THIRD AMENDMENT TO AGREEMENT OF LEASE

This THIRD AMENDMENT TO AGREEMENT OF LEASE (this "Amendment") made as of the 5th day of July, 1989 between ROOSEVELT ISLAND ASSOCIATES, a New York general partnership having an office c/o Starrett Housing Corporation, 909 Third Avenue, New York, New York 10022 ("Tenant") and 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.

W I T N E S S E T H:

WHEREAS, Landlord, Tenant and New York State Urban Development Corporation ("UDC") are parties to a certain Agreement of Lease made as of August 4, 1986 and to Amendments to such Agreement of Lease made as of July 9, 1987, and February 24, 1989, respectively (such Agreement of Lease and such Amendments 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, Landlord and Tenant are desirous of further amending the Lease, in certain respects as hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual agreements herein contained and for other good and valuable consideration receipt and sufficiency of which is hereby acknowledged, Landlord and Tenant agree to amend the Lease 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 Article 1 of the Lease - Definitions.

The definition of Gross Income is amended by adding a new subsection (15) to the proviso which shall read as follows:

, or (15) except as provided in Section 23.08, amounts received in connection with the operation of the Swim Club Facility.

SECTION 3. Amendment to Section 11.01 of the Lease.

Section 11.01 is hereby amended by adding a new subsection 11.01(aa) which shall read as follows:

(aa) Optional Improvements. Tenant, within its sole discretion, may construct an outdoor membership swimming pool club which, in addition to a swimming pool, may include a pool house, tenant sitting and congregating areas, and other related facilities and concessions, to be enclosed, fenced and secured ("Swim Club Facility") to be constructed in accordance with plans and specifications therefor, to be submitted to Landlord for approval ("Swim Club Plans")in the manner set forth in Section 11.02(b) of the Lease, to be completed within a time period to be established by Tenant. To the extent required, at the request of Tenant, Landlord shall issue appropriate Zoning Waivers to allow the use and construction of the Swim Club Facility, including, but not limited to, Zoning Waivers for permitted uses, set backs, minimum distances and other requirements that would inhibit the construction and use of the Swim Club Facility as proposed by Tenant, but Landlord shall not be obligated to waive any requirement adversely affecting health or safety.

SECTION 4. Amendment to Section 23.01.

Section 23.01 is hereby amended by adding a new sentence to the end of Section 23.01 which shall read as follows:

Notwithstanding anything contained in this Lease, Tenant may (i) use that portion of the Premises designated on the approved Swim Club Plans for the Swim Club Facility in accordance with operational requirements and procedures established by Tenant; (ii) charge such fees for membership and access as it may determine in its sole discretion, provided that membership and access shall be available to all residents of Roosevelt Island (subject to applicable restrictions on capacity, if any) paying such fees, which shall be uniform in application, but may be adjusted in accordance with family size, number of users, age of users, children's rates, special promotions and frequency of use, and similar types of criteria.

SECTION 5. Amendment to Article 23. Article 23 is hereby amended by adding a new Section 23.08 which shall read as follows:

a) Net Swim Club Facility Profits. The net Swim Club Facility profits, if any, received by Tenant from the operation of the Swim Club Facility shall be added to Gross Income. For

purposes of this provision, net Swim Club Facility profits shall mean with respect to any Lease Year, the revenues received from the operation of the Swim Club Facility ("Swim Club Revenues") in excess of all costs associated with the operation and maintenance of the Swim Club Facility (collectively referred to as "Costs").

b) If in any Lease Year, Swim Club Revenues are exceeded by Costs ("Deficits"), then the Deficit(s) may be deducted as a Cost in succeeding Lease Year(s) in determining net Swim Club Facility profits.

c) Tenant shall include in the financial statements required by Section 26.01(b) a separate statement of Swim Club Revenues, Costs, and net Swim Club Facility profits.

SECTION 6. Amendment to Section 40.06(b). Section 40.06(b) is hereby amended by deleting such Section in its entirety and by substituting the following therefor:

Section 40.06(b). Outdoor Community Facilities. Tenant covenants and agrees that any outdoor recreational facilities and plazas (including the Promenade) which are a part of the Premises, as

more particulary shown on the Plans and Specifications, shall not be fenced or otherwise enclosed nor access thereto restricted in any manner, except with respect to the Swim Club Facility, and except as otherwise provided in Section 40.07, shall be maintained by Tenant in good repair and appearance.

SECTION 7. Miscellaneous.

7.1. 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 Agreement.

7.2. 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.

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

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

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

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: PRESIDENT

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

By: _____
a general partner

By: NCC RIA Company
a Delaware corporation,
a general partner

By: _____
Title:

ROOSEVELT ISLAND OPERATING CORPORATION

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

Roosevelt Island Operating Corporation

May 23, 1990

Roosevelt Island Associates
909 Third Avenue
Sixteenth Floor
New York, N.Y. 10022

Re: Swim Club
50 River Road
Roosevelt Island, N.Y.

Applicant:

Roosevelt Island Operating Corporation hereby grants permission to Roosevelt Island Associates to discharge the pool into the existing sewer main on Roosevelt Island, which serves the Premises, once a year at night at a controlled rate, not to exceed 24,000 gallons in an eight (8) hour period.

Furthermore, the pool shall be drained into such main once during a dry period.

Very truly yours,

ROOSEVELT ISLAND
OPERATING CORPORATION

By: Rosina K. Abramson
Rosina K. Abramson
President
Chief Operating Officer

Enc.

RKA/ma

cc: B. Chafetz
J. Lieber

Roosevelt Island Associates hereby agrees to hold Roosevelt Island Operating Corporation harmless from any actions, claims, damages, or costs whatsoever, including attorney's fees, as well as pay any costs of repairs and maintenance to the sewer main and pumping station, incurred or arising in connection with the above grant of permission.

AGREED TO AND ACCEPTED BY

ROOSEVELT ISLAND ASSOCIATES

By: _____

CHICAGO TITLE INSURANCE COMPANY

WOOLWORTH BUILDING, 233 BROADWAY, NEW YORK, NEW YORK 10279 (212) 815-9371

MICHAEL P. MIGLINO
ASSOCIATE REGIONAL COUNSEL

November 8, 1990

BY HAND
Roosevelt Island Operating Corporation
591 Main Street
Roosevelt Island, New York 10044

Stephen Salup, Esq.
Starrett Housing Corporation
909 Third Avenue - 16th Floor
New York, New York 10022

Re: Title No. 8801-01290
Roosevelt Island - Northtown Phase II

Ladies and Gentlemen:

Chicago Title Insurance Company has made a continuation search in the New York County Clerk's Office for mechanic's liens affecting the premises described in the above-mentioned title report, being the same premises described in that certain Agreement of Lease dated as of August 4, 1986 between the New York State Urban Development Corporation, as Landlord, as assigned to the Roosevelt Island Operating Corporation, and Roosevelt Island Associates, as Tenant. As of October 17, 1990, no mechanic's liens of record were found.

Should you have any questions regarding this matter, please do not hesitate to contact me.

Very truly yours,

Michael P. Miglino

MPM:am