Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

for the quarterly period ended March 31, 2011

OR

☐ **Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

for the transition period from _____ to _____

Commission file number 001-34626

PIEDMONT OFFICE REALTY TRUST, INC.

(Exact name of registrant as specified in its charter)

Maryland	**58-2328421**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**

11695 Johns Creek Parkway
Ste. 350
Johns Creek, Georgia 30097
(Address of principal executive offices)
(Zip Code)

(770) 418-8800
(Registrant's telephone number, including area code)

N/A
(Former name, former address, and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☐ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer", and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large Accelerated filer ☒ Accelerated filer ☐
Non-Accelerated filer ☐ (Do not check if a smaller reporting company) Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

Number of shares outstanding of the Registrant's classes of common stock, as of May 4, 2011:
Class A Common Stock 172,749,781 shares

FORM 10-Q

PIEDMONT OFFICE REALTY TRUST, INC.

TABLE OF CONTENTS

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this Form 10-Q and other written or oral statements made by or on behalf of Piedmont Office Realty Trust, Inc. ("Piedmont") may constitute forward-looking statements within the meaning of the federal securities laws. In addition, Piedmont, or its executive officers on Piedmont's behalf, may from time to time make forward-looking statements in reports and other documents Piedmont files with the Securities and Exchange Commission or in connection with oral statements made to the press, potential investors, or others. Statements regarding future events and developments and Piedmont's future performance, as well as management's expectations, beliefs, plans, estimates, or projections relating to the future, are forward-looking statements within the meaning of these laws. Forward-looking statements include statements preceded by, followed by, or that include the words "may," "will," "expect," "intend," "anticipate," "estimate," "believe," "continue," or other similar words. Examples of such statements in this report include descriptions of our real estate, financing, and operating objectives; discussions regarding future dividends; and discussions regarding the potential impact of economic conditions on our portfolio.

These statements are based on beliefs and assumptions of Piedmont's management, which in turn are based on currently available information. Important assumptions relating to the forward-looking statements include, among others, assumptions regarding the demand for office space in the sectors in which Piedmont operates, competitive conditions, and general economic conditions. These assumptions could prove inaccurate. The forward-looking statements also involve risks and uncertainties, which could cause actual results to differ materially from those contained in any forward-looking statement. Many of these factors are beyond Piedmont's ability to control or predict. Such factors include, but are not limited to, the following:

- The success of our real estate strategies and investment objectives, including our ability to identify and consummate suitable acquisitions;
- If current market and economic conditions do not improve, our business, results of operations, cash flows, financial condition, real estate and other asset values, and access to capital may be adversely affected or otherwise impact performance, including the potential recognition of impairment charges;
- Lease terminations or lease defaults, particularly by one of our large lead tenants;
- The impact of competition on our efforts to renew existing leases or re-let space on terms similar to existing leases;
- Changes in the economies and other conditions of the office market in general and of the specific markets in which we operate, particularly in Chicago, Washington, D.C., and the New York metropolitan area;
- Economic and regulatory changes, including accounting standards, that impact the real estate market generally;
- Additional risks and costs associated with directly managing properties occupied by government tenants;
- Adverse market and economic conditions may continue to adversely affect us and could cause us to recognize impairment charges or otherwise impact our performance;
- Availability of financing and our lending banks' ability to honor existing line of credit commitments;
- Costs of complying with governmental laws and regulations;
- Uncertainties associated with environmental and other regulatory matters;
- Piedmont's ability to continue to qualify as a real estate investment trust under the Internal Revenue Code of 1986, as amended; and
- Other factors, including the risk factors discussed under Item 1A. of Piedmont's Annual Report on Form 10-K for the year ended December 31, 2010.

Management believes these forward-looking statements are reasonable; however, undue reliance should not be placed on any forward-looking statements, which are based on current expectations. Further, forward-looking statements speak only as of the date they are made, and management undertakes no obligation to update publicly any of them in light of new information or future events.

PART I. FINANCIAL STATEMENTS

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

The information furnished in the accompanying consolidated balance sheets and related consolidated statements of operations, stockholders' equity, and cash flows reflects all adjustments that are, in management's opinion, necessary for a fair and consistent presentation of financial position, results of operations, and cash flows in accordance with U.S. generally accepted accounting principles.

The accompanying financial statements should be read in conjunction with the notes to Piedmont's financial statements and Management's Discussion and Analysis of Financial Condition and Results of Operations included in this report on Form 10-Q and with Piedmont's Annual Report on Form 10-K for the year ended December 31, 2010. Piedmont's results of operations for the three months ended March 31, 2011 are not necessarily indicative of the operating results expected for the full year.

Table of Contents

PIEDMONT OFFICE REALTY TRUST, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands, except for share and per share amounts)

	(Unaudited) March 31, 2011	December 31, 2010
Assets:		
Real estate assets, at cost:		
Land	**$ 688,103**	$ 647,653
Buildings and improvements, less accumulated depreciation of $770,147 and $744,756 as of March 31, 2011 and December 31, 2010, respectively	**3,095,092**	2,943,995
Intangible lease assets, less accumulated amortization of $142,754 and $145,742 as of March 31, 2011 and December 31, 2010, respectively	**95,750**	74,028
Construction in progress	**13,142**	11,152
Total real estate assets	**3,892,087**	3,676,828
Investments in unconsolidated joint ventures	**41,759**	42,018
Cash and cash equivalents	**42,151**	56,718
Tenant receivables, net of allowance for doubtful accounts of $913 and $1,298 as of March 31, 2011 and December 31, 2010, respectively	**133,580**	134,006
Notes receivable	**—**	61,144
Due from unconsolidated joint ventures	**594**	1,158
Restricted cash and escrows	**30,771**	12,475
Prepaid expenses and other assets	**11,967**	11,249
Goodwill	**180,097**	180,097
Deferred financing costs, less accumulated amortization of $12,500 and $11,893 as of March 31, 2011 and December 31, 2010, respectively	**5,374**	5,306
Deferred lease costs, less accumulated amortization of $138,511 and $137,726 as of March 31, 2011 and December 31, 2010, respectively	**224,892**	192,481
Total assets	**$ 4,563,272**	$ 4,373,480
Liabilities:		
Line of credit and notes payable	**$1,601,112**	$ 1,402,525
Accounts payable, accrued expenses, and accrued capital expenditures	**122,769**	112,648
Deferred income	**38,990**	35,203
Intangible lease liabilities, less accumulated amortization of $86,451 and $84,308 as of March 31, 2011 and December 31, 2010, respectively	**46,517**	48,959
Interest rate swap	**367**	691
Total liabilities	**1,809,755**	1,600,026
Commitments and Contingencies	**—**	—
Stockholders' Equity:		
Shares-in-trust, 150,000,000 shares authorized, none outstanding as of March 31, 2011 or December 31, 2010	**—**	—
Preferred stock, no par value, 100,000,000 shares authorized, none outstanding as of March 31, 2011 or December 31, 2010	**—**	—
Class A common stock, $.01 par value; 600,000,000 shares authorized; 172,658,488 shares issued and outstanding as of March 31, 2011; and 132,956,299 shares issued and outstanding at December 31, 2010	**1,727**	1,330
Class B-1 common stock, $.01 par value; 50,000,000 shares authorized; none outstanding as of March 31, 2011 or December 31, 2010	**—**	—
Class B-2 common stock, $.01 par value; 50,000,000 shares authorized; none outstanding as of March 31, 2011 or December 31, 2010	**—**	—
Class B-3 common stock, $.01 par value; 50,000,000 shares authorized; none outstanding as of March 31, 2011; and 39,702,190 shares issued and outstanding at December 31, 2010	**—**	397
Additional paid-in capital	**3,661,570**	3,661,308
Cumulative distributions in excess of earnings	**(915,543)**	(895,122)
Other comprehensive loss	**(465)**	(691)
Piedmont stockholders' equity	**2,747,289**	2,767,222
Noncontrolling interest	**6,228**	6,232
Total stockholders' equity	**2,753,517**	2,773,454
Total liabilities and stockholders' equity	**$ 4,563,272**	$ 4,373,480

See accompanying notes

PIEDMONT OFFICE REALTY TRUST, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except for share and per share amounts)

	(Unaudited) Three Months Ended March 31,	
	2011	**2010**
Revenues:		
Rental income	**$ 109,830**	$ 110,512
Tenant reimbursements	**32,490**	35,083
Property management fee revenue	**830**	753
Other rental income	**3,404**	496
	146,554	146,844
Expenses:		
Property operating costs	**54,957**	55,361
Depreciation	**27,022**	25,691
Amortization	**12,076**	11,387
General and administrative	**6,824**	6,620
	100,879	99,059
Real estate operating income	**45,675**	47,785
Other income (expense):		
Interest expense	**(17,174)**	(19,091)
Interest and other income	**3,460**	969
Equity in income of unconsolidated joint ventures	**209**	737
Gain on consolidation of variable interest entity	**1,920**	—
	(11,585)	(17,385)
Income from continuing operations	**34,090**	30,400
Discontinued operations:		
Operating income	**—**	1,185
Income from discontinued operations	**—**	1,185
Net income	**34,090**	31,585
Less: Net income attributable to noncontrolling interest	**(123)**	(125)
Net income attributable to Piedmont	**$ 33,967**	$ 31,460
Per share information – basic and diluted:		
Income from continuing operations	**$ 0.20**	$ 0.18
Income from discontinued operations	**$ 0.00**	$ 0.01
Income attributable to noncontrolling interest	**$ 0.00**	$ 0.00
Net income available to common stockholders	**$ 0.20**	$ 0.19
Weighted-average common shares outstanding – basic	**172,658,488**	164,992,477
Weighted-average common shares outstanding – diluted	**172,954,754**	165,200,184

See accompanying notes.

Table of Contents

PIEDMONT OFFICE REALTY TRUST, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2010
AND FOR THE THREE MONTHS ENDED MARCH 31, 2011 (UNAUDITED)
(in thousands, except per share amounts)

	Class A Common Stock		Class B Common Stock		Additional Paid-In Capital	Cumulative Distributions in Excess of Earnings	Redeemable Common Stock	Other Comprehensive Loss	Non-controlling Interest	Total Stockholders' Equity
	Shares	Amount	Shares	Amount						
Balance, December 31, 2009	39,729	$ 397	119,188	$ 1,192	$3,477,168	$ (798,561)	$ (75,164)	$ (3,866)	$ 5,716	$ 2,606,882
Net proceeds from issuance of common stock	13,800	138	—	—	184,266	—	—	—	—	184,404
Redemption of fractional shares of common stock	(50)	—	(150)	(2)	(2,900)	—	—	—	—	(2,902)
Change in redeemable common stock outstanding	—	—	—	—	—	—	75,164	—	—	75,164
Dividends to common stockholders ($1.2600 per share), distributions to noncontrolling interest, and dividends reinvested	—	—	—	—	(33)	(216,940)	—	—	(15)	(216,988)
Conversion of shares to Class A common stock	79,404	794	(79,404)	(794)	—	—	—	—	—	—
Shares issued under the 2007 Omnibus Incentive Plan, net of tax	73	1	68	1	2,807	—	—	—	—	2,809
Net income attributable to noncontrolling interest	—	—	—	—	—	—	—	—	531	531
Components of comprehensive income:										
Net income	—	—	—	—	—	120,379	—	—	—	120,379
Net change in interest rate swap	—	—	—	—	—	—	—	3,175	—	3,175
Comprehensive income										123,554
Balance, December 31, 2010	**132,956**	**1,330**	**39,702**	**397**	**3,661,308**	**(895,122)**	**—**	**(691)**	**6,232**	**2,773,454**
Offering costs associated with issuance of common stock	**—**	**—**	**—**	**—**	**(479)**	**—**	**—**	**—**	**—**	**(479)**
Dividends to common stockholders ($0.3150 per share), distributions to noncontrolling interest, and dividends reinvested	**—**	**—**	**—**	**—**	**(18)**	**(54,388)**	**—**	**—**	**(127)**	**(54,533)**
Conversion of shares to Class A common stock	**39,702**	**397**	**(39,702)**	**(397)**	**—**	**—**	**—**	**—**	**—**	**—**
Unvested amortization of shares granted under the 2007 Omnibus Incentive Plan	**—**	**—**	**—**	**—**	**759**	**—**	**—**	**—**	**—**	**759**
Net income attributable to noncontrolling interest	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**123**	**123**
Components of comprehensive income:										
Net income	**—**	**—**	**—**	**—**	**—**	**33,967**	**—**	**—**	**—**	**33,967**
Net change in interest rate derivatives	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**226**	**—**	**226**
Comprehensive income	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**34,193**
Balance, March 31, 2011	**172,658**	**$ 1,727**	**—**	**$ —**	**$3,661,570**	**$ (915,543)**	**$ —**	**$ (465)**	**$ 6,228**	**$ 2,753,517**

See accompanying notes

PIEDMONT OFFICE REALTY TRUST, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	(Unaudited) Three months ended March 31,	
	2011	**2010**
Cash Flows from Operating Activities:		
Net income	**$ 34,090**	$ 31,585
Operating distributions received from unconsolidated joint ventures	**1,158**	1,083
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	**27,022**	26,080
Amortization of deferred financing costs	**607**	696
Other amortization	**11,938**	11,110
Accretion of notes receivable discount	**(482)**	(667)
Stock compensation expense	**968**	653
Equity in income of unconsolidated joint ventures	**(209)**	(737)
Gain on consolidation of variable interest entity	**(1,920)**	—
Changes in assets and liabilities:		
Decrease in tenant receivables, net	**1,309**	127
Increase in restricted cash and escrows	**(3,462)**	(2,051)
Increase in prepaid expenses and other assets	**(982)**	(2,288)
Decrease in accounts payable and accrued expenses	**(8,165)**	(5,820)
(Decrease)/increase in deferred income	**(337)**	4,573
Net cash provided by operating activities	**61,535**	64,344
Cash Flows from Investing Activities:		
Investments in real estate assets	**(29,125)**	(9,815)
Assets assumed upon consolidation of variable interest entity	**5,063**	—
Investments in unconsolidated joint ventures	**(126)**	(8)
Deferred lease costs paid	**(12,381)**	(2,917)
Net cash used in investing activities	**(36,569)**	(12,740)
Cash Flows from Financing Activities:		
Deferred financing costs paid	**—**	(1)
Proceeds from line of credit and notes payable	**15,000**	—
Repayments of line of credit and notes payable	**—**	(114,000)
Net proceeds from issuance of common stock	**—**	186,081
Redemption of fractional shares of common stock	**—**	(2,917)
Dividends paid and discount on dividend reinvestments	**(54,533)**	(53,777)
Net cash (used in)/provided by financing activities	**(39,533)**	15,386
Net (decrease)/increase in cash and cash equivalents	**(14,567)**	66,990
Cash and cash equivalents, beginning of period	**56,718**	10,004
Cash and cash equivalents, end of period	**$ 42,151**	$ 76,994
Supplemental Disclosures of Significant Noncash Investing and Financing Activities:		
Change in accrued offering costs	**$ 479**	$ 1,608
Accrued capital expenditures and deferred lease costs	**$ 3,240**	$ 894
Net assets assumed upon consolidation of variable interest entity, net of notes receivable previously recorded	**$ 188,233**	$ —
Liabilities assumed upon consolidation of variable interest entity	**$ 191,376**	$ —
Redeemable common stock	**$ —**	$ 75,164

See accompanying notes

PIEDMONT OFFICE REALTY TRUST, INC.
CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2011
(unaudited)

1. Organization

Piedmont Office Realty Trust, Inc. ("Piedmont") is a Maryland corporation that operates in a manner so as to qualify as a real estate investment trust ("REIT") for federal income tax purposes and engages in the acquisition and ownership of commercial real estate properties throughout the United States, including properties that are under construction, are newly constructed, or have operating histories. Piedmont was incorporated in 1997 and commenced operations on June 5, 1998. Piedmont conducts business primarily through Piedmont Operating Partnership, L.P. ("Piedmont OP"), a Delaware limited partnership, as well as performing the management of its buildings through two wholly-owned subsidiaries, Piedmont Government Services, LLC and Piedmont Office Management, LLC. Piedmont is the sole general partner of Piedmont OP and possesses full legal control and authority over the operations of Piedmont OP. Piedmont OP owns properties directly, through wholly-owned subsidiaries, and through both consolidated and unconsolidated joint ventures. References to Piedmont herein shall include Piedmont and all of its subsidiaries, including Piedmont OP and its subsidiaries and joint ventures.

As of March 31, 2011, Piedmont owned interests in 77 office properties, plus seven buildings owned through unconsolidated joint ventures and two industrial buildings. Our 77 office properties are located in 19 metropolitan areas across the United States. These office properties comprise approximately 21.5 million square feet of primarily Class A commercial office space, and were approximately 87.3% leased as of March 31, 2011.

2. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements of Piedmont have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission (the "SEC"), including the instructions to Form 10-Q and Article 10 of Regulation S-X, and do not include all of the information and footnotes required by U.S. generally accepted accounting principles ("GAAP") for complete financial statements. In the opinion of management, the statements for the unaudited interim periods presented include all adjustments, which are of a normal and recurring nature, necessary for a fair presentation of the results for such periods. Results for these interim periods are not necessarily indicative of a full year's results and certain prior period amounts have been reclassified to conform to the current period financial statement presentation, specifically relating to (i) the required presentation of income from discontinued operations for the 111 Sylvan Avenue Building (sold in December 2010), and (ii) the disclosure of Restricted cash and escrows, which was formerly a component of Prepaid expenses and other assets. Piedmont's consolidated financial statements include the accounts of Piedmont, Piedmont's wholly-owned subsidiaries, any variable interest entity of which Piedmont or any of its wholly-owned subsidiaries is considered the primary beneficiary, or any entity in which Piedmont or any of its wholly-owned subsidiaries owns a controlling interest. For further information, refer to the financial statements and footnotes included in Piedmont's Annual Report on Form 10-K for the year ended December 31, 2010.

Further, Piedmont has formed special purpose entities to acquire and hold real estate. Each special purpose entity is a separate legal entity and consequently the assets of the special purpose entities are not available to our creditors. The assets owned by these special purpose entities are being reported on a consolidated basis with Piedmont's assets for financial reporting purposes only.

Income Taxes

Piedmont has elected to be taxed as a REIT under the Internal Revenue Code of 1986, as amended (the "Code"), and has operated as such, beginning with its taxable year ended December 31, 1998. To qualify as a REIT, Piedmont must meet certain organizational and operational requirements, including a requirement to distribute at least 90% of its annual REIT taxable income. As a REIT, Piedmont is generally not subject to federal income taxes. Piedmont is subject to certain taxes related to the operations of properties in certain locations, as well as operations conducted by its taxable REIT subsidiary, which have been provided for in the financial statements.

Interest Rate Cap Agreements

Piedmont periodically enters into interest rate cap agreements to limit its exposure to changing interest rates on its variable rate debt instruments. As required by GAAP, Piedmont records all interest rate caps on the balance sheet at estimated fair value as a component of Prepaid expenses and other assets. Piedmont reassesses the effectiveness of its interest rate caps designated as cash flow hedges on a regular basis to determine if they continue to be highly effective and also to determine if the forecasted transactions remain highly probable. The changes in fair value of interest rate caps designated as cash flow hedges are recorded in other comprehensive income

("OCI"), and the option purchase premium is amortized (reclassified from OCI to interest expense) over the life of the hedging relationship as the hedged forecasted transactions affect earnings. The reclassification is based on a schedule created at the inception of the hedge, which allocates the purchase price to the future periods the hedge is expected to benefit, based on fair value as of the inception of the hedging relationship. Currently, Piedmont does not use derivatives for trading or speculative purposes and does not have any derivatives that are not designated as cash flow hedges.

3. Acquisitions

During the quarter ended March 31, 2011, Piedmont purchased the 1200 Enclave Parkway Building in Houston, Texas, and acquired the 46-story, 962,361 square foot, Class A, commercial office building in downtown Chicago, Illinois (the "500 W. Monroe Building") through a foreclosure sale related to certain notes receivable held by Piedmont (see Note 4 for a more complete description of this transaction). Piedmont funded the acquisition of the 1200 Enclave Parkway Building principally with the net proceeds from a draw on its $500 Million Unsecured Facility.

Property	Metropolitan Statistical Area	Acquisition Date	Number of Buildings	Rentable Square Feet	Percentage Occupied as of March 31, 2011	Acquisition Price (in millions)
1200 Enclave ParkwayBuilding	Houston, TX	March 30, 2011	1	149,654	18%	$ 18.5
500 W. Monroe Building	Chicago, IL	March 31, 2011	1	962,361	67%	$ 227.5[1]

[1] Represents the estimated fair value of real estate assets acquired as recorded in Piedmont's accompanying consolidated balance sheet as of March 31, 2011.

4. Notes Receivable

Notes receivable as of December 31, 2010 consisted solely of Piedmont's two investments in mezzanine debt, both of which were secured by pledges of equity interests in the ownership of the 500 W. Monroe Building.

During the year ended December 31, 2010, one of the two notes had not been repaid and was declared to be in maturity default. Piedmont had initiated foreclosure proceedings which were interrupted by legal actions filed by the then-owner of the 500 W. Monroe Building (the "Owner"). During the three months ended March 31, 2011, the Owner agreed to withdraw its suit in exchange for the right to participate in future financial returns of the property provided certain conditions are met, including a certain minimum return being earned by Piedmont. On March 31, 2011, Piedmont was the successful bidder at a UCC foreclosure sale allowing Piedmont to obtain control of the property, and resulting in the extinguishment of other third-party loans that were subordinate to the secured position upon which Piedmont foreclosed.

As a result of obtaining control of the property, Piedmont is now considered the primary beneficiary in the variable interest entity ("VIE") containing the 500 W. Monroe Building, subject to a $140.0 million first mortgage loan secured by the building, and a $45.0 million mezzanine loan collateralized by an equity ownership interest in the borrower under the mezzanine loan. As such, Piedmont recorded the fair value of all of the assets and liabilities associated with the 500 W. Monroe Building, the remaining outstanding debt payable to third party lenders, and the associated interest rate cap agreements associated with the assumed debt in its consolidated financial statements as of March 31, 2011. The consolidation of the VIE resulted in an approximate $1.9 million gain which is reflected in Piedmont's results of operations for the three months ended March 31, 2011. Due to the timing of the foreclosure proceedings, Piedmont may adjust the fair values of the assets and liabilities which were recorded, as well as the resulting gain, if necessary, as additional information becomes available. Additionally, Piedmont recognized approximately $2.6 million in other income during the three months ended March 31, 2011 related to cash representing the building's operating cash flow during the period between the original default date in August 2010, and the consummation of the foreclosure process on March 31, 2011. Such income had been deferred due to the ownership uncertainties associated with the legal actions. Please refer to Note 5 for terms of the $140.0 million first mortgage loan and $45.0 million mezzanine loan.

5. Line of Credit and Notes Payable

During the three months ended March 31, 2011, Piedmont became the primary beneficiary of the VIE containing the 500 W. Monroe Building, a $140.0 million first mortgage loan secured by the building, and a $45.0 million mezzanine loan participation collateralized by an equity ownership interest in the borrower under the first mortgage loan (collectively, the two loans are referred to as the "500 W. Monroe Loans"). As a result, in accordance with GAAP, Piedmont recorded the 500 W. Monroe Loans in its consolidated financial statements as of March 31, 2011 at their estimated fair market value, resulting in discounts of approximately $1.4 million which will be amortized to interest expense over the period through the stated maturity date of the loans of August 9, 2011.

The $140.0 million first mortgage loan bears interest at a rate of LIBOR plus 1.008% per annum and the mezzanine loan participation bears interest at a rate of LIBOR plus 1.45% per annum. The 500 W. Monroe Loans are subject to interest rate cap agreements which limit Piedmont's exposure to potential increases in the LIBOR rate to 1% and both of the loans mature August 9, 2011. Either or both loans may be extended to August 9, 2012 provided the following conditions are met:

1. Payment of a 0.25% annual extension fee;
2. Funding of required reserves for tenant improvements, leasing commissions and rollover/replacement costs;
3. Funding of any projected debt service shortfalls into a debt service reserve; and
4. Purchase of interest rate caps.

The 500 W. Monroe Loans may not be accelerated or increased by the lenders except if they are not paid by maturity or on the occurrence of any event of default, as defined in the loan agreements. The loans may be paid off at Piedmont's option prior to the maturity date without incurring a defeasance or yield maintenance penalty.

During the periods presented, Piedmont made interest payments on all debt facilities, including interest rate swap cash settlements related to Piedmont's $250 Million Unsecured Term Loan, totaling approximately $15.9 million and $17.9 million for the three months ended March 31, 2011 and 2010, respectively.

See Note 8 below for a description of Piedmont's estimated fair value of debt as of March 31, 2011.

The following table summarizes the terms of Piedmont's indebtedness outstanding as of March 31, 2011 and December 31, 2010 (in thousands):

Facility	Property	Rate[1]	Maturity	Amount Outstanding as of March 31, 2011	Amount Outstanding as of December 31, 2010
Secured					
$45.0 Million Fixed-Rate Loan	4250 N. Fairfax	5.20%	6/1/2012	**$ 45,000**	$ 45,000
35 West Wacker Building Mortgage Note	35 West Wacker Drive	5.10%	1/1/2014	**120,000**	120,000
Aon Center Chicago Mortgage Note	Aon Center	4.87%	5/1/2014	**200,000**	200,000
Aon Center Chicago Mortgage Note	Aon Center	5.70%	5/1/2014	**25,000**	25,000
Secured Pooled Facility	Nine Property Collateralized Pool[2]	4.84%	6/7/2014	**350,000**	350,000
$105.0 Million Fixed-Rate Loan	US Bancorp Center	5.29%	5/11/2015	**105,000**	105,000
$125.0 Million Fixed-Rate Loan	Four Property Collateralized Pool[3]	5.50%	4/1/2016	**125,000**	125,000
$42.5 Million Fixed-Rate Loan	Las Colinas Corporate Center I & II	5.70%	10/11/2016	**42,525**	42,525
WDC Mortgage Notes	1201 & 1225 Eye Street	5.76%	11/1/2017	**140,000**	140,000
500 W. Monroe Mortgage Loan	500 W. Monroe	LIBOR + 1.008%[4][6]	8/9/2011[7]	**139,602**	—
500 W. Monroe Mezzanine I Loan- A Participation	500 W. Monroe	LIBOR + 1.45%[5][6]	8/9/2011[7]	**43,985**	—
Subtotal/Weighted Average[8]		4.96%		**1,336,112**	1,152,525
Unsecured					
$250 Million Unsecured Term Loan	$250 Million Term Loan	LIBOR + 1.50%[9]	6/28/2011	**250,000**	250,000
$500 Million Unsecured Facility	$500 Million Revolving Facility	3.25%[10]	8/30/2011[11]	**15,000**[12]	—
Subtotal/Weighted Average[8]		2.41%		**265,000**	250,000
Total/ Weighted Average[8]		4.54%		**$1,601,112**	$ 1,402,525

[1] All of Piedmont's outstanding debt as of March 31, 2011 and December 31, 2010 is interest-only debt.

[2] Nine property collateralized pool includes: 1200 Crown Colony Drive, Braker Pointe III, 2 Gatehall Drive, One and Two Independence Square, 2120 West End Avenue, 400 Bridgewater Crossing, 200 Bridgewater Crossing, and Fairway Center II.

[3] Four property collateralized pool includes 1430 Enclave Parkway, Windy Point I and II, and 1055 East Colorado Boulevard.

[4] Effectively LIBOR + 2%, including the amortization of a $0.4 million discount associated with recording the debt at estimated fair market value upon the consolidation of the 500 W. Monroe Building. This discount will be amortized to interest expense over the remaining contractual term of the debt.

[5] Effectively LIBOR + 8%, including the amortization of a $1.0 million discount associated with recording the debt at estimated fair market value upon the consolidation of the 500 W. Monroe Building. This discount will be amortized to interest expense over the remaining contractual term of the debt.

(6) Subject to interest rate cap agreements, which limit Piedmont's exposure to potential increases in the LIBOR rate to 1%.

(7) May be extended to August 9, 2012 if certain conditions are met.

(8) Weighted average is based on contractual balance outstanding and effective interest rate at March 31, 2011.

(9) Subject to an interest rate swap agreement which effectively fixes the rate at 2.36% through June 28, 2011.

(10) Piedmont may select from multiple interest rate options with each draw, including the prime rate and various-length LIBOR locks. All LIBOR selections are subject to an additional spread (0.475% as of March 31, 2011) over the selected rate based on Piedmont's current credit rating. The outstanding balance as of March 31, 2011 is subject to the prime rate which was 3.25% as of that date.

(11) Piedmont may extend the term for one additional year provided Piedmont is not then in default and upon the payment of a 15 basis point extension fee.

(12) Paid off subsequent to March 31, 2011.

6. Derivative Instruments

Risk Management Objective of Using Derivatives

In addition to operational risks which arise in the normal course of business, Piedmont is exposed to economic risks such as interest rate, liquidity, and credit risk. In certain situations, Piedmont has entered into derivative financial instruments such as interest rate swap agreements and interest rate cap agreements to manage interest rate risk exposure arising from variable rate debt transactions that result in the receipt or payment of future known and uncertain cash amounts, the value of which is determined by interest rates. Piedmont's objective in using interest rate derivatives is to add stability to interest expense and to manage its exposure to interest rate movements.

Cash Flow Hedges of Interest Rate Risk

Interest rate swaps designated as cash flow hedges involve the receipt of variable-rate amounts from a counterparty in exchange for Piedmont making fixed-rate payments over the life of the agreements without exchange of the underlying notional amount. Interest rate caps are also cash flow hedges involving payment to a counterparty in exchange for establishing a maximum rate which will not be exceeded, despite market conditions to the contrary.

During the three months ended March 31, 2011, Piedmont used interest rate swap agreements to hedge the variable cash flows associated with its $250 Million Unsecured Term Loan that is expected to mature on June 28, 2011. Additionally, two interest rate cap agreements were used to hedge the variable cash flows associated with the 500 W. Monroe Loans.

A detail of Piedmont's interest rate derivatives outstanding as of March 31, 2011 is as follows:

Interest Rate Derivative	Notional Amount (in millions)	Effective Date	Maturity Date
Interest rate swap	$ 100	6/28/2010	6/28/2011
Interest rate swap	75	6/28/2010	6/28/2011
Interest rate swap	50	6/28/2010	6/28/2011
Interest rate swap	25	6/28/2010	6/28/2011
Interest rate cap	140	8/9/2010	8/15/2011(1)
Interest rate cap	62	8/9/2010	8/15/2011(1)
Total	$ 452		

(1) Mirrors the monthly interest accrual period of the 500 W. Monroe Loans.

All of the above interest rate derivative agreements are designated as cash flow hedges of interest rate risk. The effective portion of changes in the fair value of derivatives designated as, and that qualify as, cash flow hedges is recorded in OCI and is subsequently reclassified into earnings in the period that the hedged forecasted transaction affects earnings.

The effective portion of Piedmont's derivative financial instruments that was recorded in the accompanying consolidated statement of operations for the three months ended March 31, 2011 and 2010, respectively, (in thousands) is as follows:

Derivative in Cash Flow Hedging Relationships (Interest Rate Swaps and Caps)	Three Months Ended March 31, 2011	Three Months Ended March 31, 2010
Amount of loss recognized in OCI on derivative	$ 58	$ 471
Amount of previously recorded loss reclassified from accumulated OCI into interest expense	$ (393)	$(2,021)

No gain or loss was recognized related to hedge ineffectiveness or to amounts excluded from effectiveness testing on Piedmont's cash flow hedges during the three months ended March 31, 2011 or 2010, respectively.

Amounts reported in accumulated other comprehensive loss related to Piedmont's interest rate swap agreements are reclassified to interest expense as interest payments are made on the $250 Million Unsecured Term Loan. Piedmont estimates that an additional $0.4 million will be reclassified from accumulated other comprehensive loss as an increase to interest expense over the next twelve months. Additionally, Piedmont estimates that approximately $0.1 million related to its interest rate cap agreements will be reclassified from accumulated other comprehensive loss as an increase to interest expense in accordance with the caplet amortization schedule over the next twelve months.

The fair value of Piedmont's interest rate swap agreements designated as hedging instruments under GAAP as of March 31, 2011 and December 31, 2010 was $0.4 million and $0.7 million, respectively, and is presented as "Interest Rate Swap" in the accompanying consolidated balance sheet. The fair value of Piedmont's interest rate cap agreements designated as hedging instruments under GAAP as of March 31, 2011 was effectively $0.

Please see the accompanying statements of stockholders' equity for a rollforward of Piedmont's Other Comprehensive Loss account.

Credit-risk-related Contingent Features

Piedmont has agreements with its interest rate swap agreement counterparties that contain a provision whereby if Piedmont defaults on any of its indebtedness, including default where repayment of the indebtedness has not been accelerated by the lender, then Piedmont could also be declared in default on its derivative obligation. If Piedmont breached any of the contractual provisions of the derivative contracts, it would be required to settle its obligations under the agreements at their termination value of the fair values plus accrued interest, or approximately $0.4 million.

7. Variable Interest Entities

Variable interest holders who have the power to direct the activities of the VIE that most significantly impact the entity's economic performance and have the obligation to absorb the majority of losses of the entity or the right to receive significant benefits of the entity are considered to be the primary beneficiary and must consolidate the VIE.

A summary of Piedmont's interests in and consolidation treatment of its VIEs as of March 31, 2011 is as follows (net carrying amount in millions):

Entity	Piedmont's % Ownership of Entity	Related Building	Consolidated/ Unconsolidated	Net Carrying Amount as of March 31, 2011	Net Carrying Amount as of December 31, 2010	Primary Beneficiary Considerations
1201 Eye Street NW Associates, LLC	49.5%	1201 Eye Street	Consolidated	**$ 1.3**	**$ 0.3**	In accordance with the partnership's governing documents, Piedmont is entitled to 100% of the cash flow of the entity and has sole discretion in directing the management and leasing activities of the building.
1225 Eye Street NW Associates, LLC	49.5%	1225 Eye Street	Consolidated	**$ 1.0**	**$ 1.9**	In accordance with the partnership's governing documents, Piedmont is entitled to 100% of the cash flow of the entity and has sole discretion in directing the management and leasing activities of the building.
Piedmont 500 W. Monroe Fee, LLC	100%	500 W. Monroe	Consolidated	**$ 65.4**	**N/A**	The Omnibus Agreement with the previous owner includes equity participation rights for the previous owner, if certain financial returns are achieved; however, Piedmont has sole decision making authority and is entitled to 100% of the economic benefits of the property until such returns are met. See Note 3 and Note 4 for further detail.
Suwanee Gateway One, LLC	100%	Suwanee Gateway One	Consolidated	**$ 7.7**	**$ 7.8**	The fee agreement includes equity participation rights for the incentive manager, if certain returns on investment are achieved; however, Piedmont has sole decision making authority and is entitled to the economic benefits of the property until such returns are met.

