SIXTH AMENDMENT
TO
AGREEMENT OF LEASE

This AGREEMENT made as of June 14, 2004 by and among 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, having an office at 591 Main Street, Roosevelt Island, New York 10044 ("Landlord") and ROOSEVELT ISLAND ASSOCIATES ("RIA"), a New York general partnership, having an office at c/o Starrett Corporation, 70 East 55th Street, 7th Floor, New York, New York 10022 ("Tenant").

WITNESSETH:

WHEREAS, Landlord and Tenant are parties to an Agreement of Lease made as of August 4, 1986 (the "Original Lease"), as amended by Amendment to Agreement of Lease dated as of July 9, 1987, by a Second Amendment to Agreement of Lease dated as of February 24, 1989, by a Third Amendment to Agreement of Lease made as of July 5, 1989, by a Fourth Amendment to Agreement of Lease made as of September 20, 1991, and by a Fifth Amendment to Agreement of Lease made as of January 15, 1993 (the Original Lease and subsequent amendments being hereinafter collectively referred to as the "Lease") covering certain premises on Roosevelt Island more particularly described in the Lease; and

WHEREAS, a portion of Section 40.08(a) of the Original Lease provides in pertinent part:

> "(a) Minibuses. As long as Landlord furnishes minibus service on Roosevelt Island, Tenant shall pay the cost of acquisition (which, for purposes hereof, shall include leasing), and, every three years thereafter, replacement, but not the cost of operation or, except as hereinafter provided, maintenance which is to be paid by Landlord, from time to time of four (4) minibuses to be used on Roosevelt Island, equal in kind and quality to the other minibuses operated on Roosevelt Island (at least one of which shall be fully equipped to transport the handicapped) for ordinary use thereon, such minibuses to be acquired as follows:
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> > (i) two (2) minibuses upon the earlier of (A) on the date of issuance of temporary or permanent certificates of occupancy, whichever shall first occur, for ninety-five percent (95%) of the Residential Units or (B) the Rent Commencement Date, and on each third (3rd) anniversary of such date thereafter; and
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> > (ii) two (2) minibuses upon the date when fifty percent (50%) of the Completed Units are occupied and on each third (3rd) anniversary of such date thereafter...."

(the quoted portion of Section 40.08(a) being referred to herein as the "Lease Obligation"); and

WHEREAS, in satisfaction of the Lease Obligation, arising prior to the date of this Sixth Amendment, the parties agree that Tenant shall pay to Landlord the sum of One Million Eight Hundred Fifty Thousand and 00/100 Dollars ($1,850,000) in accordance with the terms and conditions set forth herein, and

WHEREAS, as of the date of this Sixth Amendment, that portion of Section 40.08(a) of the Original Lease, quoted in the second "Whereas" clause above, shall be amended as set forth herein.

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. Satisfaction of Lease Obligation. In full satisfaction of the Lease Obligation, arising prior to the date of this Sixth Amendment, Tenant hereby agrees to pay Landlord the aggregate sum of One Million Eight Hundred and Fifty Thousand Dollars ($1,850,000.00), to be paid as set forth in paragraphs (a) and (b) below

(a) (i) Tenant shall pay One Million Dollars ($1,000,000) to Landlord ("Bus Acquisition Payment") to be applied toward the Acquisition Cost (as hereinafter defined) of four (4) Buses (the "New Buses"). Landlord shall order the New Buses within twelve (12) months of the date of this Sixth Amendment for delivery within the bus manufacturer's production schedule then in effect for delivery of buses of the type ordered by Landlord. Notwithstanding such projected delivery date given by the manufacturer, Landlord shall have no liability, and Tenant's obligations hereunder shall not be affected by delays in delivery of the New Buses for reasons beyond Landlord's reasonable control, including, but not limited to, Unavoidable Delays, delays in the manufacturer's production schedule and delays caused by changes in the bus specifications after the buses were ordered (collectively "Delays"). Should the Acquisition Cost of the New Buses exceed One Million Dollars, Landlord shall be responsible for payment of such excess cost. Upon placing the order for the New Buses, Landlord shall provide Tenant with a copy of the signed purchase requisition(s), together with the payment schedule agreed to with the manufacturer (including any deposits to be made upon placing the order), and the expected delivery date of the New Buses (all of which information may be contained in one or more documents, and which, either singly or collectively are referred to herein as the "Payment Schedule"). Tenant shall pay to Landlord the full amount of each installment payable by Landlord pursuant to the Payment Schedule no later than the date which is ten days before Landlord is obligated to pay such installment to the manufacturer under the Payment Schedule, provided, however, that if any such installment is due and payable

