3/28/11

AMENDMENT #1 TO RESTATED GROUND LEASE

AMENDMENT #1 TO RESTATED GROUND LEASE, dated as of March 29th, 2011 (the "Effective Date") by and between RIVERCROSS TENANTS' CORP. ("Housing Company") and ROOSEVELT ISLAND OPERATING CORPORATION ("RIOC").

WHEREAS, Housing Company, as successor in interest to North Town Phase IV Associates, is the lessee under a Ground Lease, from New York State Urban Development Corporation ("UDC"), as amended and restated November 30, 1977 (the "Restated Ground Lease"); and

WHEREAS, UDC's rights under the Restated Ground Lease have been assigned to RIOC;

WHEREAS, in connection with the assignment of UDC's rights under the Restated Ground Lease to RIOC, pursuant to a Revenue Allocation Agreement as amended ("RAA") between UDC and RIOC, certain portions of the Basic Rent including all "Tax Equivalent" payments payable under the Restated Ground Lease were payable to UDC (hereinafter sometimes "ESDC") in lieu of RIOC; and

WHEREAS, Housing Company and RIOC now wish to amend the Restated Ground Lease to provide for the extension of the term of the Restated Ground Lease from 2028 to 2068 and to provide for the rent payable from and after the date of execution of this Amendment.

NOW, THEREFORE, in consideration of the mutual agreements herein contained, Housing Company and RIOC hereby agree as follows:

1. All capitalized terms used herein shall have the meanings set forth in the Restated Ground Lease, unless specifically defined in this Amendment.

2. Paragraph 3 of the Restated Ground Lease is hereby amended to extend the term of the Restated Ground Lease from 2028 through 2068 and shall read in its entirety as follows:

   "The term of this Lease commenced on April 26, 1973 and shall expire (unless this Lease shall sooner terminate as provided herein) at midnight, December 22, 2068."

3. Paragraph 6 of the Restated Ground Lease is hereby

amended in its entirety to read as follows:

"6. Adjustment of Basic Rent.

A. In addition to the Residential Ground Rent payable to Empire State Development Corp ("ESDC"), on behalf of UDC, pursuant to subparagraph (1)(x) Of Paragraph 5(A) hereof, Housing Company is paying additional Residential Ground Rent to RIOC of $2,624.48 per month. Effective on the first (1st) anniversary of the Effective Date, the monthly payment to RIOC shall increase by four per cent (4%) to $2,729.46, and on each anniversary of the Effective Date thereafter during the term of this Restated Ground Lease, the monthly payment to RIOC shall increase by four per cent (4%) compounded annually, so that the additional Residential Ground Rent payable to RIOC during each twelve month period following the anniversary of the Effective Date shall be 104% of the amount paid during the immediately preceding twelve month period.

B. The Residential Ground Rent and the Commercial Ground Rent each shall be adjusted, on each Rent Adjustment Date, to an amount equal to the Then Current Ground Rent payable immediately prior to such increase, provided, however, that in no event shall the Residential Ground Rent or the Commercial Ground Rent be decreased if the Then Current Ground Rent on such Rent Adjustment Date is less than the Residential Ground Rent or the Commercial Ground Rent. Notwithstanding any provision of the Restated Ground Lease to the contrary, the Rent Adjustment Date will not occur or be deemed to have occurred unless and until Housing Company is no longer a Mitchell-Lama Development under Article II of the Private Housing Finance Law ("PHFL") and subject to the supervision and direction of the Commissioner of New York State Homes and Community Renewal (referred to herein as "HCR" and formerly known as the New York State Division of Housing and Community Renewal), or any successor thereto, as and to the extent required under such statute.

C. On each Tax Equivalent Adjustment Date the tax equivalent set forth in subparagraph 1(y) of Paragraph 5A hereof shall be increased to an amount equal to the Tax Equivalent for Conventionally Financed Housing in effect immediately prior to such increase; it being understood that, as set forth in a letter agreement

dated February 5, 2008, by and between Housing Company and ESDC, the "Tax Equivalent Adjustment Date", as defined in the Restated Ground Lease, has not occurred and will not occur or be deemed to have occurred unless and until Housing Company is no longer a Mitchell-Lama development under Article II of the PHFL and subject to the supervision and direction of the Commissioner of HCR, as and to the extent required under such statute."

4. In the event that Housing Company is no longer a Mitchell-Lama development under Article II of the PHFL and subject to the supervision and direction of the Commissioner of HCR, but leaves the Mitchell-Lama program under an affordability plan approved by the Commissioner of HCR, the Residential Ground Rent and Commercial Ground Rent payable under the Restated Ground Lease shall be as agreed to at such time. If Housing Company leaves the Mitchell-Lama program, the parties shall also agree as to payments to RIOC in lieu of mortgage recording tax or sales and compensating use taxes on construction materials incorporated into Housing Company's property if Housing Company is able to obtain an exemption from or abatement of such taxes due to RIOC's status.