Each of the VIE's described above has the sole purpose of holding office buildings and their resulting operations, and are classified in the accompanying consolidated balance sheets in the same manner as Piedmont's other wholly-owned properties.

8. Fair Value Measurement of Financial Instruments

Piedmont considers its cash, accounts receivable, notes receivable, accounts payable, interest rate swap agreements, interest rate cap agreements, and line of credit and notes payable to meet the definition of financial instruments. The following table sets forth the carrying and estimated fair value for each of Piedmont's financial instruments as of March 31, 2011 and December 31, 2010 (in thousands):

	As of March 31, 2011		As of December 31, 2010	
Financial Instrument	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Cash and cash equivalents [1]	$ 42,151	$ 42,151	$ 56,718	$ 56,718
Tenant receivables, net[1]	$ 133,580	$ 133,580	$ 134,006	$ 134,006
Accounts payable[1]	$ 16,985	$ 16,985	$ 15,763	$ 15,763
Interest rate swap agreements	$ 367	$ 367	$ 691	$ 691
Interest rate cap agreements	$ —	$ —	$ N/A	$ N/A
Line of credit and notes payable	$1,601,112	$ 1,647,765	$1,402,525	$ 1,428,255

[1] For the periods presented, the carrying value approximates estimated fair value.

Piedmont's interest rate swap and interest rate cap agreements discussed in Note 6 above were the only financial instruments adjusted and carried at fair value as of March 31, 2011 and December 31, 2010. The interest rate swap and interest rate cap agreements were classified as "Interest rate swap" liability and as a component of "Prepaid expenses and other assets", respectively, in the accompanying consolidated balance sheets. The valuation of these derivative instruments, for both types of agreements, was determined using widely accepted valuation techniques including discounted cash flow analysis based on the contractual terms of the derivatives, including the period to maturity of each instrument, and uses observable market-based inputs, including interest rate curves and implied volatilities. Therefore, the fair values determined are considered to be based on significant other observable inputs (Level 2). In addition, as related to the interest rate swap agreements, Piedmont considered both its own and the respective counterparties' risk of nonperformance in determining the fair value of its derivative financial instruments by estimating the current and potential future exposure under the derivative financial instruments that both

Piedmont and the counterparties were at risk for as of the valuation date. This total expected exposure was then discounted using discount factors that contemplate the creditworthiness of Piedmont and the counterparties to arrive at a credit charge. This credit charge was then netted against the value of the derivative financial instruments determined using the discounted cash flow analysis described above to arrive at a total estimated fair value of the interest rate swap agreements. As of March 31, 2011 and December 31, 2010, the credit valuation adjustment did not comprise a material portion of the fair values of the derivative financial instruments; therefore, Piedmont believes that any unobservable inputs used to determine the fair values of its derivative financial instruments are not significant to the fair value measurements in their entirety, and does not consider either of its derivative financial instruments to be Level 3 liabilities.

9. Commitments and Contingencies

Commitments Under Existing Agreements

Certain lease agreements include provisions that, at the option of the tenant, may obligate Piedmont to provide funding for capital improvements. Under its existing lease agreements, Piedmont may be required to fund significant tenant improvements, leasing commissions, and building improvements. In addition, certain agreements contain provisions that require Piedmont to issue corporate or property guarantees to provide funding for capital improvements or other financial obligations. At March 31, 2011, Piedmont anticipates funding approximately $131.4 million in potential obligations for tenant improvements related to its existing lease portfolio over the respective lease terms, much of which Piedmont estimates may be required to be funded over the next five years. For most of Piedmont's leases, the timing of the actual funding of these tenant improvements is largely dependent upon tenant requests for reimbursement. In some cases, these obligations may expire with the leases without further recourse to Piedmont.

Contingencies Related to Tenant Audits

Certain lease agreements include provisions that grant tenants the right to engage independent auditors to audit their annual operating expense reconciliations. Such audits may result in the re-interpretation of language in the lease agreements which could result in the refund of previously recognized tenant reimbursement revenues, resulting in financial loss to Piedmont. Piedmont recorded no additional reserves during the three months ended March 31, 2011 and recorded a recovery of $0.1 million as a component of tenant reimbursement income during the three months ended March 31, 2010, related to such tenant audits.

Letters of Credit

As of March 31, 2011, Piedmont was subject to the following letters of credit, which reduce the total outstanding capacity under its $500 Million Unsecured Facility:

Amount	Expiration of Letter of Credit
$382,556	February 2011[1]
$3,637,354	June 2011
$14,782,820	February 2011[1]
$3,000,000	December 2011[1]

[1] These letter of credit agreements contain an "evergreen" clause, which automatically renews for consecutive, one-year periods each anniversary, subject to certain limitations.

Assertion of Legal Action

Piedmont is currently party to two separate lawsuits, where one of the lead plaintiffs is the same stockholder. The first suit was filed in March 2007, and, in general, alleges inadequate disclosures pursuant to the federal securities laws against Piedmont's officers, directors, and advisors in connection with the transaction to internalize its management function and become a self-managed entity. The suit originally contained thirteen counts; however, twelve of those have subsequently been dismissed. As of the time of this filing, the parties are preparing for trial, but no trial date has been set. Piedmont believes that the allegations contained in the complaint are without merit, and as such, has determined that the risk of material loss associated with this lawsuit is remote. Further, Piedmont will continue to vigorously defend this action. Due to the uncertainties inherent in the litigation process, Piedmont's assessment of the ultimate potential financial impact of the case notwithstanding, the risk of financial loss does exist, as with any litigation.

Piedmont's second lawsuit by the one of the same stockholders was filed in October 2007 and originally alleged four counts, including inadequate disclosures pursuant to the federal securities laws. To date, the court has dismissed two of the four counts in their entirety and has dismissed portions of the remaining two counts. On April 11, 2011, the Eleventh Circuit Court of Appeals invalidated the district court's order certifying a class and remanded the case to the district court for further proceedings. Piedmont believes that the allegations contained in the complaint are without merit, and as such, has determined that the risk of material loss associated with this lawsuit is remote. Further, Piedmont will continue to vigorously defend this action. Due to the uncertainties inherent in the litigation process, Piedmont's assessment of the ultimate potential financial impact of the case notwithstanding, the risk of financial loss does exist, as with any litigation.

Please refer to Part II. Item 1 “Legal Proceedings” for a complete description of the chronology of the two lawsuits.

10. Discontinued Operations

On December 8, 2010, Piedmont disposed of the 111 Sylvan Avenue Building located in Englewood Cliffs, NJ. In accordance with GAAP, Piedmont reclassified the operational results of the 111 Sylvan Avenue Building to income from discontinued operations for prior periods to conform with current period presentation.

The details comprising income from discontinued operations are presented below (in thousands):

	Three Months Ended March 31,	
	2011	2010
Revenues:		
Rental income	$ —	$ 1,594
Tenant reimbursements	—	(2)
	—	1,592
Expenses:		
Property operating costs	—	8
Depreciation	—	389
General and administrative expenses	—	10
	—	407
Income from discontinued operations	$ —	$ 1,185

11. Stock Based Compensation

A detail of Piedmont’s outstanding employee deferred stock awards as of March 31, 2011 is as follows:

Date of grant	Net Shares Granted(1)	Grant Date Fair Value	Vesting Schedule	Unvested Shares as of March 31, 2011
April 21, 2008	119,078	$26.10	Of the shares granted, 25% vested on the date of grant, and 25% vested or will vest on April 21, 2009, 2010, and 2011, respectively.	36,040
May 6, 2009	152,834	$ 22.20	Of the shares granted, 25% vested on the date of grant, and 25% vested or will vest on May 6, 2010, 2011, and 2012, respectively.	91,627
May 24, 2010	201,699	$18.71	Of the shares granted, 25% vested on the date of grant, and 25% will vest on May 24, 2011, 2012, and 2013, respectively.	165,901
May 24, 2010	53,447	$18.71	Of the shares granted, 33.33% will vest on May 24, 2011, 2012, and 2013, respectively.	53,447
Total				347,015

(1) Net of shares surrendered upon vesting to satisfy required minimum tax withholding obligations

During the three months ended March 31, 2011, and 2010, Piedmont recognized approximately $1.0 million and $0.7 million of compensation expense, respectively, all of which relates to the amortization of nonvested shares. As of March 31, 2011, approximately $3.8 million of unrecognized compensation cost related to unearned or non-vested, share-based compensation remained, which Piedmont will record in its statements of income over a weighted-average vesting period of approximately 1 year.

12. Earnings Per Share

There are no adjustments to “Net income attributable to Piedmont” or “Income from continuing operations” for the diluted earnings per share computations.

Net income per share-basic is calculated as net income available to common stockholders divided by the weighted average number of common shares outstanding during the period. Net income per share-diluted is calculated as net income available to common stockholders divided by the diluted weighted average number of common shares outstanding during the period, including nonvested restricted stock. Diluted weighted average number of common shares is calculated to reflect the potential dilution under the treasury stock method that would occur as if the remaining unvested restricted stock awards had vested and resulted in additional common shares outstanding.

The following table reconciles the denominator for the basic and diluted earnings per share computations shown on the consolidated statements of operations:

	Three Months Ended March 31,	
	2011	2010
Weighted-average common shares – basic	**172,658,488**	164,992,477
Plus incremental weighted-average shares from time-vested conversions:		
Restricted stock awards	**296,266**	207,707
Weighted-average common shares – diluted	**172,954,754**	165,200,184

13. Subsequent Events

Issuance of Stock Compensation

On April 5, 2011, Piedmont issued 82,724 deferred stock awards to its employees, of which 29,274 shares were surrendered to satisfy required minimum tax withholding obligations. Also on April 5, 2011, Piedmont issued 18,039 shares to its independent directors, of which 3,042 shares were surrendered to satisfy required minimum tax withholding obligations.

Eastpointe Corporate Center Disposition

On April 21, 2011, Piedmont entered into a binding contract to sell its office property known as Eastpointe Corporate Center, located in suburban Seattle, Washington for approximately $32 million with an anticipated close date of July 1, 2011.

Purchase of The Dupree Building in Atlanta, Georgia

On April 29, 2011, Piedmont purchased, for $20.5 million, a 14 year-old, Class A, six-story office building containing approximately 138,000 rentable square feet located in Atlanta, Georgia. The Dupree Building, which was obtained through an off-market transaction, is 83% leased.

Second Quarter Dividend Declaration

On May 4, 2011, the board of directors of Piedmont declared dividends for the second quarter of 2011 in the amount of $0.3150 per common share outstanding to stockholders of record as of the close of business on June 1, 2011. Such dividends are to be paid on June 22, 2011.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with the accompanying consolidated financial statements and notes thereto of Piedmont Office Realty Trust, Inc. ("Piedmont"). See also "Cautionary Note Regarding Forward-Looking Statements" preceding Part I, as well as the notes to our consolidated financial statements and Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the year ended December 31, 2010.

Liquidity and Capital Resources

We intend to use cash flows generated from the operation of our wholly-owned properties, distributions from our unconsolidated joint ventures, and proceeds from our existing $500 Million Unsecured Facility as our primary sources of immediate and long-term liquidity. In addition, the potential selective disposition of existing properties and other financing opportunities (such as issuance of additional equity or debt securities or additional borrowings from third-party lenders) afforded to us based on our relatively low leverage and quality asset base may also provide additional sources of capital; however, the availability and attractiveness of terms for these sources of capital is highly dependent on market conditions. As of the time of this filing, we had paid down all outstanding amounts under our $500 Million Unsecured Facility; therefore, we had the full capacity of this facility available for future borrowing with the exception of approximately $21.8 million of capacity that is reserved as security for outstanding letters of credit required by various third parties.

We anticipate that our most immediate use of capital will be to fund capital expenditures for our existing portfolio of properties. These expenditures include two types of specifically identified building improvement projects: (i) general repair and maintenance projects that we as the owner may choose to perform at any of our various properties, and (ii) tenant improvement allowances and leasing commissions negotiated as part of executed leases with our tenants. The timing and magnitude of general repair and maintenance projects are subject to our discretion. We anticipate funding approximately $131.4 million in unrecorded contractual obligations for tenant improvements related to our existing lease portfolio over the respective lease term, much of which we estimate may be required to be funded over the next five years. For many of our leases, the timing of the actual funding of these tenant improvements is largely dependent upon tenant requests for reimbursement. In some cases, these obligations may expire with the leases without further recourse to us. Finally, projected amounts for tenant improvements and leasing commissions related to anticipated re-leasing efforts are generally expected to increase in the near to medium term as a significant number of our leases are scheduled to expire over the next three years. However, the timing and magnitude of these amounts are subject to change as competitive market conditions at the time of lease negotiations dictate.

Subject to the availability of attractive properties and our ability to consummate additional acquisitions on satisfactory terms, acquiring new assets compatible with our investment strategy could also be a significant use of capital. Further, dependent upon actual disposition and acquisition activities, we currently anticipate that we will repay the full outstanding balance of the $250 Million Unsecured Term Loan, which matures June 28, 2011, using availability under our $500 Million Unsecured Facility. We also anticipate using funds to make other scheduled debt service payments and/or debt repayments when such obligations become due. In addition, we may either exercise the one-year extension options related to the loans assumed a connection with the consolidation of the 500 W. Monroe Building (the "500 W. Monroe Loans") that mature on August 9, 2011, or seek new alternative financing from either a third-party lender or the public debt market.

Our cash flows from operations depend significantly on market rents and the ability of our tenants to make rental payments. While we believe the diversity and high credit quality of our tenants help mitigate the risk of a significant interruption of our cash flows from operations, the challenging economic conditions that we are currently experiencing, the downward pressure on rental rates in many of our markets, the potential for an increase in interest rates, or the possibility for a further downturn in one or more of our larger markets, could adversely impact our operating cash flows. Our primary focus is to achieve an attractive long-term, risk-adjusted return for our stockholders. Competition to attract and retain high-credit-quality tenants remains intense due to general economic conditions. At the same time, as mentioned above, a significant number of our leases at our properties are scheduled to expire over the next three years, and the capital requirements necessary to maintain our current occupancy levels, including payment of leasing commissions, tenant concessions, and anticipated leasing expenditures, could increase. As such, we will continue to closely monitor our tenant renewals, rental rates, competitive market conditions, and our cash flows. The amount and form of payment (cash or stock issuance) of future dividends to be paid to our stockholders will continue to be largely dependent upon (i) the amount of cash generated from our operating activities, (ii) our expectations of future cash flows, (iii) our determination of near-term cash needs for debt repayments and selective acquisitions of new properties, (iv) the timing of significant expenditures for tenant improvements and general property capital improvements, (v) long-term payout ratios for comparable companies, (vi) our ability to continue to access additional sources of capital, including potential sales of our properties and (vii) the amount required to be distributed to maintain our status as a REIT. Given the fluctuating nature of cash flows and expenditures, we may periodically borrow funds on a short-term basis to cover timing differences in cash collections and cash receipts. Although we covered the dividend out of operating cash flows in 2010, we project declines in Core Funds From Operations ("Core FFO") for 2011, coupled with increasing capital commitments for new leases. As a result, we do not anticipate that we will cover our dividend in 2011 and/or 2012. We will closely monitor these projections and will consider adjusting our dividend policy accordingly.

Results of Operations

Comparison of the three months ended March 31, 2011 versus the three months ended March 31, 2010

Our income from continuing operations for the three months ended March 31, 2011 increased as compared to the prior period, primarily due to lower interest expense and higher other income related to deferred income recognized upon consolidation of the 500 W. Monroe Building located in Chicago, Illinois, as well as a non-recurring, non-cash gain on consolidation of a variable interest entity ("VIE") of approximately $1.9 million recognized upon such consolidation. These increases were partially offset by lower tenant reimbursements.

