and enforced as if such illegal or invalid provision had not been contained herein.

ARTICLE XI

This Company Lease shall become effective upon the Closing Date. It may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

ARTICLE XII

All covenants, stipulations, promises, agreements and obligations of the Agency contained in this Company Lease shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Agency, and not of any member, director, officer, employee or agent of the Agency in his individual capacity, and no recourse shall be had for the payment of any amounts hereunder against any member, director, officer, employee or agent of the Agency.

In addition, in the performance of the agreements of the Agency herein contained, any obligation it may incur shall not subject the Agency to any pecuniary or other liability nor create a debt of the State or of the City, and neither the State nor the City shall be liable on any obligation so incurred.

All covenants, stipulations, promises, agreements and obligations of the Company contained in this Company Lease shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Company, and not of any director, officer, employee or agent of the Company in his individual capacity, and no recourse shall be had for the payment of any amounts hereunder against any director, officer, employee or agent of the Company.

ARTICLE XIII


The Agency and the Company agree that this Company Lease shall be recorded, or caused to be recorded, by the Agency in the appropriate Office of the Register of The City of New York.

ARTICLE XIV

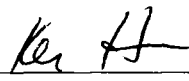
The use of the Facility, and all other rights, duties, liabilities and obligations of the Company and the Agency with respect thereto and including the acquisition, renovation, improvement, equipping and furnishing of the Facility, and the use, operation, leasing and financing of the Facility, not fixed in this Company Lease, shall be as set forth in the Installment Sale Agreement.

IN WITNESS WHEREOF, the Company has caused its corporate name to be subscribed hereto by its authorized officer pursuant to a resolution duly adopted by its Board of Directors, and the Agency has caused its corporate name to be hereunto subscribed by its duly authorized Chairman, Vice Chairman, Executive Director, Deputy Executive Director, General Counsel or Vice President for Legal Affairs all being done as of the year and day first above written.

CREATIVE LIFESTYLES, INC.


By 
Ann Hill
Executive Director

NEW YORK CITY INDUSTRIAL
DEVELOPMENT AGENCY

By 
Kei Hayashi
Deputy Executive Director

STATE OF NEW YORK)
 : ss.:
COUNTY OF NEW YORK)

On the 10th day of February, in the year two thousand four, before me, the undersigned, personally appeared Ann Hill, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person or entity upon behalf of which the individual acted, executed the instrument.

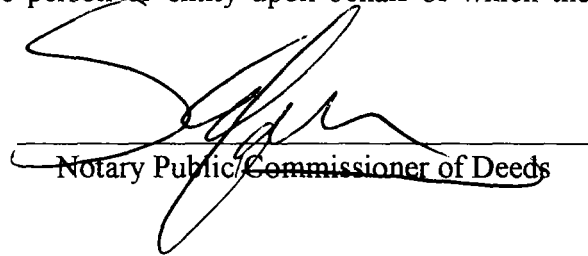


Notary Public

MARK E. WATKINS
Notary Public, State of New York
Qualified in Albany County
No. 4719537
Commission Expires Jan. 31, 2007

STATE OF NEW YORK)
 : ss.:
COUNTY OF NEW YORK)

On the 23rd day of February, in the year two thousand four, before me, the undersigned, personally appeared Kei Hayashi, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity, and that by her signature on the instrument, the individual, or the person or entity upon behalf of which the individual acted, executed the instrument.



Notary Public/Commissioner of Deeds

SHERYL A. JOHNSON
Notary Public State of New York
No. 01JO6039167
Qualified in New York County
Commission Expires March 27, 2006

EXHIBIT A

DESCRIPTION OF BRUCKNER BOULEVARD FACILITY REALTY

ALL that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the Borough and County of the Bronx, State of New York, bounded and described as follows;

BEGINNING at a point on the northerly side of Bruckner Boulevard, distant 291.50 feet easterly from the corner formed by the intersection of the said northerly side of Bruckner Boulevard with the easterly side of Alexander Avenue;

RUNNING THENCE northerly., parallel with the easterly side of Alexander Avenue and for a part of the distance through a party wall, 100 feet to the center line of the block;

THENCE easterly along said center line of the block, 20 feet;

THENCE southerly, again parallel with the easterly side of Allusions Avenue and part of the distance through a party wall, 100 feet to the northerly side of Bruckner Boulevard;

THENCE westerly along said northerly side of Bruckner Boulevard, 20 feet to the point or place of BEGINNING.