5. In the event that Housing Company is no longer a Mitchell-Lama development under Article II of the PHFL and subject to the supervision and direction of the Commissioner of HCR, but leaves the Mitchell-Lama program under a plan which has not been approved as an affordability plan by the Commissioner of HCR, the Financial Terms (as defined in the succeeding sentence) of the Restated Ground Lease shall be adjusted based on the form of conversion Housing Company utilizes in leaving the Mitchell-Lama program. The "Financial Terms" of the Restated Ground Lease shall be adjusted to achieve a market rate rent, and shall include escalating to market rate the Residential Ground Rent and the Commercial Ground Rent, as well as imposing other fees and charges that RIOC then typically receives for similarly structured non-Mitchell-Lama residential properties. Such fees and other charges shall include, but not be limited to, capital event fees for building sales and refinancing and transfer fees for the sale of cooperative and condominium units, and payments to RIOC in lieu of mortgage recording tax or sales and compensating use taxes on construction materials incorporated into Housing Company's property if Housing Company is able to obtain an exemption from or abatement of

such taxes due to RIOC's status. If the parties are unable to reach agreement on any of the Financial Terms to be negotiated between the parties, such dispute shall be resolved in accordance with the provisions of Paragraph 6 below. Paragraphs 4, 5 and 6 of this Agreement are applicable only to the determination of the Financial Terms payable to RIOC and are not applicable to such portion of the Basic Rent allocated to the UDC pursuant to the RAA or to the determination of the "tax equivalent" payments set forth in subparagraph 1 (y) and 2 (y) of Paragraph 5(A)of the Restated Ground Lease. The "tax equivalent" payments shall be payable as provided in paragraph 6 (c) of the Restated Ground Lease as same has been amended by paragraph 3 of this Amendment.

6. If the parties are unable to reach agreement on the renegotiated Financial Terms, as set forth in paragraph 5 above, by no later than sixty days prior to the effective date Housing Company is leaving the Mitchell-Lama program, the dispute shall be settled by arbitration in the City of New York before the American Arbitration Association (or, if such Association is no longer in existence, such other organization as is its successor). The following procedure shall apply:

(a) Each party shall appoint an independent person of recognized competence in the field involved as an arbitrator and notify the other party of such appointment within twenty days after notice by one such party to the other to make an appointment. If either party fails to timely make an appointment and notify the other party of the arbitrator appointed, then the arbitrator appointed by the party which has not so failed shall appoint an independent arbitrator for and on behalf of the party so failing, and shall give notice of such appointment to the failing party within twenty days after such failure by the other party to appoint.

(b) The arbitrators shall meet as promptly as practicable in an effort to resolve the dispute. If the arbitrators are unable to reach agreement within thirty days after having been appointed, they shall appoint a third arbitrator to act as an umpiring arbitrator, who shall resolve the matter in dispute. If the two arbitrators cannot agree on a third arbitrator within ten days after notice from one arbitrator to the other, the umpiring arbitrator shall be appointed by the presiding justice of the Appellate Division of the Supreme Court of

the State of New York, First Department, or if for any reason such presiding justice does not make the appointment, then by the President of the Bar Association of the City of New York.

(c) If any arbitrator who has been appointed fails, refuses or is unable to act in such capacity, a new arbitrator shall be appointed in his or her place, which appointment shall be made in the same manner as set forth above.

(d) The arbitrators shall conduct such hearings as they deem appropriate. RIOC and the Housing Company shall each be entitled to present evidence and argument to the arbitrators and shall have the right to participate in all arbitration proceedings in order to protect their rights. The umpiring arbitrator shall only select the determination of either RIOC's or the Housing Company's arbitrator, and shall render his or her decision in writing. In rendering a decision, the arbitrator shall have the right only to interpret and apply the terms of the Restated Ground Lease, as amended by this First Amendment, and may not vary, modify or amend any provision of the Restated Ground Lease.

(e) Each party shall pay the costs and expenses of their own arbitrator and shall share equally the cost of the umpiring arbitrator and all other arbitration expenses.

(f) A determination made by arbitration pursuant to this paragraph shall be final and binding upon the parties. If a final determination is made after the date the Housing Company leaves the Mitchell-Lama program, such determination shall be applied retroactively to the date of such exit, and, if as a result of the determination, the Housing Company owes any additional sums, it shall pay the party entitled to receive such sums within thirty days after the date the parties are notified of the arbitrator's final determination.

7. Article 23 of the Restated Ground Lease is hereby amended to provide that notices may also be sent by nationally recognized overnight delivery service providing evidence of delivery (such as Federal Express), and any notices sent in such a manner shall be deemed delivered on the next business day. Notices to RIOC shall be addressed as follows: Roosevelt Island Operating Corporation, 591 Main Street, Roosevelt Island, New York 10044, attention: President, with a copy to sent to RIOC at the same address, attention: General Counsel. Notices to Housing Company

shall be addressed as follows: Rivercross Tenants' Corp., 531 Main Street, Roosevelt Island, New York 10044, attention: President, with a copy sent to Housing company at the same address, attention: Managing Agent.

8. The effectiveness of this Amendment is conditioned on UDC, d/b/a Empire State Development Corporation, consenting to the terms hereof.

9. In all other respects the Restated Ground Lease shall remain in full force and effect in accordance with its terms.

[End of Text]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment #1 to Restated Ground Lease to be executed on their behalf as of the date first above written by their respective officers thereunto duly authorized.

RIVERCROSS TENANTS' CORP.

By: _____
Name: Steven J. Kaufman
Title: Treasurer

ROOSEVELT ISLAND OPERATING CORPORATION

By: _____
Name: Leslie Torres
Title: President

CONSENTED TO:

NYS URBAN DEVELOPMENT CORPORATION
D/B/A EMPIRE STATE DEVELOPMENT CORPORATION

By: _____
Name: Leecia Eve
Title: Senior Vice President - Legal and General Counsel

STATE OF New York)
) SS:
COUNTY OF New York)

One the 29th day of March in the year 2011, before me, the undersigned, personally appeared Leslie Torres, 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/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

ELIZABETH SENCION
Notary Public, State of New York
No. 01SE6137114
Qualified in Queens County
Term Expires November 14, 2013

Notary Public

STATE OF New York)
) SS:
COUNTY OF New York)

One the 29th day of March in the year 2011, before me, the undersigned, personally appeared Steven J. Kaufman, 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/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

ELIZABETH SENCION
Notary Public, State of New York
No. 01SE6137114
Qualified in Queens County
Term Expires November 14, 2013

Notary Public