The following table sets forth selected data from our consolidated statements of income for the three months ended March 31, 2011 and 2010, respectively, as well as each balance as a percentage of total revenues for the same periods presented (dollars in millions):

	March 31, 2011	%	March 31, 2010	%	$ Increase (Decrease)
Revenue:					
Rental income	**$ 109.8**		$ 110.5		(0.7)
Tenant reimbursements	**32.5**		35.1		(2.6)
Property management fee revenue	**0.9**		0.7		0.2
Other rental income	**3.4**		0.5		2.9
Total revenues	**146.6**	100%	146.8	100%	(0.2)
Expense:					
Property operating costs	**55.0**	38%	55.3	38%	(0.3)
Depreciation	**27.0**	18%	25.7	17%	1.3
Amortization	**12.1**	8%	11.4	8%	0.7
General and administrative expense	**6.8**	5%	6.6	4%	0.2
Real estate operating income	**45.7**	31%	47.8	33%	(2.1)
Other income (expense):					
Interest expense	**(17.2)**	12%	(19.1)	13%	1.9
Interest and other income	**3.5**	3%	1.0	1%	2.5
Equity in income of unconsolidated joint ventures	**0.2**	0%	0.7	0%	(0.5)
Gain on consolidation of VIE	**1.9**	1%	—	0%	1.9
Income from continuing operations	**$ 34.1**	23%	$ 30.4	21%	3.7

Continuing Operations

Revenue

Rental income decreased from approximately $110.5 million for the three months ended March 31, 2010 to approximately $109.8 million for the three months ended March 31, 2011. This variance relates primarily to an adjustment to accelerate both the amortization of above/below market intangibles as well as straight-line rental revenue in the current period related primarily to lease terminations at the 400 Bridgewater Crossing Building in Bridgewater, New Jersey, and the 1901 Main Street Building in Irvine, California of $0.4 million. The remainder of the variance is due to recognition of additional parking revenue at our 4250 North Fairfax Drive Building in Arlington, Virginia in the prior year which did not reoccur in the current year. Although, we did see an increase in rental income due to the addition in the second half of 2010 of both the One and Two Meridian Crossings Buildings located in Richfield, Minnesota, these increases were offset by higher vacancies in the current period and a decrease in rental rates at various other properties.

Tenant reimbursements decreased from approximately $35.1 million for the three months ended March 31, 2010 to approximately $32.5 million for the three months ended March 31, 2011 primarily due to a decrease in property tax reimbursements of $3.3 million. The decrease is mainly a result of a decrease in estimated property taxes at several of our buildings, as well as lease renewals at certain of our properties that resulted in changes to the base-year for those tenants, which precludes the reimbursement of operating expenses. These declines were partially offset by an increase in tenant reimbursements due to the addition of the One and Two Meridian Crossings Buildings.

Other rental income is comprised primarily of income recognized for lease terminations and restructurings. Unlike the majority of our rental income, which is recognized ratably over long-term contracts, other rental income is recognized once we have completed our obligation to provide space to the tenant. Lease terminations and restructurings for the three months ended March 31, 2011 of

approximately $3.4 million primarily relate to leases at the 1201 Eye Street Building in Washington, D.C., the 1075 West Entrance Drive Building in Auburn Hills, Michigan, and the 11695 Johns Creek Parkway Building in Johns Creek, Georgia. We do not expect such income to be comparable in future periods, as it will be dependent upon the exercise of lease terminations by tenants and/or the execution of restructuring agreements that may not be in our control or are deemed by management to be in the best interest of the portfolio over the long term.

Expense

Property operating costs decreased approximately $0.3 million for the three months ended March 31, 2011 compared to the same period in the prior year. This variance is primarily the result of successful appeals of the assessed values at several of our buildings resulting in lower estimated property tax expense of approximately $2.1 million. However, this favorable variance was mostly offset by higher recoverable tenant-requested services (i.e., billback expenses) of approximately $0.5 million, higher recoverable repair and maintenance costs of approximately $0.5 million, and an additional increase in recoverable utility, landscaping, and janitorial costs totaling approximately $0.8 million. Approximately $0.5 million of the increases in recoverable property operating costs mentioned above are attributable to the addition of the One and Two Meridian Crossings Buildings in October 2010 as well as the addition of the Suwanee Gateway One Building in Suwanee, Georgia, which we acquired in September 2010.

Depreciation expense increased approximately $1.3 million for the three months ended March 31, 2011 compared to the same period in the prior year. The increase in depreciation is partially due to an adjustment to accelerate depreciation expense on tenant improvements in the current period related to lease terminations at various properties of approximately $0.6 million. The remainder of the increase was due to the acquisition of the Suwanee Gateway Building and the One and Two Meridian Crossing Buildings in the second half of 2010, as well as an increase in tenant improvements placed in service subsequent to March 31, 2010 at various buildings within the portfolio.

Amortization expense increased approximately $0.7 million for the three months ended March 31, 2011 compared to the same period in the prior year. The increase primarily relates to approximately $1.3 million of adjustments to accelerate amortization expense on certain lease intangible assets related to various lease terminations at certain of our buildings. The increase was also partially attributable to an increase in amortization related to new deferred lease acquisition costs associated with the acquisition or renewal of tenants' leases subsequent to March 31, 2010 of approximately $0.4 million, which are amortized over the life of the respective leases. However, these increases were offset by lower amortization expense of approximately $1.0 million recognized for lease intangible assets arising from initial purchase price allocations in accordance with GAAP that fully amortized subsequent to March 31, 2010.

General and administrative expenses increased approximately $0.2 million for the quarter ended March 31, 2011 compared to the same period in the prior year. The increase is primary attributable to higher employee salary and benefit costs of approximately $0.5 million, primarily due to the new stock performance component of the 2010 Long Term Incentive Compensation Plan which effects long-term incentive compensation grants for officers and resulted in earlier recognition of expense as compared to the prior year. Additionally, we incurred higher legal fees related to our defense of ongoing litigation during the current period of approximately $0.3 million. These increases were partially offset by higher transfer agent expenses in the prior period associated with our recapitalization, listing of our shares on the New York Stock Exchange, and related investor support expenses of approximately $0.6 million.

Other Income (Expense)

Interest expense decreased approximately $1.9 million for the three months ended March 31, 2011 compared to the same period in the prior year because we extended the $250 Million Term Loan in June 2010, and entered into new interest rate swap agreements with four counterparties to effectively fix the interest rate on the loan at 2.36%, as compared to 4.97% in the prior period. The decrease is also attributable to lower net borrowings on our $500 Unsecured Facility in the current period.

Interest and other income increased approximately $2.5 million for the three months ended March 31, 2011 compared to the same period in the prior year. The variance is due to the recognition, upon consolidation of the 500 W. Monroe Building, of previously deferred property operating income in the current period.

Equity in income of unconsolidated joint ventures decreased approximately $0.5 million for the three months ended March 31, 2011 compared to the same period in the prior year. The decrease was a result of tenants vacating space at the 47300 Kato Road Building in Fremont, California in May 2010 and the Two Park Center Building located in Hoffman Estate, Illinois in January 2011. We expect equity in income of unconsolidated joint ventures to fluctuate based on the timing and extent to which dispositions occur as our unconsolidated joint ventures approach their stated dissolution periods.

The $1.9 million gain on the consolidation of our VIE in the current period is attributable to recording the estimated fair value of the net assets associated with taking ownership of the 500 W. Monroe Building through foreclosure.

Income from continuing operations per share on a fully diluted basis increased from a $0.18 for the three months ended March 31, 2010 to $0.20 for the three months ended March 31, 2011 primarily due to lower interest expense and the recognition of deferred income upon consolidation of the 500 W. Monroe Building, as well as a non-recurring, non-cash gain of approximately $1.9 million recognized upon such consolidation of the VIE containing the 500 W. Monroe Building and 500 W. Monroe Loans. These increases were partially offset by lower tenant reimbursements.

Discontinued Operations

In accordance with GAAP, we have classified the operations of the 111 Sylvan Avenue Building in Englewood Cliffs, New Jersey, as discontinued operations for all periods presented. Income from discontinued operations was approximately $1.2 million for the three months ended March 31, 2010. There was no activity in the current period as the property was sold in December 2010. We do not expect that income from discontinued operations will be comparable to future periods, as such income is subject to the timing and existence of future property dispositions.

Funds From Operations ("FFO"), Core FFO, and Adjusted Funds from Operations ("AFFO")

Net income calculated in accordance with GAAP is the starting point for calculating FFO, Core FFO, and AFFO, which are non-GAAP financial measures and should not be viewed as an alternative measurement of our operating performance to net income. Management believes that accounting for real estate assets in accordance with GAAP implicitly assumes that the value of real estate assets diminishes predictably over time. Since real estate values have historically risen or fallen with market conditions, many industry investors and analysts have considered the presentation of operating results for real estate companies that use historical cost accounting to be insufficient by themselves. As a result, we believe that the use of FFO, Core FFO, and AFFO, together with the required GAAP presentation, provides a more complete understanding of our performance relative to our competitors and a more informed and appropriate basis on which to make decisions involving operating, financing, and investing activities.

We calculate FFO in accordance with the current NAREIT definition as follows: Net income (computed in accordance with GAAP), excluding gains or losses from sales of property, plus depreciation and amortization on real estate assets (including our proportionate share of depreciation and amortization related to investments in unconsolidated joint ventures). Other REITs may not define FFO in accordance with the NAREIT definition, or may interpret the current NAREIT definition differently than we do; therefore, our computation of FFO may not be comparable to such other REITs.

We calculate Core FFO as FFO (calculated as set forth above) less impairment charges, acquisition costs, and significant nonrecurring items (including our proportionate share of any impairment charges, acquisition costs, or significant nonrecurring items recognized during the period related to investments in unconsolidated joint ventures). During the three months ended March 31, 2011, we reduced FFO for the nonrecurring $1.9 million gain on consolidation of the VIE containing the 500 W. Monroe Building and 500 W. Monroe Loans to arrive at Core FFO.

For the three months ended March 31, 2011 and 2010, we calculated AFFO as Core FFO (calculated as set forth above) exclusive of the net effects of: (i) amortization associated with deferred financing costs; (ii) depreciation on non-income-producing real estate assets; (iii) straight-line lease revenue/expense; (iv) amortization of above and below-market lease intangibles; (v) stock-based and other non-cash compensation expense; (vi) amortization of mezzanine discount income; (vii) acquisition costs, and (viii) non-incremental capital expenditures (as defined below). Our proportionate share of such adjustments related to investments in unconsolidated joint ventures are also included when calculating AFFO.

Reconciliations of net income to FFO, Core FFO, and AFFO are presented below (in thousands except per share amounts):

	Three Months Ended March 31			
	2011	Per Share[1]	2010	Per Share[1]
Net income attributable to Piedmont	**$ 33,967**	**$ .20**	$ 31,460	$ .19
Depreciation of real assets [2]	**27,154**	**.15**	26,250	.16
Amortization of lease-related costs [2]	**12,106**	**.07**	11,488	.07
Gain on consolidation of VIE	**(1,920)**	**(.01)**	—	—
Funds From Operations	**$ 71,307**	**$ .41**	$ 69,198	$ .42
Adjustment:				
Acquisition costs	**(26)**	**—**	—	—
Core Funds From Operations	**$ 71,281**	**$ .41**	$ 69,198	$ .42
Deferred financing cost amortization	**607**	**—**	696	—
Depreciation of non real estate assets	**170**	**—**	178	—
Straight-line effects of lease expense [2]	**2,237**	**.01**	1,073	.01
Stock-based and other non-cash compensation	**968**	**.01**	653	—
Net effect of amortization of below-market in-place lease intangibles [2]	**(1,362)**	**(.01)**	(1,426)	(.01)
Income from amortization of discount on purchase of mezzanine loans	**(484)**	**—**	(668)	—
Acquisition costs	**26**	**—**	—	—
Non-incremental capital expenditures [3]	**(21,469)**	**(.12)**	(9,413)	(.06)
Adjusted Funds From Operations	**$ 51,974**	**$ .30**	$ 60,291	$ .36
Weighted-average shares outstanding – diluted	**172,955**		165,200	

(1) Based on weighted average shares outstanding – diluted.
(2) Includes adjustments for wholly-owned properties, as well as such adjustments for our proportionate ownership in unconsolidated joint ventures.
(3) Represents capital expenditures of a recurring nature related to tenant improvements and leasing commissions that do not incrementally enhance the underlying assets' income generating capacity. First generation tenant improvements and leasing commissions are excluded from this measure.

Election as a REIT

We have elected to be taxed as a REIT under the Code and have operated as such beginning with our taxable year ended December 31, 1998. To qualify as a REIT, we must meet certain organizational and operational requirements, including a requirement to distribute at least 90% of our adjusted REIT taxable income, computed without regard to the dividends-paid deduction and by excluding net capital gains attributable to our stockholders, as defined by the Code. As a REIT, we generally will not be subject to federal income tax on income that we distribute to our stockholders. If we fail to qualify as a REIT in any taxable year, we may be subject to federal income taxes on our taxable income for that year and for the four years following the year during which qualification is lost and/or penalties, unless the IRS grants us relief under certain statutory provisions. Such an event could materially adversely affect our net income and net cash available for distribution to our stockholders. However, we believe that we are organized and operate in such a manner as to qualify for treatment as a REIT and intend to continue to operate in the foreseeable future in such a manner that we will remain qualified as a REIT for federal income tax purposes. We have elected to treat Piedmont Office Holdings, Inc. ("POH"), a wholly-owned subsidiary of Piedmont, as a taxable REIT subsidiary. We perform non-customary services for tenants of buildings that we own, including real estate and non-real estate related-services; however, any earnings related to such services performed by our taxable REIT subsidiary are subject to federal and state income taxes. In addition, for us to continue to qualify as a REIT, our investments in taxable REIT subsidiaries cannot exceed 25% of the value of our total assets. POH recorded operations for the three months ended March 31, 2011, and we recorded a provision of approximately $3,000 for federal and state income taxes in our accompanying consolidated financial statements.

Inflation

We are exposed to inflation risk, as income from long-term leases is the primary source of our cash flows from operations. There are provisions in the majority of our tenant leases that are intended to protect us from, and mitigate the risk of, the impact of inflation. These provisions include rent steps, reimbursement billings for operating expense pass-through charges, real estate tax, and insurance reimbursements on a per square-foot basis, or in some cases, annual reimbursement of operating expenses above certain per square-foot allowance. However, due to the long-term nature of the leases, the leases may not readjust their reimbursement rates frequently enough to fully cover inflation.

Application of Critical Accounting Policies

Our accounting policies have been established to conform with GAAP. The preparation of financial statements in conformity with GAAP requires management to use judgment in the application of accounting policies, including making estimates and assumptions. These judgments affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the reporting periods. If our judgment or interpretation of the facts and circumstances relating to various transactions had been different, it is possible that different accounting policies would have been applied, thus, resulting in a different presentation of the financial statements. Additionally, other companies may utilize different estimates that may impact comparability of our results of operations to those of companies in similar businesses. The critical accounting policies outlined below have been discussed with members of the Audit Committee of the board of directors.

Investment in Real Estate Assets

We are required to make subjective assessments as to the useful lives of our depreciable assets. We consider the period of future benefit of the asset to determine the appropriate useful lives. These assessments have a direct impact on net income attributable to Piedmont. The estimated useful lives of our assets by class are as follows:

Buildings	40 years
Building improvements	5-25 years
Land improvements	20-25 years
Tenant improvements	Shorter of economic life or lease term
Intangible lease assets	Lease term

Allocation of Purchase Price of Acquired Assets

Upon the acquisition of real properties, it is our policy to allocate the purchase price of properties to acquired tangible assets, consisting of land and building, and identified intangible assets and liabilities, consisting of the value of above-market and below-market leases, other value of in-place leases, and value of tenant relationships, based in each case on their estimated fair values.

The fair values of the tangible assets of an acquired property (which includes land and buildings) are determined by valuing the property as if it were vacant, and the “as-if-vacant” value is then allocated to land and building based on our determination of the fair value of these assets. We determine the as-if-vacant fair value of a property using methods similar to those used by independent appraisers. Factors considered by us in performing these analyses include an estimate of carrying costs during the expected lease-up periods considering current market conditions and costs to execute similar leases. In estimating carrying costs, we include real estate taxes, insurance, and other operating expenses and estimates of lost rental revenue during the expected lease-up periods based on current market demand. We also estimate the cost to execute similar leases including leasing commissions, legal, and other related costs.

The fair values of above-market and below-market in-place lease values are recorded based on the present value (using an interest rate that reflects the risks associated with the leases acquired) of the difference between (i) the contractual amounts to be paid pursuant to the in-place leases and (ii) our estimate of fair market lease rates for the corresponding in-place leases, measured over a period equal to the remaining noncancelable term of the lease. The above-market and below-market lease values are capitalized as intangible lease assets and liabilities and amortized as an adjustment of rental income over the remaining terms of the respective leases.

The fair values of in-place leases include direct costs associated with obtaining a new tenant, opportunity costs associated with lost rentals that are avoided by acquiring an in-place lease, and tenant relationships. Direct costs associated with obtaining a new tenant include commissions, tenant improvements, and other direct costs and are estimated based on management’s consideration of current market costs to execute a similar lease. These direct costs are included in deferred lease costs in the accompanying consolidated balance sheets and are amortized to expense over the remaining terms of the respective leases. The value of opportunity costs is calculated using the contractual amounts to be paid pursuant to the in-place leases over a market absorption period for a similar lease. Customer relationships are valued based on expected renewal of a lease or the likelihood of obtaining a particular tenant for other locations. These lease intangibles are included in intangible lease assets in the accompanying consolidated balance sheets and are amortized to expense over the remaining terms of the respective leases.

Estimates of the fair values of the tangible and intangible assets require us to estimate market lease rates, property operating expenses, carrying costs during lease-up periods, discount rates, market absorption periods, and the number of years the property is held for investment. The use of inappropriate estimates would result in an incorrect assessment of our purchase price allocations, which could impact the amount of our reported net income attributable to us.

