

FIRST AMENDMENT TO LEASE

FIRST AMENDMENT TO LEASE dated as of August 30, 2005, between BATTERY PARK CITY AUTHORITY, as landlord ("Landlord"), and SITE 16/17 DEVELOPMENT LLC, as tenant ("Tenant"), covering Site 16/17 at Battery Park City.

WHEREAS:

- (a) Landlord and Tenant are parties to that certain lease dated as of March 31, 2005 covering Site 16/17 at Battery Park City, New York, New York (the "Lease"); and
- (b) Landlord and Tenant wish to amend and modify the Lease as hereinafter set forth.

NOW, THEREFORE, in consideration of Ten (\$10) Dollars and other good and valuable consideration, the receipt of which is hereby acknowledged, Landlord and Tenant hereby agree as follows:

1. Sections 10.01(a) and (b) of the Lease are hereby deleted in their entirety and the following are inserted in their place and stead:

10.01. Transfers.

(a) Except as otherwise specifically provided in this Section 10.01, prior to Substantial Completion of the Building, or at any time after Substantial Completion of the Building that the conditions set forth in clause (i) or clause (ii) of Section 10.01(b) remain unsatisfied, neither this Lease nor any interest of Tenant in this Lease shall be sold, assigned, or otherwise transferred, whether by operation of law or otherwise, (including, without limitation, an assignment or partial assignment in connection with Tenant's submission of its leasehold estate in the Premises to a condominium form of ownership) nor shall: (i) any of the issued or outstanding capital stock of any corporation, any membership interest in any limited liability company, any partnership interest in any partnership, or any equity interest in any Person, in each case, which is Tenant, or which owns a direct or indirect interest in Tenant, be (voluntarily or involuntarily) sold, assigned, transferred, pledged or encumbered, whether by operation of law or otherwise, nor shall any voting trust or similar agreement be entered into with respect to such stock or other interest, nor any reclassification or modification of the terms of such stock or other interest take place, nor shall there be any merger or consolidation of such corporation or other entity into or with another corporation or other entity nor shall additional stock or other interests (or any warrants, options or debt securities convertible, directly or indirectly, into such stock or other interests) in any such corporation or other entity be issued if the issuance of such additional stock or other interests (or such other securities, when exercised or converted into stock or other interests) will result in a change of the equity ownership of such corporation or other entity as held as of June 30, 2004 (the "Equity Determination Date"); or (ii) there be any change in the right to direct the management of any Person that is Tenant or that owns a direct or indirect interest in Tenant (which shall include, without limitation, if Tenant or any such other Person is a limited liability company any change in the managers or managing members thereof) (each of the foregoing transactions described in clauses (i) and (ii) above being herein referred to as a "Transfer"), nor shall Tenant sublet the Premises as an entirety or substantially as an entirety,

