MODIFIED TERM SHEET FOR OCTAGON APARTMENTS

This Term Sheet is dated as of December 18, 2008. The purpose of this Term Sheet to outline points of understanding between Roosevelt Island Operating Corporation ("RIOC") and MEPT Octagon LLC ("MEPT Octagon") with regard to the Agreement of Lease between them dated November 3, 2004, as amended by the First Amendment to Agreement of Lease and Consent dated as of July 11, 2007 (collectively, the "Lease").

(1) Financing Waiver. RIOC will waive the 6-month prior notice requirement with regard to the Payment in Lieu of Mortgage Recording Tax under the Lease, and cooperate to facilitate MEPT Octagon's financing of its interest under the Lease, in accordance with the proposed Board of Directors resolution and Agreement authorized thereby requiring a "payment under protest" of the Mortgage Recording Tax. MEPT Octagon 's lender will agree to structure the loan in a manner which would enable RIOC to seek an exemption. MEPT shall compensate RIOC for its legal fees in connection therewith.

(2) Irrigation System. MEPT Octagon will pay RIOC the sum of $15,000, for RIOC to use to install an irrigation system in the waterfront park next to the Octagon. The system will tie into the existing public water supply. RIOC will be responsible to maintain the irrigation system as part of the park. All obligation with respect thereto will be deemed satisfied.

(3) Certificate of Final Completion. Upon receipt of the payment referred to in paragraph 2 above and MEPT Octagon's satisfaction of the provisions of paragraph 4 below, RIOC will issue a Certificate of Final Completion for the Park Facilities. However, so long as the payment referred to in paragraph 2 below has been made and so long as MEPT Octagon is proceeding with reasonable diligence to perform the provisions of paragraph 4 below, RIOC will issue a Certificate of Final Completion for the Park Facilities as and when required for the closing of the financing referred to in paragraph 1 above. Notwithstanding the issuance of a Certificate of Final Completion, MEPT's obligations under paragraph 4 of this term sheet shall survive the issuance of such certificate.

(4) Sewer Line. MEPT Octagon will repair the severed sewer line from the DEP site, either by connecting to the street, to the Octagon's waste water system or with a local septic system. RIOC will approve any of these solutions so long as DEP's consent and approval and a building permit is obtained. MEPT Octagon will pay the hard costs and engineering costs for this project, up to the first $75,000, the next costs in excess of that amount up to $25,000 will be RIOC's responsibility and any costs thereafter will be shared by MEPT Octagon and RIOC. Any contribution that can be negotiated with DEP shall be deemed to be first moneys in and shall not affect either party's contribution hereunder. MEPT Octagon will not be responsible to pay or reimburse any engineering or legal costs incurred by RIOC with respect to this project. MEPT Octagon will have up to 18 months to complete this project, but shall use its best efforts to expedite completion.

(5) Cell Antennas. MEPT Octagon has represented that ATT has proposed cell antennae for the Octagon roof which will cover the dead spots in the proposed GPS system for the Octagon bus and that the sum to be paid is $2,800 per month. RIOC will grant MEPT

Octagon permission during the term of the Lease to install and maintain such cell antennae on the Octagon's roof and collect income from them, provided that after recovery of the cost of the GPS system installation, thereafter the proceeds shall be divided equally between the parties. (Bruce: See memo of March 1, 2006 negotiated with Herb Berman where RIOC was to receive $2,000/month+50% of any "profits". I will need to go back to the Board for modification of the prior deal which I will do.)

(6) Fuel Cell Area. RIOC will agree to expand the leased area under the Lease to include the area designated for a future fuel cell and the composting area. MEPT Octagon LLC will have the right to make required utility connections for the fuel cell. Such expansion will take such form as will most easily accomplish the purpose without having to go through a formal modification of the lease, by deeming such use a utility license or easement, of satisfactory duration to run with the lease, all to be located satisfactorily to resolve conflicts with DEP Water Tunnel development. Such installation shall be subject to RIOC's reasonable review and otherwise comply with all requirements of law.

(7) Boathouse. RIOC's officers will recommend to the Board of RIOC the approval of an assignment and assumption of the existing lease with the Dayspring Church for the boathouse to and by MEPT Octagon to operate the building by the dock as a restaurant or other public amenity provided an agreement has been reached between the Dayspring Church and MEPT Octagon and the usual conditions for such approval are met, including satisfactory use, non-default of the lease, building plans, financial responsibility, identity of the assignee, etc. Because of the requirements of the Public Authorities Accountability Act, it would be necessary to appraise the boat house site for whatever use you intend were you to buy-out the church so that fair market value is recognized. Then the assignment and assumption would have to recognize the presumed increased value and a modification made. Any lease for the boathouse site shall be in compliance with all requirements of law.

(8) Water Taxi Third Party Fees. RIOC will require further reimbursement from MEPT Octagon to cover costs of its legal and consultant fees in regard to the use of Octagon dock for water taxi service, as MEPT Octagon and/or the City of New York make specific requests of RIOC for approvals of this project. RIOC will, however, absorb the last $25,000 of the total of the out of pocket expenses incurred by RIOC in the review and implementation of the project.

[TEXT CONTINUES ON THE NEXT PAGE]

(9) The parties shall proceed promptly and in good faith to enter into such agreements and take such actions as shall be necessary to carry out the terms and intent of this term sheet, subject, in all events, to compliance with all applicable provisions of law.

LANDLORD:

ROOSEVELT ISLAND OPERATING CORPORATION

By:_____
Stephen H. Shane
President and Chief Executive Officer

TENANT:

MEPT OCTAGON LLC, a Delaware limited liability company

By: NewTower Trust Company as Trustee of the NewTower Trust Company Multi-Employer Property Trust, a trust operating under 12 C.F.R. Section 9.18, its member

By:_____
Patrick O. Mayberry
President