Valuation of Real Estate Assets and Investments in Joint Ventures Which Hold Real Estate Assets

We continually monitor events and changes in circumstances that could indicate that the carrying amounts of the real estate and related intangible assets, both operating properties and properties under construction, in which we have an ownership interest, either directly or through investments in joint ventures, may not be recoverable. When indicators of potential impairment are present which indicate that the carrying amounts of real estate and related intangible assets may not be recoverable, we assess the recoverability of these assets by determining whether the carrying value will be recovered through the undiscounted future operating cash flows expected from the use of the asset and its eventual disposition. In the event that such expected undiscounted future cash flows do not exceed the carrying value, we adjust the real estate and related intangible assets to the fair value and recognize an impairment loss.

Projections of expected future cash flows require that we estimate future market rental income amounts subsequent to the expiration of current lease agreements, property operating expenses, the number of months it takes to re-lease the property, and the number of years the property is held for investment, among other factors. The subjectivity of assumptions used in the future cash flow analysis, including discount rates, could result in an incorrect assessment of the property's fair value and, therefore, could result in the misstatement of the carrying value of our real estate and related intangible assets and our net income attributable to us. We have determined that there has been no impairment in the carrying value of real estate assets owned by us or any unconsolidated joint ventures as of March 31, 2011.

Goodwill

Goodwill is the excess of cost of an acquired entity over the amounts specifically assigned to assets acquired and liabilities assumed in purchase accounting for business combinations, as well as costs incurred as part of the acquisition. We test the carrying value of our goodwill for impairment on an annual basis, or on an interim basis if an event occurs or circumstances change that would indicate the carrying amount may be impaired. Such interim circumstances may include, but are not limited to, significant adverse changes in legal factors or in the general business climate, adverse action or assessment by a regulator, unanticipated competition, the loss of key personnel, or persistent declines in an entity's stock price below carrying value of the entity. The test prescribed by authoritative accounting guidance is a two-step test. The first step involves comparing the estimated fair value of the entity to its carrying value, including goodwill. Fair value is determined by adjusting the trading price of the stock for various factors including, but not limited to: (i) liquidity or transferability considerations, (ii) control premiums, and/or (iii) fully distributed premiums, if necessary, multiplied by the common shares outstanding. If such calculated fair value exceeds the carrying value, no further procedures or analysis is permitted or required. However, if the carrying value exceeds the calculated fair value, goodwill is potentially impaired and step two of the analysis would be required. Step two of the test involves calculating the implied fair value of goodwill by deducting the fair value of all tangible and intangible net assets of the entity from the entity's fair value calculated in step one of the test. If the implied value of the goodwill (the remainder left after deducting the fair values of the entity from its calculated overall fair value in step one of the test) is less than the carrying value of goodwill, an impairment loss would be recognized. We have determined that there have been no events or circumstances that would indicate that the carrying amount may be impaired as of March 31, 2011.

Investment in Variable Interest Entities

VIEs are defined by GAAP as entities in which equity investors do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties. If an entity is determined to be a VIE, it must be consolidated by the primary beneficiary. The primary beneficiary is the enterprise that has the power to direct the activities of the VIE that most significantly impact the VIE's economic performance, absorbs the majority of the entity's expected losses, or receives a majority of the entity's expected residual returns. Generally, expected losses and expected residual returns are the anticipated negative and positive variability, respectively, in the fair value of the VIE's net assets. When we make an investment, we assess whether the investment represents a variable interest in a VIE and, if so, whether we are the primary beneficiary of the VIE. Incorrect assumptions or assessments may result in an inaccurate determination of the primary beneficiary. The result could be the consolidation of an entity acquired or formed in the future that would otherwise not have been consolidated or the non-consolidation of such an entity that would otherwise have been consolidated.

We evaluate each investment to determine whether it represents variable interests in a VIE. Further, we evaluate the sufficiency of the entities' equity investment at risk to absorb expected losses, and whether as a group, the equity has the characteristics of a controlling financial interest.

Interest Rate Swap Agreement

When we enter into an interest rate swap agreement to hedge our exposure to changing interest rates on our variable rate debt instruments, we record all derivatives on the balance sheet at fair value as required by GAAP. We reassess the effectiveness of our derivatives designated as cash flow hedges on a regular basis to determine if they continue to be highly effective and also to determine if the forecasted transactions remain highly probable. The changes in fair value of derivatives designated as cash flow hedges are recorded in OCI, and the amounts in OCI will be reclassified to earnings when the hedged transactions occur. Changes in the fair values of derivatives designated as cash flow hedges that do not qualify for hedge accounting treatment are recorded as gain/(loss) on interest rate swap in the consolidated statements of operations in the current period. The fair value of the interest rate swap agreement is recorded as prepaid expenses and other assets or as interest rate swap liability in the accompanying consolidated balance sheets. Amounts received or paid under interest rate swap agreements are recorded as interest expense in the consolidated statements of operations as incurred. Currently, we do not use derivatives for trading or speculative purposes and do not have any derivatives that are not designated as cash flow hedges.

The valuation of cash flow hedges is determined using widely accepted valuation techniques including discounted cash flow analysis based on the contractual terms of the derivatives, including the period to maturity of each instrument, and uses observable market-based inputs, including interest rate curves and implied volatilities. Therefore, the fair values determined are considered to be based on significant other observable inputs (Level 2). In addition, we consider both our own and the respective counterparties' risk of nonperformance in determining the fair value of our derivative financial instruments by estimating the current and potential future exposure under the derivative financial instruments that both we and the counterparties are at risk for as of the valuation date. This total expected exposure is then discounted using discount factors that contemplate our creditworthiness and the counterparties to arrive at a credit charge. This credit charge is then netted against the value of the derivative financial instruments determined using the discounted cash flow analysis described above to arrive at a total estimated fair value of the interest rate swap agreements.

Contractual Obligations

Our contractual obligations as of March 31, 2011 are as follows (in thousands):

	Payments Due by Period				
Contractual Obligations	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Long-term debt [1]	$1,602,525[3]	$ 450,000	$ 165,000	$ 680,000	$307,525
Operating lease obligations[2]	79,095	664	2,249	1,500	74,682
Total	$ 1,681,620	$450,664	$167,249	$681,500	$ 382,207

(1) Amounts include principal payments only. We made interest payments, including payments under our interest rate swaps, of approximately $15.9 million during the three months ended March 31, 2011, and expect to pay interest in future periods on outstanding debt obligations based on the rates and terms disclosed herein and in Note 5 of our accompanying consolidated financial statements.

(2) Three properties (the River Corporate Center Building in Tempe, Arizona; the 8700 South Price Road Building in Tempe, Arizona; and the 2001 NW 64th Street Building in Ft. Lauderdale, Florida) are subject to ground leases with expiration dates ranging between 2048 and 2101. The aggregate remaining payments required under the terms of these operating leases as of March 31, 2011 are presented above.

(3) Amounts do not include the discounts recorded as a result of adjusting the 500 W. Monroe Loans to estimated fair market value upon assumption in accordance with GAAP on March 31, 2011. These discounts will be amortized over the remaining life of the loans. Refer to Note 5 to our consolidated financial statements for further explanation.

In addition to the amounts disclosed in the table above, we anticipate funding approximately $131.4 million in unrecorded contractual obligations for tenant improvements related to our existing lease portfolio over the respective lease term, much of which we estimate may be required to be funded over the next five years. For many of our leases, the timing of the actual funding of these tenant improvements is largely dependent upon tenant requests for reimbursement. In some cases, these obligations may expire with the leases without further recourse to us.

Commitments and Contingencies

We are subject to certain commitments and contingencies with regard to certain transactions. Refer to Note 9 to our consolidated financial statements for further explanation. Examples of such commitments and contingencies include:

- Commitments Under Existing Lease Agreements;
- Contingencies Related to Tenant Audits;
- Letters of Credit; and
- Assertion of Legal Action.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our future income, cash flows, and fair values of our financial instruments depend in part upon prevailing market interest rates. Market risk is the exposure to loss resulting from changes in interest rates, foreign currency, exchange rates, commodity prices, and equity prices. Our exposure to market risk includes interest rate fluctuations in connection with any borrowings under our $500 Million Unsecured Facility, our $250 Million Unsecured Term Loan, and under the debt assumed in conjunction with the foreclosure of the 500 W. Monroe Building. As a result, the primary market risk to which we believe we are exposed is interest rate risk. Many factors, including governmental monetary and tax policies, domestic and international economic and political considerations, and other factors that are beyond our control contribute to interest rate risk. Our interest rate risk management objectives are to limit the impact of interest rate changes on earnings and cash flow primarily through a low-to-moderate level of overall borrowings, as well as managing the variability in rate fluctuations on our outstanding debt. As such, a significant portion of our debt is based on fixed interest rates to hedge against instability in the credit markets, and we have effectively fixed the interest rate on our $250 Million Unsecured Term Loan through interest rate swap agreements. Additionally, we put LIBOR interest rate caps in place on the debt assumed as part of the 500 W. Monroe Building to limit our exposure to potential increases in LIBOR during the term of the loans.

All of our debt was entered into for other than trading purposes, and the estimated fair value of our debt as of March 31, 2011 was approximately $1.6 billion. See Notes 5 and 8 of our accompanying consolidated financial statements for further detail.

As of March 31, 2011, substantially all of our outstanding debt is subject to fixed, or effectively fixed, interest rates. Our total outstanding debt has an average effective interest rate of approximately 4.96% per annum with expirations ranging from 2011 to 2017. A change in the market interest rate impacts the net financial instrument position of our fixed-rate debt portfolio but has no impact on interest incurred or cash flows. Such agreements may result in higher fixed interest rates in certain periods of lower variable interest rates, but are intended to decrease our exposure to potential increases in interest rates.

As of March 31, 2011, we had $15.0 million outstanding on our $500 Million Unsecured Facility, which is the only debt facility subject to uncapped, variable interest rates. Our $500 Million Unsecured Facility currently has a stated rate of LIBOR plus 0.475% per annum or the prime rate, at the company's discretion. This draw was subject to the prime rate of 3.25% as of March 31, 2011. The $140.0 million and $45.0 million indebtedness assumed upon consolidation of the 500 W. Monroe Building are subject to a stated rate of LIBOR (0.255% for the accrual period in effect as of March 31, 2011) plus 1.008% and 1.45%, respectively. In both instances, the LIBOR rate is capped at 1.0%, limiting our exposure to potential increases to LIBOR. To the extent that we borrow additional funds in the future under the $500 Million Unsecured Facility or potential future variable-rate lines of credit, we would have exposure to increases in interest rates, which would potentially increase our cost of debt.

ITEM 4. CONTROLS AND PROCEDURES

Management's Conclusions Regarding the Effectiveness of Disclosure Controls and Procedures

We carried out an evaluation, under the supervision and with the participation of management, including the Principal Executive Officer and the Principal Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures as defined in Rule 15d-15(e) of the Securities Exchange Act of 1934 (the "Exchange Act") as of the end of the quarterly period covered by this report. Based upon that evaluation, the Principal Executive Officer and the Principal Financial Officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this quarterly report in providing a reasonable level of assurance that information we are required to disclose in the reports we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in applicable SEC rules and forms, including providing a reasonable level of assurance that information required to be disclosed by us in the reports we file under the Exchange Act is accumulated and communicated to our management, including the Principal Executive Officer and the Principal Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended March 31, 2011 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Assertion of Legal Action

In Re Wells Real Estate Investment Trust, Inc. Securities Litigation, Civil Action No. 1:07-cv-00862-CAP **(Upon motions to dismiss filed by defendants, parts of all seven counts were dismissed by the court. Counts III through VII were dismissed in their entirety. On August 2, 2010, the court ruled on various pre-trial motions and denied the defendants' motion for summary judgment. The parties are preparing for trial, but no trial date has been set.)**

On March 12, 2007, a stockholder filed a purported class action and derivative complaint in the United States District Court for the District of Maryland against, among others, Piedmont, Piedmont's previous advisors, and the officers and directors of Piedmont prior to the closing of the Internalization. The complaint attempts to assert class action claims on behalf of those persons who received and were entitled to vote on the proxy statement filed with the SEC on February 26, 2007.

The complaint alleges, among other things, (i) that the consideration to be paid as part of the Internalization is excessive; (ii) violations of Section 14(a), including Rule 14a-9 thereunder, and Section 20(a) of the Exchange Act, based upon allegations that the proxy statement contains false and misleading statements or omits to state material facts; (iii) that the board of directors and the current and previous advisors breached their fiduciary duties to the class and to Piedmont; and (iv) that the proposed Internalization will unjustly enrich certain directors and officers of Piedmont.

The complaint seeks, among other things, (i) certification of the class action; (ii) a judgment declaring the proxy statement false and misleading; (iii) unspecified monetary damages; (iv) to nullify any stockholder approvals obtained during the proxy process; (v) to nullify the Internalization; (vi) restitution for disgorgement of profits, benefits, and other compensation for wrongful conduct and fiduciary breaches; (vii) the nomination and election of new independent directors, and the retention of a new financial advisor to assess the advisability of Piedmont's strategic alternatives; and (viii) the payment of reasonable attorneys' fees and experts' fees.

On June 27, 2007, the plaintiff filed an amended complaint, which contains the same counts as the original complaint, described above, with amended factual allegations based primarily on events occurring subsequent to the original complaint and the addition of a Piedmont officer as an individual defendant.

On March 31, 2008, the court granted in part the defendants' motion to dismiss the amended complaint. The court dismissed five of the seven counts of the amended complaint in their entirety. The court dismissed the remaining two counts with the exception of allegations regarding the failure to disclose in Piedmont's proxy statement details of certain expressions of interest by a third party in acquiring Piedmont. On April 21, 2008, the plaintiff filed a second amended complaint, which alleges violations of the federal proxy rules based upon allegations that the proxy statement to obtain approval for Internalization omitted details of certain expressions of interest in acquiring Piedmont. The second amended complaint seeks, among other things, unspecified monetary damages, to nullify and rescind Internalization, and to cancel and rescind any stock issued to the defendants as consideration for Internalization. On May 12, 2008, the defendants answered the second amended complaint.

On June 23, 2008, the plaintiff filed a motion for class certification. On September 16, 2009, the court granted the plaintiff's motion for class certification. On September 30, 2009, the defendants filed a petition for permission to appeal immediately the court's order granting the motion for class certification with the Eleventh Circuit Court of Appeals, which the Eleventh Circuit Court of Appeals denied on October 30, 2009.

On April 13, 2009, the plaintiff moved for leave to amend the second amended complaint to add additional defendants. The court denied the motion for leave to amend on June 23, 2009.

On December 4, 2009, the parties filed motions for summary judgment. On August 2, 2010, the court entered an order denying the defendants' motion for summary judgment and granting, in part, the plaintiff's motion for partial summary judgment. On August 12, 2010, the defendants filed a motion seeking to certify the court's decision on the parties' motions for summary judgment for immediate appeal. On November 1, 2010, the court denied the defendants' motion to certify its order on the parties' motions for summary judgment for immediate appeal. No trial date has been set.

We believe that the allegations contained in the complaint are without merit, and as such, have determined that the risk of material loss associated with this lawsuit is remote. Further, we will continue to vigorously defend this action. Due to the uncertainties inherent in the litigation process, our assessment of the ultimate potential financial impact of the case notwithstanding, the risk of financial loss does exist, as with any litigation.

In Re Piedmont Office Realty Trust, Inc. Securities Litigation, Civil Action No. 1:07-cv-02660- **CAP (Upon motions to dismiss filed by defendants, parts of all four counts were dismissed by the court. Counts III and IV were dismissed in their entirety. The parties are engaged in discovery.)**

On October 25, 2007, the same stockholder mentioned above filed a second purported class action in the United States District Court for the Northern District of Georgia against Piedmont and its board of directors. The complaint attempts to assert class action claims on behalf of (i) those persons who were entitled to tender their shares pursuant to the tender offer filed with the SEC by Lex-Win Acquisition LLC, a former stockholder, on May 25, 2007, and (ii) all persons who are entitled to vote on the proxy statement filed with the SEC on October 16, 2007.

The complaint alleges, among other things, violations of the federal securities laws, including Sections 14(a) and 14(e) of the Exchange Act and Rules 14a-9 and 14e-2(b) promulgated thereunder. In addition, the complaint alleges that defendants have also breached their fiduciary duties owed to the proposed classes.

On December 26, 2007, the plaintiff filed a motion seeking that the court designate it as lead plaintiff and its counsel as class lead counsel, which the court granted on May 2, 2008.

On May 19, 2008, the lead plaintiff filed an amended complaint which contained the same counts as the original complaint. On June 30, 2008, defendants filed a motion to dismiss the amended complaint.

On March 30, 2009, the court granted in part the defendants' motion to dismiss the amended complaint. The court dismissed two of the four counts of the amended complaint in their entirety. The court dismissed the remaining two counts with the exception of allegations regarding (i) the failure to disclose information regarding the likelihood of a listing in our amended response to the Lex-Win tender offer and (ii) purported misstatements or omissions in our proxy statement concerning then-existing market conditions, the alternatives to a listing or extension that were explored by the defendants, the results of conversations with potential buyers as to our valuation, and certain details of our share redemption program. On April 13, 2009, defendants moved for reconsideration of the court's March 30, 2009 order or, alternatively, for certification of the order for immediate appellate review. The defendants also requested that the proceedings be stayed pending consideration of the motion. On June 19, 2009, the court denied the motion for reconsideration and the motion for certification of the order for immediate appellate review.

