

Rochelle Pazer
5 Magnolia Lane
Woodbury, New York 11797

October 4, 2012

BY FEDERAL EXPRESS

Howard Mintz
Casa Butte Ranch
Mile Marker 231.5 U.S. Hwy. 64
Tres Piedras, New Mexico

Susan Mintz-Bello
10 West Broadway
Apt. 5F
Long Beach, New York 11561

Re: Shareholders' Agreement dated July 31, 2011 (the "Agreement") by and between Rochelle Pazer (with her transferees, the "Pazer Group"), The Credit Shelter Trust Under Article Third of The Last Will and Testament of Max Mintz ("Credit Shelter"), The Qualified Trust Investment Property Trust Under Article Fourth of The Last Will and Testament of Max Mintz ("QTIP," and together with the Credit Shelter, the "Trusts"; together with its transferees, the "Mintz Group"), and Astoria Holding Corp. (the "Company")

Dear Howard and Susan:

This letter serves as notice (the "Purchase Notice") pursuant to Section 8.2(a) of the Agreement of the Pazer Group's intent to purchase all of the Shares in the Company owned by the Mintz Group, predicated on the parties' failure to resolve a Deadlock with respect to major decisions facing the Company.

Under the Agreement, "Deadlock" is defined in Section 4.8.1 of the Agreement as a failure to resolve a disputed matter within thirty days of good-faith negotiations. By letter dated September 11, 2012, Mr. Steven J. Shore, counsel for the Pazer Group, declared that a Deadlock existed under the Agreement and sought a mediation pursuant to the terms of the Agreement. By letter dated September 13, 2012, Mr. Alan Guttenberg, counsel for the Mintz Group, among other things agreed that Deadlock exists under the Agreement.

Section 4.8.2 of the Agreement provides the procedure for attempting to resolve Deadlocks. Section 4.8.2 provides as follows:

Upon the occurrence of a Deadlock, the Directors shall immediately arrange a telephonic or in-person conference before the Honorable David I. Schmidt, Justice of the New York State Supreme Court, Kings County (mobile telephone no. 646-

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591-3864), to be held within five (5) days of the occurrence of the Deadlock or as soon thereafter as possible for Justice Schmidt. In the event Justice Schmidt is no longer available to mediate such Deadlocks, each of the Pazer Group and the Mintz Group shall agree in no more than five (5) days to an alternate mediator selected from the JAMS panel of mediators to act as the mediator under this Section 4.7.2, provided in no event shall all mediation attempts under this section 4.8.2 last more than 30 days from original determination of Deadlock.

A mediation conference was held on September 27, 2012 before Justice Schmidt to attempt to resolve the parties' Deadlock. However, the mediation conference was unsuccessful. Accordingly, pursuant to Section 4.8.2, the Deadlock was not resolved.

Section 8.2(a) of the Agreement provides for the right of one shareholder group to purchase the shares of the other shareholder group in the event that mediation efforts under Section 4.8.2 are not successful. Section 8.2(a) states, in pertinent part, as follows:

[I]f any Deadlock exists which has not been resolved pursuant to Section 4.8.2 hereof, then either the Mintz Group or the Pazer Group shall have the right to give the other Shareholder Group a Purchase Notice as to all of the Shares owned by the other Shareholder Group within ten (10) business days after such failure to resolve, in which event the Shareholders shall proceed under section 8.2 (b), (c) and (d) below.

Accordingly, the Pazer Group is sending this Purchase Notice to the Mintz Group to the addresses set forth in Section 11.1 of the Agreement to exercise its right to purchase the Mintz Group's shares in the Company.

Pursuant to Section 8.2(c)(i), both the Purchasing Shareholder (i.e., the Pazer Group) and the Selling Shareholder (i.e., the Mintz Group) must select a Qualified Appraiser within ten (10) days of receipt of this Purchase Notice, so that an appropriate Purchase Price can be determined. Please provide the name of the Mintz Group's Qualified Appraiser within ten (10) days of your receipt of this Purchase Notice.

Sincerely,


Rochelle Pazer

cc: Todd E. Soloway, Esq. (By Federal Express)
Luisa K. Hagemeyer, Esq. (By Federal Express)
Alan B. Guttenberg, Esq. (By Federal Express)
Ms. Lisa Pazer (By e-mail)
Ms. Dina Bassen (By e-mail)
Steven J. Shore, Esq.