**Creative Lifestyles, Inc.
67 Bruckner Blvd.
Bronx, NY 10454
Section: __; Block: 2296; Lot: 43
Title No. 326BX13250-7**

**DESCRIPTION OF BRUCKNER BLVD.
FACILITY EQUIPMENT**

EXHIBIT B

Creative Lifestyles, Inc. Site: Main Office 67 Bruckner Blvd.

Furniture & Equipment	Number of each item
Bedrooms	
Headboards	0
Mattresses & Box Springs & Frame	0
Night Stands	0
Mirrors	0
Dressers	0
Dining room	
Table	3
Chairs	0
Hutch	0
Living room/recreation	
Sofa	0
Sleeper Sofa	0
Bookcase	0
Entertainment Unit	0
End Tables	0
Office	
Chairs	42
Desk	17
Bookcase	0
Storage cabinets	0
File Cabinets	23
Appliances	
Washer	0
Dryers	0
Refrigerator	4
Freezer	0
Range/Oven	3
Small refrigerator	0
Air Conditioners	9
Microwave	3
Other	
Picnic Table	0
Outdoor Chairs	0
Shed	0
Grill	0
Stereo/CD	6
VCR	0
Television	0
Computers	15

Creative Lifestyles, Inc.
67 Bruckner Blvd.
Bronx, NY 10454
 Section: __; Block: 2296; Lot: 43
 Title No. 326BX13250-7

EXHIBIT A

DESCRIPTION OF KINGSBRIDGE TERRACE FACILITY REALTY

ALL that certain lot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the Borough of the Bronx, County of Bronx, City and State of New York, known and designated as lot no. 2 on a certain map entitled "Map of property near Kingsbridge, New York City" belonging to the Estate of Benjamin Richardson, deceased, surveyed by George C. Hollerith, February 2, 1892, filed in the Office of the Register of the County of New York (now Register of the City of New York, County of Bronx), March 24, 1892 as Map No.468, bounded and described as follows:

BEGINNING at a point on the westerly side of Kingsbridge Terrace distant 25.65 feet southerly from the corner formed by the intersection of the westerly side of Kingsbridge Terrace and the southerly side of Shradys Place;

RUNNING THENCE westerly at right angles with the westerly side of Kingsbridge Terrace, 93.37 feet;

THENCE southerly at right angles with the last mentioned course, 25.00 feet;

THENCE easterly at right angles with the last mentioned course, 87.61 feet to the westerly side of Kingsbridge Terrace;

THENCE northerly along the westerly side of Kingsbridge Terrace, 25.66 feet to the point or place of BEGINNING.

**Creative Lifestyles, Inc.
3127 Kingsbridge Terrace
Bronx, NY 10462
Section: 12; Block: 3257; Lot: 89
Title No. 326BX13250-8**

**DESCRIPTION OF KINGSBRIDGE
FACILITY EQUIPMENT**

EXHIBIT B

Creative Lifestyles, Inc. Site: Kingsbridge

Furniture & Equipment	Number of each item
Bedrooms	
Headboards	5
Mattresses & Box Springs & Frame	5
Night Stands	5
Mirrors	5
Dressers	0
Dining room	
Table	1
Chairs	8
Hutch	0
Living room/recreation	
Sofa	2
Sleeper Sofa	0
Bookcase	0
Entertainment Unit	0
End Tables	1
Office	
Chairs	4
Desk	1
Bookcase	0
Storage cabinets	0
File Cabinets	2
Appliances	
Washer	1
Dryers	1
Refrigerator	1
Freezer	1
Range/Oven	1
Small refrigerator	1
Air Conditioners	7
Microwave	1
Other	
Picnic Table	1
Outdoor Chairs	6
Shed	0
Grill	1
Stereo/CD	1
VCR	1
Television	1
Computers	1

Creative Lifestyles, Inc.
3127 Kingsbridge Terrace
Bronx, NY 10462
Section: 12; Block: 3257; Lot: 89
Title No. 326BX13250-8