On April 20, 2009, the plaintiff, joined by a second plaintiff, filed a second amended complaint, which alleges violations of the federal securities laws, including Sections 14(a) and 14(e) of the Exchange Act and Rules 14a-9 and 14e-2(b) promulgated thereunder. The second amended complaint seeks, among other things, unspecified monetary damages, to nullify and void any authorizations secured by the proxy statement, and to compel a tender offer. On May 11, 2009, the defendants answered the second amended complaint.

On June 10, 2009, the plaintiffs filed a motion for class certification. The court granted the plaintiffs' motion for class certification on March 10, 2010. Defendants sought and received permission from the Eleventh Circuit Court of Appeals to appeal the class certification order on an interlocutory basis. On April 11, 2011, the Eleventh Circuit Court of Appeals invalidated the district court's order certifying a class and remanded the case to the district court for further proceedings.

We believe that the allegations contained in the complaint are without merit, and as such, have determined that the risk of material loss associated with this lawsuit is remote. Further, we will continue to vigorously defend this action. Due to the uncertainties inherent in the litigation process, our assessment of the ultimate potential financial impact of the case notwithstanding, the risk of financial loss does exist, as with any litigation.

ITEM 1A. RISK FACTORS

There have been no known material changes from the risk factors previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2010.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

(a) There were no unregistered sales of equity securities during the first quarter 2011.

(b) Not applicable.

(c) During the quarter ended March 31, 2011, Piedmont's transfer agent repurchased shares of its Class A common stock in the open market, in order to reissue such shares under its dividend reinvestment plan (the "DRP"), as follows:

Period	Total Number of Shares Purchased (in 000's)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Program (in 000's) [1]	Maximum Approximate Dollar Value of Shares Available That May Yet Be Purchased Under the Program (in 000's)[1]
January 1, 2011 to January 31, 2011	—	$ —	—	$ —
February 1, 2011 to February 28, 2011	—	$ —	—	$ —
March 1, 2011 to March 31, 2011	46	$ 19.16	—	$ —[1]

(1) Under our DRP, we have the option to either issue shares that we purchase in the open market or issue shares directly from Piedmont from authorized but unissued shares. Such election will take place at the settlement of each quarterly dividend in which there are participants in our DRP, and may change from quarter to quarter based on our judgment of the best use of proceeds for Piedmont. Therefore, repurchases may occur on a quarterly basis, but only to the extent necessary to satisfy DRP elections by our stockholders.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. RESERVED

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

The Exhibits required to be filed with this report are set forth on the Exhibit Index to First Quarter 2011 Form 10-Q attached hereto.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PIEDMONT OFFICE REALTY TRUST, INC.
(Registrant)

Dated: May 5, 2011

By: /s/ Robert E. Bowers
Robert E. Bowers
Chief Financial Officer and Executive Vice President
(Principal Financial Officer and Duly Authorized Officer)

EXHIBIT INDEX
TO
FIRST QUARTER 2011
FORM 10-Q
OF
PIEDMONT OFFICE REALTY TRUST, INC.

Exhibit Number	Description of Document
3.1	Third Articles of Amendment and Restatement of Piedmont Office Realty Trust, Inc. (the "Company") (incorporated by reference to Exhibit 3.1 to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2009 filed on March 16, 2010)
3.2	Amended and Restated Bylaws of the Company (incorporated by reference to Exhibit 3.2 to the Company's current Report on Form 8-K filed on January 22, 2010)
10.1	Loan Agreement dated as of July 11, 2007 by and between Broadway 500 West Monroe Fee LLC (now known as Piedmont 500 West Monroe Fee LLC) ("Mortgage Borrower") and Morgan Stanley Mortgage Capital Holdings LLC (as predecessor in interest to Wells Fargo Bank, N.A., as Trustee, for the Certificate holders of Morgan Stanley Capital I Inc. Commercial Mortgage Pass-Through Certificates Trust, Series 2007-XLF9) ("Mortgage Lender")
10.2	Promissory Note dated as of July 11, 2007 by and between Mortgage Borrower and Mortgage Lender
10.3	First Omnibus Amendment to Loan Agreement and Other Loan Documents (Mortgage Loan) dated as of August 15, 2007, by and among Mortgage Borrower and Mortgage Lender
10.4	Amended and Restated Promissory Note dated as of August 15, 2007, by and among Mortgage Borrower and Mortgage Lender
10.5	Mezzanine A Loan Agreement dated as of July 11, 2007, by and between Broadway 500 West Monroe Mezz I LLC (now known as Piedmont 500 West Monroe Mezz I LLC) ("Mezzanine Borrower") and Morgan Stanley Mortgage Capital Holdings LLC (as predecessor in interest to 500 W Monroe Mezz I-B, LLC and Deutsche Genossenschafts-Hypothekenbank AG) ("Mezzanine Lender")
10.6	Promissory Note (Mezzanine A Loan) dated as of July 11, 2007, by and between Mezzanine Borrower and Mezzanine Lender
10.7	First Omnibus Amendment to Loan Agreement and Other Loan Documents (Mezzanine A Loan), dated August 15, 2007, by and between Mezzanine Borrower and Mezzanine Lender
10.8	Amended and Restated Promissory Note (Mezzanine A Loan), dated August 15, 2007, by and between Mezzanine Borrower and Mezzanine Lender
10.9	Second Omnibus Amendment to Loan Agreement and Other Loan Documents (Mezzanine A Loan), dated as of February 26, 2008, by and between Mezzanine Borrower and Mezzanine Lender
10.10	Second Amended and Restated Promissory Note (Mezzanine A Loan), by and between Mezzanine Borrower and Mezzanine Lender
10.11	Mezzanine A Loan Participation Agreement, dated as of February 26, 2008, by and between Mezzanine Lender, Morgan Stanley Mortgage Capital Holdings LLC (as predecessor in interest to Deutsche Genossenschafts-Hypothekenbank AG), as Participation A Holder, Morgan Stanley Mortgage Capital Holdings LLC (as predecessor in interest to 500 W Monroe Mezz I-B, LLC), as Participation B Holder, and LaSalle Bank National Association, as Custodian
31.1	Rule 13a-14(a)/15d-14(a) Certification, executed by Donald A. Miller, CFA, Principal Executive Officer of the Company
31.2	Rule 13a-14(a)/15d-14(a) Certification, executed by Robert E. Bowers, Principal Financial Officer of the Company
32.1	Certification required by Rule 13a-14(b)/15d-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code, executed by Donald A. Miller, CFA, Chief Executive Officer and President of the Company
32.2	Certification required by Rule 13a-14(b)/15d-14(b) and Section 1350 of Chapter 63 of Title 18 of the United States Code, executed by Robert E. Bowers, Chief Financial Officer and Executive Vice-President of the Company

Exhibit 10.1

LOAN AGREEMENT

between

BROADWAY 500 WEST MONROE FEE LLC,
as Borrower

and

MORGAN STANLEY MORTGAGE CAPITAL HOLDINGS LLC,
as Lender

Dated as of July 11, 2007

TABLE OF CONTENTS

ARTICLE III

INTENTIONALLY OMITTED

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

ARTICLE IX

SPECIAL PROVISIONS

ARTICLE X

MISCELLANEOUS

EXHIBITS AND SCHEDULES

LOAN AGREEMENT

THIS LOAN AGREEMENT, dated as of July 11, 2007 (as amended, restated, replaced, supplemented or otherwise modified from time to time, this "**Agreement**"), between MORGAN STANLEY MORTGAGE CAPITAL HOLDINGS LLC, a New York limited liability company, having an address at 1221 Avenue of the Americas, New York, New York 10020 ("**Lender**") and BROADWAY 500 WEST MONROE FEE LLC, a Delaware limited liability company, having its principal place of business at c/o Broadway Partners, 375 Park Avenue, Suite 2107, New York, New York 10152 ("**Borrower**").

W I T N E S S E T H:

WHEREAS, Borrower desires to obtain the Loan (as hereinafter defined) from Lender; and

WHEREAS, Lender is willing to make the Loan to Borrower, subject to and in accordance with the terms of this Agreement and the other Loan Documents (as hereinafter defined); and

NOW THEREFORE, in consideration of the making of the Loan by Lender and the covenants, agreements, representations and warranties set forth in this Agreement, the parties hereto hereby covenant, agree, represent and warrant as follows:

ARTICLE I

DEFINITIONS; PRINCIPLES OF CONSTRUCTION

Section 1.1 Definitions. For all purposes of this Agreement, except as otherwise expressly required or unless the context clearly indicates a contrary intent:

"Acceptable Counterparty" means any Counterparty to the Interest Rate Cap Agreement that has and shall maintain, until the expiration of the applicable Interest Rate Cap Agreement, a Minimum Counterparty Rating.

"Acceptable Guarantor" means a Person which (A) owns a direct or indirect equity interest in Borrower and (B) is a creditworthy entity in Lender's reasonable determination (including sufficient net worth and liquidity).

"Account Collateral" shall mean: (i) the Accounts and the Lockbox Account, and all Cash, checks, drafts, certificates and instruments, if any, from time to time deposited or held in the Accounts and the Lockbox Account from time to time, including, without limitation, all deposits or wire transfers made to the Accounts and the Lockbox Account; (ii) any and all amounts invested in Permitted Investments; (iii) all interest, dividends, Cash, instruments, investment property and other property from time to time received, receivable or otherwise payable in respect of, or in exchange for, any or all of the foregoing; and (iv) to the extent not

covered by clauses (i) through (iii) above, all "proceeds" (as defined under the UCC as in effect in the State of New York) of any or all of the foregoing.

"Accounts" shall have the meaning set forth in the Cash Management Agreement.

"Accrual Period" shall mean, in connection with the calculation of interest accrued with respect to any specified Payment Date, the period commencing on the fifteenth (15th) day of the prior calendar month and ending on the fourteenth (14th) day of the calendar month in which such Payment Date occurs; provided, however, the initial Accrual Period shall be the period commencing on the Closing Date and ending on July 14, 2007. Each Accrual Period shall be a full month and shall not be shortened by reason of any payment of the Loan prior to the expiration of such Accrual Period.

"Acquired Property" shall have the meaning set forth in Section 5.1.10(g)(i) hereof.

"Acquired Property Statements" shall have the meaning set forth in Section 5.1.10(g)(i) hereof.

"Act" shall have the meaning set forth in Section 4.1.35(hh) hereof.

"Actual Required Payment" shall have the meaning specified in Section 2.3.1.

"Affiliate" shall mean, as to any Person, any other Person that, directly or indirectly, owns more than forty percent (40%) of, is in control of, is controlled by or is under common ownership or control with such Person or is a controlling director or controlling officer of such Person or of an Affiliate of such Person. Such term shall include Guarantor unless otherwise specified or if the context may otherwise require.

"Affiliated Loans" shall have the meaning set forth in 5.1.10(1) hereof.

"Affiliated Manager" shall mean any property manager which is an Affiliate of, or in which Borrower, Principal, or Guarantor has, directly or indirectly, any legal, beneficial or economic interest.

"Agent Bank" shall mean KeyCorp Real Estate Capital Markets, Inc., and any successor Eligible Institution thereto.

"Aggregate Debt Service" shall mean the aggregate Debt Service for the Loan and the Mezzanine Loan.

"Agent" shall have the meaning set forth in Section 9.7.2(d) hereof.

"ALTA" shall mean American Land Title Association or any successor thereto.

"Alteration Security Threshold" shall have the meaning set forth in Section 5.1.20 hereof.

"Alteration Threshold Amount" shall mean an amount equal to $6,500,000 provided, however, that for so long as the Mezzanine Loan D is outstanding, the Alteration Threshold Amount shall equal $2,500,000.00.

"Annual Budget" shall mean the operating budget, including Borrower's good faith estimate of all planned capital expenditures, for the Property prepared by Borrower for the applicable calendar year or other period.

"Applicable Interest Rate" shall mean (A) from and including the Closing Date through and including July 14, 2007, an interest rate per annum equal to 6.3437%; and (B) for the Accrual Period commencing on July 15, 2007 and for each successive Accrual Period through and including the date on which the Debt is paid in full, an interest rate per annum equal to (I) the Eurodollar Rate or (II) the Substitute Rate plus the Substitute Spread, if the Loan is a Substitute rate Loan in accordance with the provisions of Section 2.2.3 hereof.

"Applicable Laws" shall mean all existing and future federal, state and local laws, orders, ordinances, governmental rules and regulations and court orders.

"Appraisal" shall mean an appraisal prepared in accordance with the requirements of FIRREA, prepared by an independent third party appraiser holding an MAI designation, who is State licensed or State certified if required under the laws of the State where the Property is located, who meets the requirements of FIRREA and who is otherwise satisfactory to Lender.

"Approved Accountant" shall mean a "Big Four" accounting firm, The Schonbraun McCann Group LLP, Anchin, Block & Anchin LLP or other independent certified public accountant reasonably acceptable to Lender.

"Approved Annual Budget" shall have the meaning set forth in Section 5.1.10(d) hereof.

"Approved Bank" shall mean (i) a bank or other financial institution with a long term debt obligation rating of "A" or better by S&P and Fitch (if rated by Fitch) and "A2" or better by Moody's (or a comparable long term debt obligation rating) as determined by the Rating Agencies and (ii) WestLB AG, provided that (A) WestLB AG has and maintains as long as the applicable Letter of Credit is in effect a long term unsecured debt rating of not less than "A-" by S&P and Fitch (if rated by Fitch) and "A3" by Moody's and (B) Lender reasonably determines that delivery of a Letter of Credit by WestLB AG would not, in and of itself, result in a downgrade, qualification or withdrawal of the initial, or, if higher, then current ratings assigned to the Securities.

"Assignment and Assumption" shall have the meaning set forth in Section 9.7.2(a).

"Assignment of Interest Rate Cap" shall mean that certain Collateral Assignment of Interest Rate Cap Agreement to be made by Borrower to Lender as required by this Agreement as security for the Loan, consented to by the Counterparty, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

"Assignment of Leases" shall mean that certain first priority Assignment of Leases and Rents, dated as of the date hereof, from Borrower, as assignor, to Lender, as assignee, assigning to Lender all of Borrower's interest in and to the Leases and Rents of the Property as security for the Loan, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

"Assignment of Management Agreement" shall mean that certain Conditional Assignment of Management Agreement dated as of the date hereof, among Lender, Borrower and Manager, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

"Award" shall mean any compensation paid by any Governmental Authority in connection with a Condemnation in respect of all or any part of the Property.

"Bankruptcy Code" shall mean Title 11 U.S.C. §101 et seq., and the regulations adopted and promulgated pursuant thereto (as the same may be amended from time to time).

"Basic Carrying Costs" shall mean the sum of the following costs associated with the Property for the relevant Fiscal Year or payment period: (i) Taxes and (ii) Insurance Premiums.

"Borrower" shall have the meaning set forth in the introductory paragraph hereto, together with its permitted successors and permitted assigns.

"Breakage Costs" shall have the meaning set forth in Section 2.2.3(d) hereof.

"Business Day" shall mean any day other than a Saturday, Sunday or any other day on which national banks in New York, New York are not open for business.

"Capital Expenditures" shall mean, for any period, the amount expended for items capitalized under GAAP (or such other accounting basis reasonably acceptable to Lender).

"Cash" shall mean coin or currency of the United States of America or immediately available funds, including such funds delivered by wire transfer.

"Cash Equivalents" shall mean any of the following, to the extent owned by a Person free and clear of all Liens: (a) readily marketable direct obligations of the Government of the United States or any agency or instrumentality thereof or obligations unconditionally guaranteed by the full faith and credit of the Government of the United States, (b) certificates of deposit of or time deposits with any federally insured commercial bank that is a member of the Federal Reserve System, which issues (or the parent of which issues) commercial paper rated as described in clause (c) below, is organized under the laws of the United States or any State thereof and has combined capital and surplus of at least $1 billion (c) commercial paper issued by any corporation organized under the laws of any State of the United States and rated at least "Prime-1" (or the then equivalent grade) by Moody's or "A-1" (or the then equivalent grade) by S&P, or (d) a Letter of Credit.

"Cash Management Agreement" shall mean that certain Cash Management Agreement dated as of the date hereof among Lender, Borrower, Manager and Agent Bank, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Casualty" shall have the meaning set forth in Section 6.2 hereof.

"Casualty Consultant" shall have the meaning set forth in Section 6.4(b)(iii) hereof.

"Casualty Retainage" shall have the meaning set forth in Section 6.4(b)(iv) hereof.

"Closing Date" shall mean the date of the funding of the Loan.

"Code" shall mean the Internal Revenue Code of 1986, as amended, as it may be further amended from time to time, and any successor statutes thereto, and all applicable U.S. Department of Treasury regulations issued pursuant thereto in temporary or final form.

"Co-Lender" shall have the meaning set forth in Section 9.7.2(a) hereof.