without the consent of Landlord in each case and the delivery to Landlord of the documents and information specified in Section 10.01(d). Anything to the contrary contained in the foregoing notwithstanding, each of the transactions described in clauses (A) through (H) of this Section 10.01(a) occurring either prior to Substantial Completion of the Building or thereafter, and that might otherwise constitute a Transfer, shall not otherwise require Landlord's consent, but shall remain subject, however, to compliance with the terms and provisions of clauses (v), (vi), (vii) and (viii) of this Section 10.01(a): (A) the transfer, from time to time, by any of Sheldrake Organization, Inc., Plaza Construction Corporation and RW Consultants Inc. of their respective membership interests, or any portions thereof, in Sheldrake Site 16/17 Development Company LLC (the "Sheldrake Member") among themselves or their wholly-owned Affiliates, provided that Sheldrake Organization, Inc. shall continue to have the right and obligation to direct the management of the Sheldrake Member (including with respect to both ordinary and extraordinary decisions); (B) the transfer, from time to time, of any direct or indirect interest in BPC Holdings LLC ("Lehman Member"), provided that Lehman Brothers Holdings Inc. ("LBHI") continues to have the right and obligation to direct the management of the Lehman Member (including with respect to both ordinary and extraordinary decisions); (C) the transfer, from time to time, by the Sheldrake Member of its membership interest (or any portion thereof) in BPC Mezz LLC ("Mezz LLC"), the owner of 100% of the limited liability company interests in Tenant, to any Related Party (as hereinafter defined) of the Sheldrake Member; (D) the transfer, from time to time, by the Sheldrake Member of its membership interest (or any portion thereof) in Mezz LLC to the Lehman Member, or to any Related Party of the Lehman Member, or the removal of Sheldrake as a Managing Member of Mezz LLC or of any Related Party of Sheldrake as developer, but only if such transfer or removal arises out of actions taken by the Lehman Member under the Limited Liability Company Agreement of Mezz LLC (the "Mezz LLC Agreement"), dated as of December 29, 2005 as a result of: (w) the fraud, gross negligence or willful misconduct by the Sheldrake Member or a Related Party of the Sheldrake Member in connection with the performance of any obligations under this Lease, the Mezz LLC Agreement or with respect to the Property generally; (x) the material breach by Mezz LLC or Tenant of any provision of any loan documents to which they are a party; (y) the good faith determination by the Lehman Member that there will occur an Event of Default under the provisions of Article 11, Section 23.01 or Article 40 which would result in the giving of a notice by Landlord to Tenant pursuant to Section 24.03; or (z) the actual giving of such notice by Landlord to Tenant under Section 24.03 provided that if the Sheldrake Member shall no longer have the right to direct the day-to-day management of Mezz LLC or a Related Party of Sheldrake has been replaced as developer, then the Lehman Member shall have the right to replace any such Related Party of Sheldrake as the developer with a developer acceptable to Landlord; (E) the transfer, from time to time, by the Lehman Member of its ownership interest (or any portion thereof) in Mezz LLC, to any Related Party of the Lehman Member or to the Sheldrake Member or to any Related Party of the Sheldrake Member; (F) the transfer, from time to time, by the Lehman Member of its ownership interest (or any portion thereof) in Mezz LLC to one or more entities controlled directly or indirectly by LBHI, including, without limitation, one or more opportunity funds or investment funds controlled by LBHI; (G) the transfer of any direct or indirect interest in Tenant to any lender exercising its remedies in respect of a pledge or pledges to such secured party of direct or indirect interests in Tenant securing a loan; and (H) the transfer by the Lehman Member of up to a 49% membership interest in the Lehman Member. In addition to the foregoing, Landlord's consent shall not be required: (i) intentionally omitted; (ii) if the Transfer is of direct

or indirect equity interests in Sheldrake Organization, Inc., the Transfer is to the parents, spouse, children or grandchildren ("Immediate Family Members") of J. Christopher Daly or trusts for such Immediate Family Members and following such Transfer J. Christopher Daly continues to own beneficially and of record not less than 51% of the stock of Sheldrake Organization Inc. and shall continue to have the right to direct the management of Sheldrake Organization Inc. (including with respect to both ordinary and extraordinary decisions); (iii) if the Transfer is of direct or indirect equity interests in Plaza Construction Corporation, the Transfer is to Immediate Family Members or trusts for such Immediate Family Members of the respective stockholders of Plaza Construction Corporation and following such Transfer each stockholder of Plaza Construction Corporation as of the Equity Determination Date continues to own beneficially and of record not less than 51% of the stock in Plaza Construction Corporation that it owned on the Equity Determination Date, and shall continue to have the right and obligation to direct the management of Plaza Construction Corporation (including with respect to both ordinary and extraordinary decisions); (iv) if the Transfer is of direct or indirect equity interests in RW Consultants Inc., the Transfer is to Immediate Family Members or trusts for Immediate Family Members of Rudy Washington and following such Transfer Rudy Washington continues to own beneficially and of record not less than 51% of the stock of RW Consultants Inc. and shall continue to have the right to direct the management of RW Consultants Inc. (including with respect to both ordinary and extraordinary decisions); (v) provided that in each of the instances set forth in clauses (ii) – (iv) of this Section 10.01(a) the letter of credit provided for in Section 11.12 shall remain in full force and effect and shall in all respects be unaffected by such Transfer; (vi) provided that in each of the instances set forth in clauses (ii) – (iv) of this Section 10.01(a) no Default in the payment of Rental (whether or not notice of such Default has been delivered to Tenant) and no other Default as to which notice shall have been given shall have occurred and then be continuing under this Lease, unless such Default is cured simultaneously with such Transfer; (vii) provided that in each of the instances set forth in clauses (ii) – (iv) of this Section 10.01(a) Tenant shall have complied with the provisions of this Article 10 (including, without limitation, Sections 10.01(c) and 10.01(d)); and (viii) provided that in each of the instances set forth in clauses (ii) – (iv) of this Section 10.01(a) Tenant shall notify Landlord of such Transfer promptly after the consummation of the Transfer.

