SECOND AMENDMENT TO AGREEMENT OF LEASE

This SECOND AMENDMENT TO AGREEMENT OF LEASE (this "Amendment"), made as of February 24, 1989 by and among ROOSEVELT ISLAND OPERATING CORPORATION ("Landlord"), a body corporate and politic constituting a political subdivision of the State of New York and a public benefit corporation, having an office at 591 Main Street, Roosevelt Island, New York, New York 10044 and ROOSEVELT ISLAND ASSOCIATES ("Tenant"), a New York general partnership, having an office c/o Starrett Housing Corporation, 909 Third Avenue, New York, New York 10022.

W I T N E S S E T H:

WHEREAS, Landlord, Tenant and New York State Urban Development Corporation ("UDC") are parties to an Agreement of Lease made as of August 4, 1986 and to an Amendment to such Agreement of Lease made as of July 9, 1987 (such Agreement of Lease and such Amendment hereinafter collectively referred to as the "Lease") covering the premises more particularly described in Exhibit A thereto; and

WHEREAS, pursuant to an Assignment and Assumption Agreement made as of July 21, 1988 the interests of UDC as Landlord under the Lease were assigned to Landlord; and

WHEREAS, the parties seek to amend the Lease in certain respects as set forth in this Amendment.

NOW, THEREFORE, in consideration of the mutual agreements herein contained and other good and valuable consideration, receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

SECTION 1. Definitions. Capitalized terms used herein and not otherwise defined shall have their respective meanings set forth in the Lease.

SECTION 2. Amendment to Section 10.01 (a)(iv) of the Lease. The definition of "Close Affiliate" set forth in Section 10.01 (a)(iv) of the Lease is hereby deleted in its entirety and the following is substituted therefor:

> (iv) "Close Affiliate" shall mean (A) with respect to HSC Corp., a corporation in which one hundred percent (100%) of the issued and outstanding shares are owned by Starrett Housing Corporation, (B) with respect to Cohen Roosevelt Associates, a corporation in which one hundred percent (100%) of the issued and

outstanding shares are owned by Cohen Brothers, (C) with respect to Tenant a corporation or partnership, the Ownership Interest in which is held by HSC Corp., or its Close Affiliate, and Cohen Roosevelt Associates, or its Close Affiliate, in the same percentage interest as each held in Tenant immediately prior to the Transaction and (D) with respect to any other corporate general partner of Tenant, a corporation in which one hundred percent (100%) of the issued and outstanding shares are owned by the corporate parent of such general partner.

SECTION 3. Amendment to Section 10.01 (a)(v) of the Lease. The definition of "Gross Proceeds" set forth in Section 10.01 (a)(v) of the Lease is hereby deleted in its entirety and the following is substituted therefor:

(v) "Gross Proceeds" shall mean the aggregate consideration paid in connection with a Transaction, including but not limited to cash, the principal amount of any note (excluding interest) or other instrument evidencing the obligation to make future payments for the interest transferred and the fair market value of any other property; provided, however, that in connection with any Transaction in which the Ownership Interest in Tenant is not the sole asset in issue, Gross Proceeds shall mean only the aggregate of such consideration attributable solely to the Ownership Interest in Tenant allocated on a fair and equitable basis. In the case of a Major Sublease, Gross Proceeds shall mean the aggregate consideration paid by Major Subtenant in consideration of Tenant's entering into such Major Sublease, but shall not include periodic rental thereunder or other payments made for the use and occupancy of the Premises.

SECTION 4. Amendment to Section 10.01 (a)(xxvi) of the Lease. The definition of "Transfer" set forth in Section 10.01 (a)(xxvi) of the Lease is hereby deleted in its entirety and the following is substituted therefor:

(xxvi) "Transfer" means the transfer, sale or assignment of all or any part of the Ownership Interest of, or issuance of additional Ownership Interests in (A) Tenant, or (B) any Person holding, directly or through one or

more subsidiaries, any Ownership Interest in Tenant, but excluding a transfer, sale or assignment of any Ownership Interest in (a) any Person whose shares are publicly traded on a recognized securities exchange or in the over-the-counter market, (b) any Person other than an individual if the value of such Person's Ownership Interest in Tenant constitutes less than 5% of the total assets of such Person, (c) any Person other than an individual having assets (excluding any Ownership Interest in Tenant) of $350 million or more, if the value of such Person's Ownership Interest in Tenant constitutes less than 15% of the total assets of such Person or (d) Starrett Housing Corporation, a Syndication and an Initial Partner Exchange.

SECTION 5. Miscellaneous.

5.1. Severability. If any one or more of the covenants or agreements provided in this Amendment on the part of the parties hereto to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Amendment.

5.2 Counterparts. This Amendment may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

5.3. Amendments. This Amendment may not be modified or amended without the prior written consent of each of the parties hereto.

5.4. Applicable Law. This Amendment shall in all respects be governed by and construed in accordance with the laws of the State of New York.