"Co-Lending Agreement" shall mean the Co-Lending Agreement entered into between Lender, individually as a Co-Lender and as Agent and the other Co-Lenders in the event of a Syndication, as the same may be further supplemented modified, amended or restated.

"Collateral" shall mean the Property, the Accounts, the Lockbox Account, the Reserve Funds, the Guaranty, the Personal Property, the Rents, the Account Collateral, and all other real or personal property of Borrower or any Guarantor that is at any time pledged, mortgaged or otherwise given as security to Lender for the payment of the Debt under the Security Instrument, this Agreement or any other Loan Document.

"Condemnation" shall mean a temporary or permanent taking by any Governmental Authority as the result or in lieu or in anticipation of the exercise of the right of condemnation or eminent domain, of all or any part of the Property, or any interest therein or right accruing thereto, including any right of access thereto or any change of grade affecting the Property or any part thereof.

"Condemnation Proceeds" shall have the meaning set forth in Section 6.4(b) hereof.

"control" (and the correlative terms "controlled by" and "controlling") shall mean the possession, directly or indirectly, of the power to direct or cause the direction of management and policies of the business and affairs of the entity in question by reason of the ownership of beneficial interests, by contract or otherwise.

"Counterparty" shall mean (a) the counterparty under the Interest Rate Cap Agreement that is the issuer of the Interest Rate Cap Agreement or (b) a Person that guarantees such counterparty's obligations under the Interest Rate Cap Agreement or otherwise provides to such counterparty credit support acceptable to Lender or, after a Securitization, the Rating

Agencies, provided, however, that such guarantor shall be deemed the "Counterparty" for so long as the long-term credit rating issued by the Rating Agencies to such guarantor is better than the long-term credit rating of the actual counterparty under the Interest Rate Cap Agreement.

"Creditors Rights Laws" shall mean with respect to any Person, any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization, conservatorship, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to its debts or debtors.

"Debt" shall mean the outstanding principal amount set forth in, and evidenced by, this Agreement and the Note together with all interest accrued and unpaid thereon (including, without limitation, any interest that would accrue on the outstanding principal amount of the Loan through and including the end of any applicable Accrual Period, even if such Accrual Period extends beyond any applicable Payment Date or the Maturity Date) and all other sums due to Lender in respect of the Loan under the Note, this Agreement, the Security Instrument or any other Loan Document.

"Debt Service" shall mean, with respect to any particular period of time, interest payments due under the Note for such period.

"Debt Service Account" shall have the meaning set forth in the Cash Management Agreement.

"Debt Service Shortfall Reserve Account" shall have the meaning set forth in the Cash Management Agreement.

"Debt Service Shortfall Reserve Fund" shall have the meaning set forth in Section 7.7.1 hereof.

"Default" shall mean the occurrence of any event hereunder or under any other Loan Document which, but for the giving of notice or passage of time, or both, would constitute an Event of Default.

"Default Rate" shall mean, with respect to the Loan, a rate per annum equal to the lesser of (a) the Maximum Legal Rate, or (b) five percent (5%) above the Applicable Interest Rate.

"Deposit Account" shall have the meaning set forth in the Cash Management Agreement.

"Disclosure Document" shall have the meaning set forth in Section 9.2(a) hereof.

"Eligible Account" shall mean a separate and identifiable account from all other funds held by the holding institution that is either (a) an account or accounts maintained with a federal or State chartered depository institution or trust company which complies with the definition of Eligible Institution or (b) a segregated trust account or accounts maintained with a federal or State chartered depository institution or trust company acting in its fiduciary capacity which, in the case of a State chartered depository institution or trust company, is subject to

regulations substantially similar to 12 C.F.R. § 9.10(b), having in either case a combined capital and surplus of at least $50,000,000 and subject to supervision or examination by federal and State authority. An Eligible Account will not be evidenced by a certificate of deposit, passbook or other instrument.

"Eligible Institution" shall mean a depository institution or trust company, insured by the Federal Deposit Insurance Corporation, (a) the short term unsecured debt obligations or commercial paper of which are rated at least A 1+ by S&P, P 1 by Moody's and F 1+ by Fitch in the case of accounts in which funds are held for thirty (30) days or less, or (b) the long term unsecured debt obligations of which are rated at least "AA" by Fitch and S&P and "Aa2" by Moody's in the case of accounts in which funds are held for more than thirty (30) days.

"Embargoed Person" shall have the meaning set forth in Section 4.1.44 hereof.

"Environmental Indemnity" shall mean that certain Environmental Indemnity Agreement dated as of the date hereof executed by Borrower and Guarantor in connection with the Loan for the benefit of Lender, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

"Environmental Law" shall mean any federal, State and local laws, statutes, ordinances, rules, regulations, standards, policies and other government directives or requirements, that, at any time, apply to Borrower and Guarantor or the Property and relate to Hazardous Materials, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act and the Resource Conservation and Recovery Act.

"Environmental Liens" shall have the meaning set forth in Section 5.1.19(a) hereof.

"Environmental Report" shall have the meaning set forth in Section 4.1.39 hereof.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as the same may be amended from time to time.

"Estimated Interest Payment" shall have the meaning specified in Section 2.3.1.

"Eurodollar Rate" shall mean, with respect to any Accrual Period, an interest rate per annum equal to the sum of (a) LIBOR applicable to the Accrual Period plus (b) the Eurodollar Spread per annum.

"Eurodollar Spread" shall mean 102.37 basis points (1.0237%).

"Event of Default" shall have the meaning set forth in Section 8.1 (a) hereof.

"**Exchange Act**" shall have the meaning set forth in Section 9.2(a) hereof.

"Exchange Act Filing" shall have the meaning set forth in Section 9.2(a) hereof.

"Executive Order" shall have the meaning set forth in the definition of Prohibited Person.

"Extended Maturity Date" shall have the meaning set forth in Section 2.2.1(c) hereof.

"Extension Fee" shall mean one-fourth of one percent (0.25%) of the then-outstanding principal amount of the Loan.

"Extension Maturity Date" Shall have the meaning set forth in Section 2.2.1.

"Extension Option" shall have the meaning set forth in Section 2.2.1.

"Extension Period" shall have the meaning set forth in Section 2.2.1.

"FIRREA" means the Financial Institutions Reform, Recovery and Enforcement Act of 1989, as the same may be amended from time to time.

"Fiscal Year" shall mean each twelve (12) month period commencing on January 1 and ending on December 31 during the term of the Loan.

"Fitch" shall mean Fitch, Inc.

"Flood Insurance Act" shall have the meaning set forth in Section 6.1(a)(vii) hereof.

"Flood Insurance Policies" shall have the meaning set forth in Section 6.1(a)(vii) hereof.

"Force Majeure" shall mean the failure of Borrower to perform any obligation hereunder by reason of any act of God, enemy or hostile government action, terrorist attacks, civil commotion, insurrection, sabotage, strikes or lockouts or any other reason primarily due to cause or causes beyond the reasonable control of Borrower or any Affiliate of Borrower.

"GAAP" shall mean generally accepted accounting principles as of the date of the applicable financial report set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board (or agencies with similar functions of comparable stature and authority within the accounting profession), or in such other statements by such entity as may be in general use by significant segments of the U.S. accounting profession.

"Governmental Authority" shall mean any court, board, agency, commission, office, central bank or other authority of any nature whatsoever for any governmental unit (federal, State, county, district, municipal, city, country or otherwise) or quasi-governmental unit whether now or hereafter in existence.

"Gross Income from Operations" shall mean all income, determined on an accrual basis and computed in accordance with GAAP (or such other accounting basis reasonably acceptable to Lender), derived from the ownership and operation of the Property from whatever source, including, but not limited to, the Rents (net of rent concessions or credits), utility charges, escalations, forfeited security deposits, interest on credit accounts, service fees or charges, license fees, parking fees, other required pass-throughs, proceeds of business interruption insurance or other loss of income insurance for the applicable period and interest on the Reserve Funds, sales, use and occupancy or other taxes on receipts required to be accounted for by Borrower to any Governmental Authority, non-recurring revenues as reasonably determined by Lender, payments received by Borrower under the Interest Rate Cap Agreement, proceeds from the sale or refinancing of the Property, refunds and uncollectible accounts, sales of furniture, fixtures and equipment, Insurance Proceeds (other than business interruption or other loss of income insurance), Awards, unforfeited security deposits, utility and other similar deposits, any extraordinary revenues, including without limitation, any Lease Termination Payments, and any disbursements to Borrower from the Reserve Funds. Gross Income from Operations shall not be diminished as a result of the Security Instrument or the creation of any intervening estate or interest in the Property or any part thereof. Notwithstanding the foregoing, Gross Income from Operations shall include Rents to be paid pursuant to a Lease executed before or during the applicable period for which Gross Income from Operations is being measured provided (i) the remaining free rent period for such Lease does not exceed ninety (90) days and (ii) the applicable tenant under such Lease is occupying its space or is expected to take occupancy of its space within ninety (90) days of such calculation, such Rents to be included in Gross Income from Operations as if the applicable tenant was paying Rent at the full monthly rate set forth in the applicable Lease from the effective date of such Lease or the commencement of the period for which Gross Income from Operations is being measured, whichever later occurs.

"Guarantor" shall mean each of (i) Broadway Partners Parallel Fund B III, L.P., (ii) Broadway Partners Real Estate Fund III, L.P. and (iii) Broadway Partners Parallel Fund P III, L.P., jointly and severally, and any other entity guaranteeing any payment or performance obligation of Borrower, including, without limitation, any Replacement Guarantor.

"Guaranty" shall mean that certain Guaranty of Recourse Obligations of Borrower, dated as of the date hereof, from Guarantor to Lender.

"Hazardous Materials" shall mean petroleum and petroleum products and compounds containing them, including gasoline, diesel fuel and oil; explosives; flammable materials; radioactive materials; polychlorinated biphenyls and compounds containing them; lead and lead-based paint; asbestos or asbestos-containing materials in any form that is or could become friable; toxic mold; any substance the presence of which on the Property is prohibited by any federal, State or local authority; any substance that requires special handling; and any other material or substance now or in the future defined as a "hazardous substance," "hazardous material," "hazardous waste," "toxic substance," "toxic pollutant," "contaminant," "pollutant" or other words of similar import within the meaning of any Environmental Law.

"Immediate Family Member" shall mean a parent, spouse, sibling, child or grandchild of a natural person.

"Impositions" shall mean any present or future income, stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority.

"Improvements" shall have the meaning set forth in Article 1 of the Security Instrument with respect to the Property.

"Indebtedness" of a Person, at a particular date, means the sum (without duplication) at such date of (a) all indebtedness of such Person (including, without limitation, amounts for borrowed money); (b) obligations evidenced by bonds, debentures, notes, or other similar instruments; (c) obligations for the deferred purchase price of property or services (including trade obligations); (d) obligations under letters of credit; (e) all guaranties, endorsements (other than for collection or deposit in the ordinary course of business) and other contingent obligations to purchase, to provide funds for payment, to supply funds, to invest in any Person or entity, or otherwise to assure a creditor against loss; (f) obligations secured by any Liens, whether or not the obligations have been assumed; (g) all amounts required to be paid by such Person as a guaranteed payment to partners or a preferred or special dividend, including any mandatory redemption of shares or interests; (h) all obligations under leases that constitute capital leases for which such Person is liable; and (i) all obligations of such Person under interest rate swaps, caps, floors, collars and other interest hedge agreements, in each case whether such Person is liable contingently or otherwise, as obligor, guarantor or otherwise.

"Indemnified Parties" shall mean Lender, any person or entity in whose name the encumbrance created by the Security Instrument is or will have been recorded, persons and entities who may hold or acquire or will have held a full or partial interest in the Loan (including, but not limited to, Investors or prospective Investors in the Securities, as well as custodians, trustees and other fiduciaries who hold or have held a full or partial interest in the Loan for the benefit of third parties) as well as the respective directors, officers, shareholders, partners, members, employees, agents, Affiliates, subsidiaries, participants, successors and assigns of any and all of the foregoing (including but not limited to any other Person who holds or acquires or will have held a participation or other full or partial interest in the Loan or the Property, whether during the term of the Loan or as a part of or following a foreclosure of the Loan and including, but not limited to, any successors by merger, consolidation or acquisition of all or a substantial portion of Lender's assets and business).

"Indemnified Taxes" shall mean Impositions, excluding, in the case of Lender or any Co-Lender (or any successor and/or assign of Lender or any Co-Lender), (a) Impositions imposed on or measured by its net income or franchise taxes on it by the jurisdiction (or any political subdivision or taxing authority thereof) under the laws of which such Lender or such Co-Lender, as applicable, is incorporated or otherwise organized or in which its principal office is located or in which its applicable lending office is located, (b) any branch profits taxes imposed by the United States or any similar tax imposed by any other jurisdiction in which such Lender or such Co-Lender, as applicable, is located, (c) any Impositions imposed, deducted or withheld by reason of any present or former connection between such Lender or such Co-Lender, as applicable, and the jurisdiction imposing the Imposition (other than on account of the execution, delivery, performance, filing, recording, and enforcement of, and the other activities contemplated in, this Agreement and the other Loan Documents, and such Lender's or such

Co-Lender's participation in the transactions contemplated by this Agreement and the other Loan Documents) and (d) any Impositions imposed, deducted or withheld with respect to amounts payable to such Lender or such Co-Lender, as applicable, at the time such Lender or such Co-Lender, as applicable, becomes a party hereto or designates a new lending office, except to the extent that such Lender or such Co-Lender, as applicable, is an assignee and its assignor was entitled at the time of such assignment to receive additional amounts from Borrower with respect to such Impositions pursuant to Section 2.2.8.

"Indemnitor" shall mean each of (i) Broadway Partners Parallel Fund B III, L.P., (ii) Broadway Partners Parallel Fund P III, L.P. and (iii) Broadway Partners Real Estate Fund III, L.P., jointly and severally.

"Independent Manager" shall mean a natural Person who is not at the time of initial appointment, or at any time while serving as a member of Borrower and has not been at any time during the preceding five (5) years: (a) a stockholder, director (with the exception of serving as the Independent Manager of Borrower), officer, employee, partner, member, attorney or counsel of Borrower or any Affiliate of Borrower; (b) a creditor, customer, supplier or other Person who derives any of its purchases or revenues from its activities with Borrower or any Affiliate of Borrower; (c) a Person controlling, controlled by or under common control with Borrower or any Affiliate of Borrower or any such stockholder, partner, member, creditor, customer, supplier or other Person; or (d) an Immediate Family Member of any such stockholder, director, officer, employee, partner, manager, creditor, customer, supplier or other Person.

A natural Person who satisfies the foregoing definition other than subparagraph (b) shall not be disqualified from serving as an Independent Manager of Borrower if such individual is an independent director or manager provided by a nationally-recognized company that provides professional independent directors or managers and that also provides other corporate services in the ordinary course of its business to Borrower and/or its Affiliates or if such individual receives customary director's fees for so serving, subject to the limitation on fees set forth below.

A natural Person who otherwise satisfies the foregoing shall not be disqualified from serving as an Independent Manager of Borrower if such individual is at the time of initial appointment, or at any time while serving as an Independent Manager of Borrower, an "Independent Manager" of a "Single Purpose Entity" affiliated with Borrower (other than any entity that owns a direct or indirect equity interest in Borrower) if such natural Person is an independent director or manager provided by a nationally-recognized company that provides professional independent directors or managers or such individual does not derive more than 5% of his or her annual income from serving as a director of Borrower or any Affiliate of Borrower.

"Initial Rollover/Replacement Reserve Deposit" shall have the meaning set forth in Section 7.4.1 hereof.

"Insolvency Opinion" shall mean, that certain bankruptcy non-consolidation opinion letter delivered by counsel for Borrower in connection with the Loan and approved by Lender or the Rating Agencies, as the case may be.

"Insurance Reserve Account" shall have the meaning set forth in the Cash Management Agreement.

"Insurance Premiums" shall have the meaning set forth in Section 6.1(b) hereof.

"Insurance Proceeds" shall have the meaning set forth in Section 6.4(b) hereof.

"Interest Rate Cap Agreement" shall mean the Interest Rate Cap Agreement (together with a confirmation from the Counterparty in the form attached hereto as Schedule XX, and the schedules relating thereto), between an Acceptable Counterparty and Borrower obtained by Borrower. The Interest Rate Cap Agreement shall otherwise be written on the then current standard ISDA documentation with such changes thereto as are required by Lender, and shall provide for interest periods and calculations consistent with the payment terms of this Agreement, together with all amendments, restatements, replacements, supplements and modifications thereto. After delivery of a Replacement Interest Rate Cap Agreement to Lender, the term "Interest Rate Cap Agreement" shall be deemed to mean such Replacement Interest Rate Cap Agreement.

"Investment Grade" shall mean a rating of "BBB-" or its equivalent (or higher) by Fitch and S&P and "Baa3" by Moody's.

"Investor" shall have the meaning set forth in Section 5.1.10(f) hereof.

"Lease Termination Payments" shall mean all payments made to Borrower in connection with any termination, cancellation, surrender, sale or other disposition of any Lease; provided, however, the first $150,000 in payments (in the aggregate) made to Borrower in connection with any termination, cancellation, surrender, sale or other disposition of any Lease after the date hereof shall not be considered Lease Termination Payments for purposes of this Agreement.