EXHIBIT A

DESCRIPTION OF 148TH STREET FACILITY REALTY

ALL that certain plot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the Borough of Bronx, County of Bronx, City and State of New York, more particularly designated on the Tax Map of the City of New York, for the Borough of Bronx as Section 9 Block 2330 Lot 73 as said Tax Map was on 3/26/1974:

**Creative Lifestyles, Inc.
287 East 148th Street
Bronx, NY 10451
Section: 9; Block: 2330; Lot: 73
Title No. 326BX13250-9**

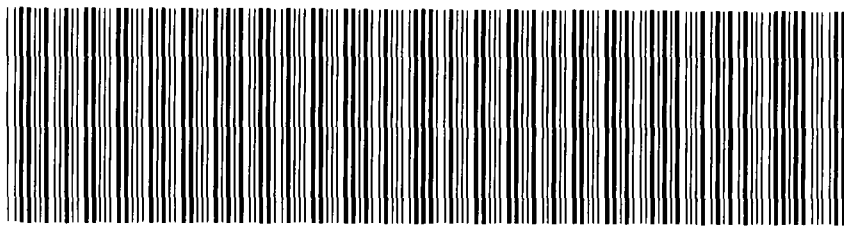
**DESCRIPTION OF 148TH STREET
FACILITY EQUIPMENT**

Creative Lifestyles, Inc. Site: Day Habilitation 287 E 148th Street

Furniture & Equipment	Number of each item
Bedrooms	
Headboards	0
Mattresses & Box Springs & Frame	0
Night Stands	0
Mirrors	0
Dressers	0
Dining room	
Table	0
Chairs	0
Hutch	0
Living room/recreation	
Sofa	0
Sleeper Sofa	0
Bookcase	0
Entertainment Unit	0
End Tables	0
Office	
Chairs	20
Desk	5
Bookcase	0
Storage cabinets	0
File Cabinets	2
Appliances	
Washer	
Dryers	
Refrigerator	1
Freezer	0
Range/Oven	1
Small refrigerator	1
Air Conditioners	0
Microwave	1
Other	
Picnic Table	0
Outdoor Chairs	0
Shed	0
Grill	0
Stereo/CD	1
VCR	1
Television	1
Computers	11

Creative Lifestyles, Inc.
287 East 148th Street
Bronx, NY 10451
Section: 9; Block: 2330; Lot: 73
Title No. 326BX13250-9

NYC DEPARTMENT OF FINANCE
OFFICE OF THE CITY REGISTER



2004042800878002001SD97F

SUPPORTING DOCUMENT COVER PAGE

PAGE 1 OF 1

Document ID: 2004042800878002

Document Date: 02-01-2004

Preparation Date: 05-05-2004

Document Type: LEASE

SUPPORTING DOCUMENTS SUBMITTED:

Page Count

MISCELLANEOUS

3

REMARKS:

SECTION 8017 AND 8019 OF THE CPLR

a Company Lease Agreement and WORC will enter into a Company Lease Agreement, each dated as of February 1, 2004, each with the Agency, pursuant to which the Participants will lease or sublease, as applicable, the Facilities to the Agency (collectively, the "Company Leases").

5. That simultaneously therewith, Bais-Ezra will enter into an Installment Sale Agreement, Center for Family will enter into an Installment Sale Agreement, Creative LifeStyles will enter into an Installment Sale Agreement, HASC will enter into an Installment Sale Agreement, Lifespire will enter into an Installment Sale Agreement, OTSAR Childhood will enter into an Installment Sale Agreement, OTSAR Family will enter into an Installment Sale Agreement, and WORC will enter into an Installment Sale Agreement, each dated as of February 1, 2004, each with the Agency (collectively, the "Installment Sale Agreements"), pursuant to which the Agency will sell its leasehold interest in the Facilities to the Participants in consideration for the payment by the Participants of installment purchase payments sufficient to pay the principal and interest on the Series 2004A Bonds.

6. That simultaneously therewith, the Agency will enter into an Indenture of Trust, dated as of February 1, 2004 (the "Indenture"), with The Bank of New York, as trustee (the "Trustee"), pursuant to the terms of which the Agency will pledge and assign to the Trustee substantially all the installment purchase payments, revenues and receipts received by the Agency from the sale of its leasehold interest in the Facilities to secure the payment of principal of and interest on the Series 2004A Bonds.