5.5. Benefit of Agreement. This Amendment shall be binding upon, and inure to the benefit of, the parties hereto and their permitted successor and assigns.

5.6 Effectiveness. This Amendment shall become effective upon the admission of NCC RIA Company, a Delaware corporation as a partner of Tenant.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the date first above written.

ROOSEVELT ISLAND ASSOCIATES

By: Manhattan Park, Inc.
a New York corporation,
a general partner

By: _____
Title:

By: Cohen Roosevelt
Associates,
a New York limited
partnership, a general
partner

By: _____
a general partner

ROOSEVELT ISLAND OPERATING
CORPORATION

By: _____
Title: Chairman of the Board/
Chief Executive Officer

Exhibit B

LEGAL DESCRIPTION OF LAND

Residential Buildings Site

All that certain plot, piece or parcel of land situate, lying and being in Roosevelt Island, City and State of New York, bounded and described as follows:

Beginning at a point No. 200 located on the westerly line of Main Street, as shown on Stephen J. Reid's Survey No. 17041 dated May 21, 1986 having coordinates North 15,486.71, East 18,871.31, referred to Local Coordinate Systems:

Running thence the following courses and distances:

(1) South 34 Degrees 10 Minutes 38 Seconds West, 1031.67 Feet along said Westerly Line of Main Street,
(2) North 55 Degrees 49 Minutes 22 Seconds West, 275.98 Feet,
(3) South 31 Degrees 54 Minutes 40 Seconds West, 149.09 Feet,
(4) North 55 Degrees 12 Minutes 28 Seconds West, 26.97 Feet,
(5) North 31 Degrees 50 Minutes 06 Seconds East, 329.25 Feet along the Easterly side of the Seawall,
(6) North 29 Degrees 29 Minutes 00 Seconds East, 625.94 Feet along the Easterly side of the Seawall,
(7) North 34 Degrees 29 Minutes 42 Seconds East, 227.54 Feet along the Easterly side of the Seawall,
(8) South 55 Degrees 49 Minutes 22 Seconds East, 360.46 Feet to the Westerly line of Main Street, and to the point or place of beginning.

Together with such land adjacent to the easterly boundary of the above described land as is actually occupied by columns and footings for the Residential Buildings constructed in accordance with the Plans and Specifications.

Together with such air space adjacent to the easterly boundary of the above described land as is actually occupied

by portions of the Residential Buildings constructed in accordance with the Plans and Specifications.

Motorgate II Site

All that certain plot, piece or parcel of land situate, lying and being in Roosevelt Island, City and State of New York, bounded and described as follows:

Beginning at a point on the easterly line of Main Street, distant 301.57 feet northeasterly from angle point #52 having coordinates N 14,839.66, E 18,534.86 referred to Local Coordinate Sysytem;

Running thence the following courses and distances:

(1) S 55° 49' 22" E, 103.17 feet
(2) N 34° 10' 38" E, 230.58 feet
(3) N55° 49' 22" W, 47.33 feet
(4) N 34° 10' 38" E, 7.62 feet
(5) N 55° 49' 22" W, 7.75 feet
(6) N 34° 10' 38" E, 25.00 feet
(7) N 55° 49' 22" W 13.83 feet
(8) S 34° 10' 38" W, 25.00 feet
(9) N 55° 49' 22", W, 7.75 feet
(10) S 34° 10' 38" W, 7.62 feet
(11) N 55° 49' 22" W, 26.51 feet

to a point on the easterly line of Main Street;

Running thence S 34° 10' 38" W, 230.58 feet along said easterl. line of Main Street to the point or place of beginning.

Together with such land adjacent to the westerly boundary of the above described land as is actually occupied by the columns and footings for Motorgate II constructed in accordance with the Plans and Specifications.

Together with such air space adjacent to the westerly boundary of the above described land as is actually occupied by portions of Motorgate II constructed in accordance with the Plans and Specifications.

Together with such air space adjacent to the southerly boundary of the above described land as is actually occupied by the portion of Motorgate II connecting with Motorgate I constructed in accordance with the Plans and Specifications.

Together with such land adjacent with the northerly boundary of the above described land as is actually occupied by the walks for Motorgate II constructed in accordance with the Plans and Specifications.

Reservations

SUBJECT to such non-exclusive easements and rights-of-way upon, over, under, across and through the Premises, including rights of ingress and egress, as may be necessary or desirable to permit Landlord to exercise its rights and/or perform its obligations under this Lease.

SUBJECT to an easement upon, over, under, across and through the Premises for construction, repair, maintenance and replacement of AVAC.

SUBJECT to a thirty-five foot wide easement upon, over, under, across and through the Premises for repair, maintenance and replacement of sewer line.

SUBJECT to non-exclusive easements and rights of way in favor of the public upon, over, across and through the Premises, including rights of ingress and egress, necessary or desirable to permit the use and enjoyment of the Promenade, the Community Facilities Building, the Day-Care Center and other public facilities.

by portions of the Residential Buildings constructed in accordance with the Plans and Specifications.

