

Wellsford Real Properties, Inc.

COMPENSATION COMMITTEE CHARTER

I. Purpose

The Compensation Committee (the "Committee") is appointed by the Board of Directors (the "Board") of Wellsford Real Properties, Inc. (the "Company") to discharge the Board's responsibilities relating to compensation of the Company's directors and officers and to produce an annual report on executive compensation for inclusion in the Company's proxy statement.

The Committee has overall responsibility for approving and evaluating the director and officer compensation plans, policies and programs of the Company.

II. Committee Membership

The Committee shall consist of no fewer than three members. The members of the Committee shall meet the independence requirements of the American Stock Exchange.

The members of the Committee and the Chairman shall be appointed by the Board. Committee members may be replaced by the Board.

III. Committee Duties and Responsibilities

1. The Committee shall annually review and approve corporate goals and objectives, evaluate the CEO's performance in light of those goals and objectives, and recommend to the Board the CEO's compensation levels based on this evaluation. In determining the long-term incentive component of CEO compensation, the Committee should consider factors that the Committee deems appropriate, including the Company's performance and relative shareholder return, the value of similar incentive awards provided to CEOs at comparable companies, and the awards given to the CEO in past years.
2. The Committee shall annually (or at the time employment contracts are negotiated, if for more than one year) review and approve, for the CEO and the senior executives of the Company, (a) the annual base salary and minimum bonus levels, (b) the annual incentive level, (c) the long-term incentive level, (d) employment agreements, severance arrangements, and change of control agreements/provisions, in each case as, when and if appropriate, and (e) any special or supplemental benefits.
3. The Committee shall have the sole authority to retain and terminate any compensation consultant to be used to assist in the evaluation of CEO or senior

executive compensation and obtain advice and assistance from internal or external legal, accounting or other advisors. The Committee shall have the sole authority to approve such consultant's fees and other retention terms.

4. The Committee shall annually review and make recommendations to the Board with respect to the compensation programs and polices applicable to the Company's officers and directors, including incentive-compensation plans and equity-based plans, and shall approve all new incentive plans and major benefit programs. Where deemed appropriate, such plans will be subject to shareholder approval before implementation.
5. The Committee may form and delegate authority to subcommittees when appropriate.
6. The Committee shall make regular reports to the Board.
7. The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
8. The Committee shall annually review its own performance.