under the Payment Schedule sooner than 60 days after a copy of the Payment Schedule has been delivered to Tenant, the Tenant shall not be obligated to pay such installment until the sixtieth day following Tenant's receipt of the Payment Schedule. If the Payment Schedule is amended in writing after a copy has been delivered to Tenant, Landlord shall deliver a copy of such amended Payment Schedule to Tenant as promptly as reasonably possible following such amendment.

(ii) The "Acquisition Cost" shall be the actual purchase price for the New Buses as reflected on the signed purchase requisitions, including, without limitation, any sales or excise taxes (if any), delivery charges, and other service fees and costs charged to Landlord by the manufacturer of the New Buses. Any (x) grants payable to Landlord with respect to the acquisition or operation of the New Buses (such as, e.g., grants for the operation of environmentally-friendly buses or handicapped equipped buses), and (y) contributions toward the purchase price of the New Buses by any third party other than Tenant, whether in the form of reimbursement to Landlord or payment directly to the manufacturer of the New Buses ((x) and (y) being collectively referred to as the "Grants") shall accrue to the sole benefit of Landlord, and Tenant shall not be entitled to receive or obtain the benefit of such Grants, nor shall the amount of the Grants, if any, be credited against any portion of the Bus Acquisition Payment to be paid by Tenant, nor shall the payment of any portion of Tenant's Bus Acquisition Payment be deferred as a result of the payment of any Grant.

(b) The remaining $850,000 shall be paid to Landlord in order to reimburse Landlord for the cost of capital improvements made by Landlord to the Tramway (the "Reimbursement Payment"). Landlord will provide Tenant with copies of invoices and, at Landlord's option, copies of cancelled checks or other reasonable evidence of Landlord's payment of at least $850,000 of such capital improvements to the Tramway together with a narrative description of the work performed. Furthermore, Landlord shall provide to Tenant such other information as may be reasonably requested by HUD and/or HDC to further evidence either the actual payment of such expenditure, the party to whom payment was made and/or the nature of the capital improvement for which payment was made. Tenant shall pay the Reimbursement Payment to Landlord within sixty days of the date of this Sixth Amendment. Tenant shall be solely responsible for submitting any requisitions or other requests for payment if it seeks to be reimbursed for the Reimbursement Payment from HUD, HDC or any other Governmental Authority, mortgagee or Institutional Lender (collectively, a "Lending Party"), and Tenant shall not be relieved of its obligation to make the Reimbursement Payment if it is unable to obtain funding of this obligation from a Lending Party.

SECTION 3. Amendments to Section 40.08 of the Lease. Effective as of the date of this Sixth Amendment, that portion of Section 40.08(a) of the Original Lease which is quoted in the second "Whereas" clause on the first page of this Sixth Amendment is hereby deleted and the following inserted in lieu thereof:

"(a) Section 40.08. Transportation.