Motorgate II Site

All that certain plot, piece or parcel of land situate, lying and being in Roosevelt Island, City and State of New York, bounded and described as follows:

Beginning at a point on the easterly line of Main Street, distant 301.57 feet northeasterly from angle point #52 having coordinates N 14,839.66, E 18,534.86 referred to Local Coordinate Sysytem;

Running thence the following courses and distances:

(1) S 55° 49' 22" E, 103.17 feet
(2) N 34° 10' 38" E, 230.58 feet
(3) N55° 49' 22" W, 47.33 feet
(4) N 34° 10' 38" E, 7.62 feet
(5) N 55° 49' 22" W, 7.75 feet
(6) N 34° 10' 38" E, 25.00 feet
(7) N 55° 49' 22" W 13.83 feet
(8) S 34° 10' 38" W, 25.00 feet
(9) N 55° 49' 22", 7.75 feet
(10) S 34° 10' 38" W, 7.62 feet
(11) N 55° 49' 22" w, 26.51

to a point on the easterly line of Main Street;

Running thence S 34° 10' 38" W, 230.58 feet along said easterly line of Main Street to the point or place of beginning.

Together with such land adjacent to the westerly boundary of the above described land as is actually occupied by the columns and footings for Motorgate II constructed in accordance with the Plans and Specifications.

Together with such air space adjacent to the westerly boundary of the above described land as is actually occupied by portions of Motorgate II constructed in accordance with the Plans and Specifications.

Together with such air space adjacent to the southerly boundary of the above described land as is actually occupied by the portion of Motorgate II connecting with Motorgate I constructed in accordance with the Plans and Specifications.

Roosevelt Island Operating Corporation

February 24, 1989

Roosevelt Island Associates
c/o Manhattan Park, Inc., General Partner
909 Third Avenue, 16th floor
New York, New York 10022

Attention: Stephen Salup

Re: Roosevelt Island

Dear Mr. Salup:

Reference is made to that certain Agreement of Lease among New York State Urban Development Corporation ("UDC"), Roosevelt Island Associates ("RIA"), Tenant, and Roosevelt Island Operating Corporation ("RIOC"), dated as of August 4, 1986 as amended on July 9, 1987, and as amended on February 24, 1989 ("Lease"), the interest of UDC in such Lease having been assigned by UDC to RIOC. Further reference is made to your letters to RIOC of January 11, 1989, and February 22, 1989, respectively, in connection with a certain transaction described therein, pursuant to which NCC RIA Company is to be admitted as a general partner of RIA, and immediately thereafter, RIA is to enter into a Major Sublease with Manhattan Park Leasing Corporation ("Transaction").

Please be advised that in accordance with Section 10.03(b) of the Lease, RIOC hereby consents to the Transaction, approves NCC RIA as a general partner of RIA, and approves Manhattan Park Leasing Corporation as a Major Subtenant, as such term is defined in the Lease.

Upon closing of the Transaction, arrangements must be made to make the Transaction Payment required by Section 10.05(a) of the Lease. Moreover, copies of all Transaction documents as required by Section 10.04(b) of the Lease should be supplied to the undersigned within thirty (30) days after closing.

Very truly yours,

ROOSEVELT ISLAND OPERATING CORPORATION

By: _____

Chairman of the Board/
Chief Executive Officer

591 Main Street, Roosevelt Island, New York, N.Y. 10044

February 24, 1989

Manhattan Park Leasing Corporation
c/o Starrett Housing Corporation
909 Third Avenue
New York, New York 10022

Gentlemen:

Please refer to that certain Agreement of Lease dated as of August 4,1986 (said Lease, as amended, being herein called the "RIOC Lease") among New York State Urban Development Corporation ("UDC"), a corporate governmental agent of the State of New York, constituting a political subdivision and public benefit corporation, as landlord, Roosevelt Island Associates ("RIA"), a New York general partnership, as tenant, and Roosevelt Island Operating Corporation ("RIOC"), a body corporate and politic constituting a political subdivision of the State of New York and a public benefit corporation, the interest of UDC in the RIOC Lease having been assigned to RIOC pursuant to an Assignment and Assumption Agreement dated as of July 21, 1988, and that certain Lease Agreement dated the closing date (the "MPLC Lease") to be entered into between RIA, as landlord, and Manhattan Park Leasing Corporation ("MPLC"), a New York corporation, as tenant.

RIOC (for itself and its successors and assigns) acknowledges and agrees that nothing contained in the MPLC Lease shall cause any transfer, sale or assignment of any interest in MPLC or in either of its shareholders or in any person which, directly or indirectly, has an interest in any thereof to be deemed to be a "Transfer" for purposes of the RIOC Lease, and no Transaction Payment (as defined in the RIOC Lease) shall be due with respect to any such transfer, sale or assignment.

Very truly yours,

ROOSEVELT ISLAND OPERATING CORPORATION

By: _____
Chairman of the Board
Title: Chief Executive Officer