

AMENDMENT OF LEASE

AGREEMENT, made as of the 11th day of December, 1985, between BATTERY PARK CITY AUTHORITY, a public benefit corporation of the State of New York, having an office at One World Financial Center, New York, New York 10281 ("Landlord") and MARINER'S COVE SITE K ASSOCIATES, a New York general partnership, having an office c/o Goodstein Construction Corp., 211 East 46th Street, New York, New York 10017 ("Tenant").

W I T N E S S E T H:

WHEREAS, by Agreement of Lease dated as of October 25, 1984, a Memorandum of which, being of even date therewith, was recorded in the Office of the City Register, New York County on October 30, 1984 in Reel 843 at Page 1712, as amended by Amendment to Lease dated as of November 7, 1985 between Landlord and Tenant (the "Lease") recorded in the Office of the City Register, New York County, on April 28, 1986 in Reel 1055 at Page 1768, Landlord did demise and let to Tenant and Tenant did hire and take from Landlord the real property situate, lying and being in the Borough of Manhattan, City, County and State of New York, as more particularly described in "Exhibit A" annexed to the Lease; and

WHEREAS, the parties desire to amend the Lease;

NOW, THEREFORE, in consideration for the sum of TEN (\$10.00) DOLLARS paid by Tenant to Landlord and for other good

and valuable consideration, the mutual receipt and legal sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Section 42.03(c)(vii) is hereby deleted in its entirety and the following is hereby inserted in its place:

(vii) Substantial completion of all construction work on the Building shall have occurred, there shall have been delivered to Landlord a certificate from the Architect certifying that such construction has been substantially completed in accordance with the approved Plans and Specifications, the Master Development Plan and the Design Guidelines and there shall have been issued a temporary or permanent Certificate of Occupancy for one or more Units (including the Unit which is the subject of the Initial Unit Transfer) and a true and correct copy of such Certificate(s) of Occupancy shall have been delivered to Landlord.

2. Section 42.04 is hereby amended by adding thereto the following subparagraph (d):

(d) No Unit shall be transferred by Mariner's Cove until a temporary or permanent Certificate of Occupancy shall have been issued for such Unit and a true and correct copy of such Certificate of Occupancy shall have been delivered to Landlord.

3. The first sentence of Section 42.05(d) is hereby deleted in its entirety and the following is hereby inserted in its place:

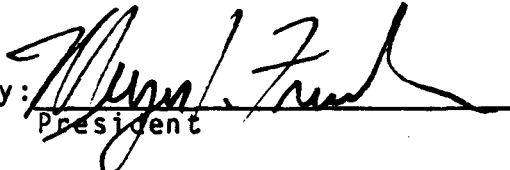
Provided (i) Landlord shall not have applied the Letter of Credit Amount or any portion thereof in accordance with the provisions of Section 42.06 and (ii) Substantial Completion of the Building shall have occurred, Mariner's Cove or any Person designated by Mariner's Cove in the

Condominium Plan shall have the right to reduce the Letter of Credit as follows: (x) the closings of sale of 45% of the Units, the Letter of Credit Amount shall be reduced by 10%, (y) upon the closings of sale of 60% of the Units, the Letter of Credit Amount shall be reduced by an additional 50% and (z) upon the closings of sale of 75% of the Units, the Letter of Credit Amount shall be reduced to \$268,333 (each such reduction of the Letter of Credit Amount is hereinafter referred to as a "Permitted Reduction").

4. As modified and amended by this Agreement, all of the terms, covenants and conditions of the Lease are hereby ratified and confirmed and shall continue to be and remain in full force and effect throughout the remainder of the term thereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first written above.

BATTERY PARK CITY AUTHORITY

By: 

President

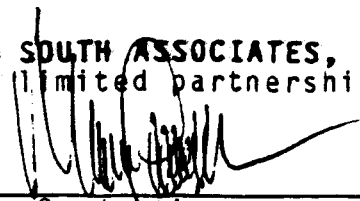
**MARINER'S COVE SITE K
ASSOCIATES, a New York
general partnership**

**BY: CARA ASSOCIATES,
a New York general partnership**

By: 

Michael Feldman, a partner

BY: HUDSON SOUTH ASSOCIATES,
a New York limited partnership

By: 
Martin Goodstein,
a general partner

BY: RECTOR PARK ASSOCIATES,
a New York general partnership

By: 
Howard Milstein,
a partner

The undersigned hereby consents
to this Lease Amendment.

CITIBANK, N.A.

By: 

Its: 