(b) From and after Substantial Completion of the Building, Landlord's consent shall not be required prior to any Transfer, assignment of Tenant's interest in this Lease or subletting of the Premises as an entirety or substantially as an entirety, whether to Persons specifically described in Section 10.01(a) or otherwise, provided: (i) no Default in the payment of Rental (whether or not notice of such Default has been delivered to Tenant) and no other Default as to which notice shall have been given shall have occurred and then be continuing under this Lease, unless such Default is cured simultaneously with such Transfer, assignment or subletting; and (ii) Tenant shall have complied with all of the applicable provisions of this Article 10. This Section 10.01(b), Section 10.01(c) (except as otherwise provided therein) and Section 10.01(d) shall not apply to an assignment or partial assignments in connection with a Condominium Plan, which shall be governed by the provisions of Sections 23.01 and 40 and Exhibit F.

(c) For purposes of this Section 10.01, the term "Related Party" shall mean: (i) any Person that has, directly or indirectly, an ownership interest in the Person in question; (ii)

any Person in which the Person in question or a Related Party thereof by virtue of clause (i) of this definition has an ownership interest; and (iii) any individual who is a member of the immediate family (whether by birth or marriage) of an individual who is a Related Party, which includes for purposes of this definition a spouse, a brother or sister of the whole or half blood of such individual or his spouse, a lineal descendant or ancestor (including an individual related by or through legal adoption) of any of the foregoing or a trust for the benefit of the foregoing.

2. The second sentence of Section 17.04 of the Lease is hereby deleted and replaced with the following: "Tenant represents that, as of the Commencement Date the composition of Tenant will be as follows: (a) Mezz LLC will own 100% of Tenant; (b) (i) the Sheldrake Member will own 10% (based on initial capitalization) of Mezz LLC; and (ii) Lehman Member will own 90% (based on initial capitalization) of Mezz LLC; (c) (i) Sheldrake Organization, Inc., whose sole stockholder will be J. Christopher Daly, will own 67.5% of the Sheldrake Member; (ii) Plaza Construction Corporation, whose sole stockholders will be Steven Fisher (25.83%), Ken Fisher (25.83%), RW Plaza LLC (15%) (whose sole member will be Robert Wood), Arnold Fisher (11.12%), Richard Fisher (11.11%) and the Estate of M. Anthony Fisher (11.11%), will own 22.5% of the Sheldrake Member; and (iii) RW Consultants Inc., whose sole stockholder will be Rudy Washington, will own 10% of the Sheldrake Member; and (d) one or more entities controlled by LBHI will own 100% of Lehman Member and that none of the interests in Tenant, as set forth hereinabove, are held directly or indirectly, by an individual described in Section 10.01 (c) (i), (ii) or (iii)."

3. (a) Section 11.04 of the Lease is hereby modified by deleting the words "five hundred twenty-two" appearing in the sixth line thereof and substituting the words "six hundred thirty-eight" in lieu thereof.

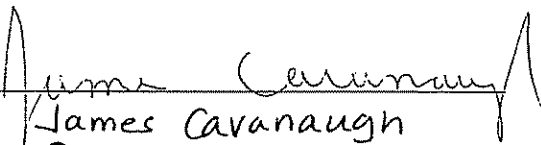
(b) Subsection (b) of Section 24.01 of the Lease is hereby modified by deleting the words and number "five hundred twenty-two (522)" appearing in the fourth and fifth lines thereof and substituting the words and number "six hundred thirty-eight (638)" in lieu thereof.

4. Except as herein expressly amended and modified, the Lease is hereby ratified and confirmed in all respects.

IN WITNESS WHEREOF, Landlord and Tenant have executed this First Amendment to Lease as of the date first set forth above.

LANDLORD:

BATTERY PARK CITY AUTHORITY

By: 
James Cavanaugh
President and CEO

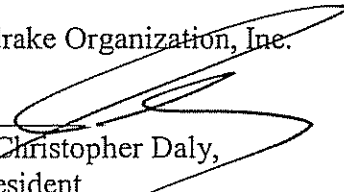
TENANT:

SITE 16/17 DEVELOPMENT LLC

By: BPC Mezz LLC

By: Sheldrake Site 16/17
Development Company LLC

By: Sheldrake Organization, Inc.

By: 
J. Christopher Daly,
President