(a) Bus. As long as Landlord furnishes bus service on Roosevelt Island (whether by minibus or full-size buses, as determined by Landlord in its sole discretion), Tenant shall pay the Replacement Bus Payments (as defined herein), for the purpose of acquiring new or refurbishing existing buses (at least one of which shall be fully equipped to transport the handicapped) for transportation of residents and visitors to Roosevelt Island as determined by Landlord, including, but not limited to, to and from the residential facilities on Roosevelt Island and the Tramway, subway station and other amenities and non-residential facilities on Roosevelt Island ("Island Transportation"). Commencing as of April 1, 2011(the "Replacement Payment Commencement Date"), and continuing each year thereafter during the term of the lease, Tenant shall pay a Replacement Bus Payment in the annual amount of One Hundred Fifty Thousand and 00/100 Dollars ($150,000), payable in equal monthly installments of Twelve Thousand Five Hundred and 00/100 Dollars ($12,500) (the "Replacement Bus Payment"). Each six year period commencing as of the Replacement Payment Commencement Date, and each subsequent six year period thereafter shall be referred to as a "Replacement Cycle". Commencing as of the sixth anniversary of the Replacement Payment Commencement Date, and on the first day of each Replacement Cycle for the balance of the term of the lease, the Replacement Bus Payment shall be increased to 112% of the Replacement Bus Payment payable during the immediately preceding Replacement Cycle. By way of illustration, if the Replacement Payment Commencement Date is April 1, 2011, the annual Replacement Bus Payment for the period from April 1, 2011 through March 31, 2017 is $150,000; from the period from April 1, 2017 through March 31, 2023 the annual Replacement Bus Payment shall be $168,000; from April 1, 2023 through March 31, 2029, the annual Replacement Bus Payment shall be $188,160, and so forth. Landlord agrees that it shall contract to spend an amount equal to the Replacement Bus Payments paid by Tenant during such Replacement Cycle for the purpose of either acquiring new buses (which may include leasing) or refurbishing existing buses, provided, however, that Landlord shall not be deemed to be in default of its obligations hereunder if the replacement or the refurbishment is not completed by the end of the Replacement Cycle in question as a result of Delays or if such work cannot reasonably be completed by the Contractor within the time the order is placed and the end of the relevant Replacement Cycle. Upon Tenant's request, Landlord shall provide Tenant with a statement evidencing Tenant's payment of Replacement Bus Payments hereunder.

SECTION 4. Payments Constitute Rental. All sums to be paid by Tenant pursuant to and in accordance with the terms of this Sixth Amendment, including, without limitation, the Bus Acquisition Payment, Reimbursement Payment and Replacement Bus Payment, shall constitute Rental (as defined in Section 3.10 of the Original Lease), and in the event of Tenant's failure to pay Rental, Landlord (in addition to any other rights and remedies provided for in the Lease, as amended by this Sixth Amendment) shall have all of the rights and remedies provided for by law in the case of non-payment of rent.

SECTION 5. Mortgagee Consent. The provisions of this Sixth Amendment shall not be effective until Tenant delivers to Landlord evidence that it has complied with the provisions of Section 33.08 of the Lease with respect to obtaining written consent to the execution of this Amendment from Mortgagee and any replacement Mortgagee with whom Tenant is currently negotiating to refinance the Mortgage, as well as evidence that a copy of this Sixth Amendment has been delivered to any party insuring the Mortgage currently in effect.

SECTION 6. Consent. Each of the parties hereto represents and warrants to the other that (i) it does not require the consent of any other party in order to execute this Sixth Amendment or perform its obligations hereunder, or if such consent is required, that it has been duly obtained, and (ii) the person signing on behalf of each of the signatories hereto has been duly authorized to sign on behalf of such party.

SECTION 7. Lease in Full Force and Effect. Except as hereby amended, all of the terms and provisions of the Lease shall continue and remain in full force and effect.

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

ROOSEVELT ISLAND ASSOCIATES

By: Manhattan Park, Inc.,

By:_____

ROOSEVELT ISLAND OPERATING CORPORATION

By:_____
Name:
Title: President

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

On the 4th day of June, 2004 in the year 2004 before me, the undersigned, a notary public in and for said state, personally appeared Stephen Salup, 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 he executed the same in his capacity and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Rose M. Hernandez
Notary Public

ROSE M. HERNANDEZ
Notary Public State of New York
NO. 03-4873117
Qualified in Bronx County
Cert. Filed in New York County
Commission Expires 12-26-2006

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

On the 10 day of June in the year 2004 before me, the undersigned, a notary public in and for said state, personally appeared Herbert E. Berman, 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 he executed the same in his capacity and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Leon P. Hart
Notary Public

LEON P. HART
NOTARY PUBLIC, STATE OF NEW YORK
NO. 02HA5072581
QUALIFIED IN NASSAU COUNTY
COMMISSION EXPIRES 2/3/07