7. That simultaneously therewith, to secure payment of the Series 2004A Bonds, and of certain amounts owed by the respective Participants to the Bond Insurer (as referred to below) the Agency and certain of the Participants will grant mortgages on a portion of the Facilities pursuant to an Agency Mortgage and Security Agreement, dated as of February 1, 2004, from the Agency and Bais-Ezra to the Trustee and ACA Financial Guaranty Corporation (the "Bond Insurer"); an Agency Mortgage and Security Agreement dated as of February 1, 2004, from the Agency and Center for Family to the Trustee and the Bond Insurer; an Agency Mortgage and Security Agreement (Acquisition Loan), the Agency Mortgage and Security Agreement (Building Loan) and the Agency Mortgage and Security Agreement (Indirect Loan), each dated as of February 1, 2004, each from the Agency and Creative LifeStyles to the Trustee and the Bond Insurer; an Agency Mortgage and Security Agreement, dated as of February 1, 2004, from the Agency and HASC to the Trustee and the Bond Insurer; an Agency Mortgage and Security Agreement, dated as of February 1, 2004, from the Agency and Lifespire to the Trustee and the Bond Insurer; an Agency Mortgage and Security Agreement, dated as of February 1, 2004, from the Agency and OTSAR Family to the Trustee and the Bond Insurer; and an Agency Mortgage and Security Agreement, dated as of February 1, 2004, from the Agency and WORC to the Trustee and the Bond Insurer (collectively, the "Agency Mortgages").

8. That simultaneously therewith, the Agency will enter into a Building Loan Agreement, dated as of February 1, 2004 (the "Building Loan Agreement"), with the Creative LifeStyles, the Trustee and the Bond Insurer.

9. That pursuant to Section 874 of the Act, the Agency is regarded as performing a governmental function and is required to pay no taxes or assessments upon any of the property acquired by it or under its jurisdiction or control or supervision or upon its activities.

10. That pursuant to the provisions of Section 8017 of the Civil Practice Law and Rules of the State of New York, no clerk shall charge or collect a fee for filing, recording or indexing any paper, documents, map or proceeding filed, recorded or indexed for the county, or an Agency or officer thereof acting in an official capacity.

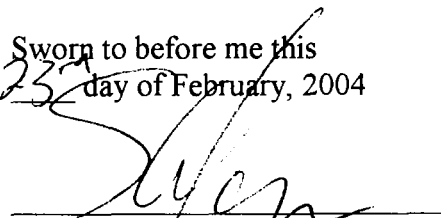
11. That pursuant to the provisions of Section 8019(d) of the Civil Practice Law and Rules of the State of New York, no clerk of any county within The City of New York shall charge or receive any fee from The City of New York or the State of New York, or from any Agency or officer thereof acting in an official capacity.

12. I hereby submit that no mortgage tax or other tax or fee for filing, recording or indexing should be imposed in connection with the filing and recording of the Company Leases, the Installment Sale Agreements, the Agency Mortgages, the Building Loan Agreement and the Indenture hereinbefore described.



RICHARD E. MARSHALL, ESQ.

Sworn to before me this
23rd day of February, 2004



Notary Public

STEPHEN A. JOHNSON
Notary Public, State of New York
No. 00000000000000000000
Commission Expires March 27, 2006

CREATIVE LIFESTYLES, INC.

AND

NEW YORK CITY
INDUSTRIAL DEVELOPMENT AGENCY

COMPANY LEASE AGREEMENT

Dated as of February 1, 2004

New York City Industrial Development Agency
Civic Facility Revenue Bonds
(Special Needs Facilities Pooled Program)
\$13,920,000 Series 2004A-1
\$760,000 Series 2004A-2 (Federally Taxable)

326BX13250-1

Record and Return to:	<u>Address (Bronx County, New York)</u>	<u>Section</u>	<u>Block</u>	<u>Lot</u>
Hawkins Delafield & Wood LLP 67 Wall Street New York, New York 10005 Attention: Arthur M. Cohen, Esq.	67 Bruckner Boulevard, Bronx		2296	43
	3127 Kingsbridge Terrace, Bronx	12	3257	89
	287 East 148 th Street, Bronx	9	2330	73