"Leases" shall have the meaning set forth in Article 1 of the Security Instrument.

"Leasing Approval Period" shall have the meaning set forth in Section 5.1.17(h) hereof.

"Leasing Expenses" shall mean the tenant improvements (including base building improvements required pursuant to a Lease) and leasing commission obligations incurred by Borrower in connection with any new Major Leases that have been approved by Lender or, so long as such obligations are on market rates and terms, any other Leases or Renewal Leases entered into by Borrower in accordance with the terms hereof.

"Legal Requirements" shall mean, with respect to the Property or Borrower, all federal, State, county, municipal and other governmental statutes, laws, rules, orders, regulations, ordinances, judgments, decrees and injunctions of Governmental Authorities affecting the Property or any part thereof, or the zoning, construction, use, alteration, occupancy or operation thereof, or any part thereof, whether now or hereafter enacted and in force, including, without limitation, the Americans with Disabilities Act of 1990, and all permits, licenses and authorizations and regulations relating thereto, and all covenants, agreements and restrictions

contained in any instruments, either of record or known to Borrower, at any time in force affecting the Property or any part thereof, including, without limitation, any which may (a) require repairs, modifications or alterations in or to the Property or any part thereof, or (b) in any way limit the use and enjoyment thereof.

"Lender" shall have the meaning set forth in the introductory paragraph hereto, together with its successors and assigns.

"Letter of Credit" shall mean a transferable, irrevocable, unconditional, clean sight draft standby letter of credit in form reasonably satisfactory to Lender issued by an Approved Bank. The Letter of Credit shall be payable upon presentation of a sight draft only to the order of Lender and a statement executed by an officer or authorized signatory or Lender stating that it has the right to draw thereon at a New York City bank. The Letter of Credit shall have an initial expiration date of not less than one (1) year and shall be automatically renewed for successive twelve (12) month periods (unless such Letter of Credit provides that the issuing bank may elect not to renew the Letter of Credit upon written notice to the beneficiary at least thirty (30) days prior to its expiration date) and shall provide for multiple draws. The Letter of Credit shall be transferable by Lender and its successors and assigns at a New York City bank.

"Liabilities" shall have the meaning set forth in Section 9.2(b) hereof.

"LIBOR" shall mean, for the first Accrual Period 5.32% per annum. For each Accrual Period thereafter LIBOR shall mean the rate (expressed as a percentage per annum and rounded upward, if necessary, to the next nearest 1/1000 of 1%) for deposits in U.S. dollars, for a one-month period, that appears on Telerate Page 3750 as of 11:00 a.m., London time, on the related LIBOR Determination Date. If such rate does not appear on Telerate Page 3750 as of 11:00 a.m., London time, on such LIBOR Determination Date, LIBOR shall be the arithmetic mean of the offered rates (expressed as a percentage per annum) for deposits in U.S. dollars for a one-month period that appear on the Reuters Screen Libor Page as of 11:00 a.m., London time, on such LIBOR Determination Date, if at least two such offered rates so appear. If fewer than two such offered rates appear on the Reuters Screen Libor Page as of 11:00 a.m., London time, on such LIBOR Determination Date, Lender shall request the principal London Office of any four major reference banks in the London interbank market selected by Lender to provide such bank's offered quotation (expressed as a percentage per annum) to prime banks in the London interbank market for deposits in U.S. dollars for a one-month period as of 11:00 a.m., London time, on such LIBOR Determination Date for the then outstanding principal amount of the Loan. If at least two such offered quotations are so provided, LIBOR shall be the arithmetic mean of such quotations. If fewer than two such quotations are so provided, Lender shall request any three major banks in New York City selected by Lender to provide such bank's rate (expressed as a percentage per annum) for loans in U.S. dollars to leading European banks for a one-month period as of approximately 11:00 a.m., New York City time on the applicable LIBOR Determination Date for the then outstanding principal amount of the Loan. If at least two such rates are so provided, LIBOR shall be the arithmetic mean of such rates. LIBOR shall be determined by Lender or its agent and at Borrower's request, Lender shall provide Borrower with the basis for its determination.

"LIBOR Business Day" shall mean any day other than a Saturday, Sunday or any other day on which commercial banks in London, England or New York, New York are not open for business.

"LIBOR Determination Date" shall mean, with respect to each Accrual Period, the date that is two (2) LIBOR Business Days prior to the fifteenth (15th) day of the calendar month in which such Accrual Period commences; provided, however, that Lender shall have the right to change the LIBOR Determination Date to any other day upon notice to Borrower (in which event such change shall then be deemed effective) and, if requested by Lender, Borrower shall promptly execute an amendment to this Agreement to evidence such change.

"Licenses" shall have the meaning set forth in Section 4.1.21 hereof.

"Lien" shall mean, with respect to the Property, any mortgage, deed of trust, lien, pledge, hypothecation, assignment, security interest, or any other encumbrance, charge or transfer of, on or affecting Borrower, the Property, any portion thereof or any interest therein, including, without limitation, any conditional sale or other title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing, the filing of any financing statement, and mechanic's, materialmen's and other similar liens and encumbrances.

"Lien Charges" shall mean charges for labor or materials or other charges that can create liens on the Property.

"Liquid Assets" shall mean, with respect to any Person, the available credit lines, undrawn and unencumbered capital commitments, and unencumbered cash or Cash Equivalents of such Person and its wholly owned subsidiaries.

"LLC Agreement" shall have the meaning set forth in Section 4.1.35(hh) hereof.

"Loan" shall mean the loan made by Lender to Borrower pursuant to this Agreement and the other Loan Documents.

"Loan Documents" shall mean, collectively, this Agreement, the Note, the Security Instrument, the Assignment of Leases, the Lockbox Agreement, the Cash Management Agreement, the Environmental Indemnity, the Assignment of Management Agreement, the Guaranty and all other documents executed and/or delivered in connection with the Loan, each as may be modified, amended, supplemented and/or replaced from time to time.

"Lockbox Account" shall mean the "Account" or "Accounts" as defined in the Lockbox Agreement.

"Lockbox Agreement" shall mean that certain Deposit Account Control Agreement, dated as of the date hereof among Lender, Borrower and Lockbox Bank, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Lockbox Bank" shall mean KeyBank, N. A., and any successor Eligible Institution thereto.

"Losses" shall mean any and all claims, suits, liabilities (including, without limitation, strict liabilities), actions, proceedings, obligations, debts, actual out-of-pocket damages (excluding consequential, punitive and/or special damages), actual out-of-pocket losses, actual out-of-pocket costs, actual out-of-pocket expenses, fines, penalties, charges, fees, judgments, awards, amounts paid in settlement of whatever kind or nature (including but not limited to reasonable attorneys' fees and other costs of defense), but excluding punitive and unforeseeable damages.

"Major Lease" shall mean (i) any Lease which together with all other Leases to the same tenant and to all Affiliates of such tenant, (1) provides for rental income representing ten percent (10%) or more of the total rental income for the Property, in the aggregate, or (2) covers at least one (1) full floor, in the aggregate, (ii) any Lease with an Affiliate of Borrower other than for a management office of no more than 2500 square feet, and (iii) any instrument guaranteeing or providing credit support for any Major Lease.

"Management Agreement" shall mean, with respect to the Property, the management agreement dated as of the date hereof entered into by and between Borrower and Manager, pursuant to which the Manager is to provide management and other services with respect to the Property, or, if the context requires, the Replacement Management Agreement executed in accordance with the terms and provisions of this Agreement.

"Manager" shall mean Broadway Real Estate Services, LLC or, if the context requires, a Qualified Manager who is managing the Property in accordance with the terms and provisions of this Agreement.

"Material Adverse Effect" shall mean any event or condition that has a material adverse effect on (a) the value or possession of the Property taken as a whole (including the Net Operating Income) or (b) the business, operations or financial condition of Borrower, including but not limited to the ability of Borrower to repay the principal and interest of the Loan as it becomes due.

"Maturity Date" shall mean the Payment Date occurring in August, 2009, as such date may be extended pursuant to the terms hereof, or such other date on which the final payment of the principal of the Note becomes due and payable as therein or herein provided, whether at such stated maturity date, by declaration of acceleration, or otherwise.

"Maximum Legal Rate" shall mean the maximum nonusurious interest rate, if any, that at any time or from time to time may be contracted for, taken, reserved, charged or received on the indebtedness evidenced by the Note and as provided for herein or in the other Loan Documents, under the laws of such State or States whose laws are held by any court of competent jurisdiction to govern the interest rate provisions of the Loan.

"Member" shall mean Broadway 500 West Monroe Mezz I LLC, a Delaware limited liability company.

"Member Cessation Event" shall have the meaning specified in Section 4.1.35(hh).

"Mezzanine A Loan Agreement" shall mean the Mezzanine A Loan Agreement, dated as of the date hereof, between Mezzanine Lender A and Mezzanine Borrower A, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

"Mezzanine B Loan Agreement" shall mean the Mezzanine B Loan Agreement, dated as of the date hereof, between Mezzanine Lender B and Mezzanine Borrower B, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

"Mezzanine Borrower" shall mean, collectively, Mezzanine Borrower A, Mezzanine Borrower B, Mezzanine Borrower C and Mezzanine Borrower D.

"Mezzanine Borrower A" shall mean Broadway 500 West Monroe Mezz I LLC, a Delaware limited liability company.

"Mezzanine Borrower B" shall mean Broadway 500 West Monroe Mezz II LLC, a Delaware limited liability company.

"Mezzanine Borrower C" shall mean, Broadway 500 West Monroe Mezz III LLC, a Delaware limited liability company.

"Mezzanine Borrower D" shall mean Broadway 500 West Monroe Mezz IV LLC, a Delaware limited liability company.

"Mezzanine C Loan Agreement" shall mean the Mezzanine C Loan Agreement, dated as of the date hereof, between Mezzanine Lender C and Mezzanine Borrower C, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

"Mezzanine D Loan Agreement" shall mean the Mezzanine D Loan Agreement, dated as of the date hereof, between Mezzanine Lender D and Mezzanine Borrower D, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

"Mezzanine Lender" shall collectively refer to the Mezzanine Lender A, Mezzanine Lender B, Mezzanine Lender C and Mezzanine Lender D.

"Mezzanine Lender A" shall mean Morgan Stanley Mortgage Capital Holdings LLC, the lender of the Mezzanine Loan A to Mezzanine Borrower A, together with its successors and assigns.

"Mezzanine Lender B" shall mean Morgan Stanley Mortgage Capital Holdings LLC, the lender of the Mezzanine Loan B to Mezzanine Borrower B, together with its successors and assigns.

"Mezzanine Lender C" shall mean Morgan Stanley Mortgage Capital Holdings LLC, the lender of the Mezzanine Loan C to Mezzanine Borrower C, together with its successors and assigns.

"Mezzanine Lender D" shall mean Transwestern Mezzanine Realty Partners II, LLC, the lender of the Mezzanine Loan D to Mezzanine Borrower D, together with its successors and assigns.

"Mezzanine Loan" shall mean, collectively, Mezzanine Loan A, Mezzanine Loan B, Mezzanine Loan C and Mezzanine Loan D.

"Mezzanine Loan A" shall mean the mezzanine loan made by Mezzanine Lender A to Mezzanine Borrower A.

"Mezzanine Loan Agreement" shall mean, collectively, the Mezzanine A Loan Agreement, Mezzanine B Loan Agreement, Mezzanine C Loan Agreement and Mezzanine D Loan Agreement.

"Mezzanine Loan B" shall mean the mezzanine loan made by Mezzanine Lender B to Mezzanine Borrower B.

"Mezzanine Loan C" shall mean the mezzanine loan made by Mezzanine Lender C to Mezzanine Borrower C.

"Mezzanine Loan D" shall mean the mezzanine loan made by Mezzanine Lender D to Mezzanine Borrower D.

"Mezzanine Loan Documents" shall mean, collectively, the Mezzanine Note, the Mezzanine Loan Agreement and any and all other documents defined as "Loan Documents" in any Mezzanine Loan Agreement.

"Mezzanine Note" shall mean, collectively, (a) that certain Mezzanine A Promissory Note dated the date hereof, made by Mezzanine Borrower A and payable to Mezzanine Lender A in the principal amount of up to $65,600,000.00, (b) that certain Mezzanine B Promissory Note dated the date hereof, made by Mezzanine Borrower B and payable to Mezzanine Lender B in the principal amount of $36,200,000.00, (c) that certain Mezzanine C Promissory Note dated the date hereof, made by Mezzanine Borrower C and payable to Mezzanine Lender C in the principal amount of $40,200,000.00 and (d) that certain Mezzanine D Promissory Note dated the date hereof, made by Mezzanine Borrower D and payable to Mezzanine Lender D in the principal amount of $48,500,000.00, as each of the foregoing may be amended, restated, extended, increased, consolidated, supplemented or severed from time to time.

"Minimum Counterparty Rating" shall mean (a) either a short term credit rating from S&P (and if Fitch rates the entity, from Fitch) of at least "A-l" or a long term credit rating from S&P (and if Fitch rates the entity, from Fitch) of at least "A+" and (b) either (i) a long term credit rating from Moody's of at least "Aa3" or (ii) a long term credit rating from Moody's of at least "Al" and a short term credit rating from Moody's of "P-l". After a

Securitization of the Loan, only the ratings of those Rating Agencies rating the Securities shall apply.

"Minimum Replacement Disbursement Amount" shall mean $25,000.

"Monthly Debt Service Payment Amount" shall mean the amount of interest due and payable on each Payment Date pursuant to the Note and Section 2.2 hereof.

"Monthly Insurance Premium Deposit" shall have the meaning set forth in Section 7.2(c) hereof.

"Monthly Tax Deposit" shall have the meaning set forth in Section 7.2(b) hereof.

"Moody's" shall mean Moody's Investors Service, Inc.

"Morgan Stanley" shall have the meaning set forth in Section 9.2(b) hereof.

"Morgan Stanley Group" shall have the meaning set forth in Section 9.2(b) hereof.

"Net Cash Flow" for any period shall mean the amount obtained by subtracting Operating Expenses and Capital Expenditures for such period from Gross Income from Operations for such period.

"Net Cash Flow Schedule" shall have the meaning set forth in Section 5.1.10(b) hereof.

"Net Operating Income" means the amount obtained by subtracting Operating Expenses from Gross Income from Operations.

"Net Proceeds" shall have the meaning set forth in Section 6.4(b) hereof.

"Net Proceeds Deficiency" shall have the meaning set forth in Section 6.4(b)(vi) hereof.

"Net Worth" of a Person means, as of any date of determination, the excess of total assets of such Person over total liabilities of such Person (in each case on a consolidated basis), total assets and total liabilities each to be determined in accordance with GAAP (or such other accounting basis reasonably acceptable to Lender).

"Note" shall mean that certain Promissory Note of even date herewith in the principal amount of ONE HUNDRED FIFTY MILLION AND 00/100 DOLLARS ($150,000,000.00), made by Borrower in favor of Lender, as the same may be amended, restated, replaced, extended, renewed, supplemented, severed, split, or otherwise modified from time to time.

"Obligations" shall mean Borrower's obligation to pay the Debt and perform its obligations under the Note, this Agreement and the other Loan Documents.

"Officer's Certificate" shall mean a certificate delivered to Lender by Borrower which is signed by a Responsible Officer of Borrower.

"Operating Expenses" shall mean the total of all expenditures, determined on an accrual basis and computed in accordance with GAAP (or such other accounting basis reasonably acceptable to Lender), of whatever kind relating to the operation, maintenance and management of the Property that are incurred on a regular monthly or other periodic basis, including without limitation, utilities, ordinary repairs and maintenance, insurance premiums, license fees, property taxes and assessments, advertising expenses, management fees, capital costs, tenant rollover expenses, computer processing charges, operational equipment or other lease payments as reasonably approved by Lender, and other similar costs, but excluding depreciation, Debt Service, Capital Expenditures and contributions to the Reserve Funds and any "extraordinary expenses" under GAAP; provided, however such costs and expenses shall be subject to adjustment by Lender to normalize such costs and expenses.

"Organizational Documents" shall mean (i) with respect to a corporation, such Person's certificate of incorporation and by laws, and any shareholder agreement, voting trusts or similar arrangements, if any, applicable to any of such Person's authorized shares of capital stock, (ii) with respect to a partnership, such Person's certificate of limited partnership and partnership agreement, and voting trusts or similar arrangements, if any, applicable to any of its partnership interests, (iii) with respect to a limited liability company, such Person's certificate of formation and limited liability company agreement, and voting trusts or similar arrangements, if any, applicable to any of its limited liability company interests, and (iv) any and all agreements, if any, between any constituent member, partner or shareholder of the Person in question applicable to such Person, including any contribution agreement or indemnification agreements.

"Other Charges" shall mean all maintenance charges, impositions other than Taxes, and any other charges, including, without limitation, vault charges and license fees for the use of vaults, chutes and similar areas adjoining the Property, now or hereafter levied or assessed or imposed against the Property or any part thereof.

"Participant" shall have the meaning set forth in Section 9.7.2(i).

"Payment Date" shall mean August 9, 2007, and the ninth (9th) day of each calendar month thereafter during the term of the Loan or, if such day is not a Business Day, the immediately preceding Business Day.

"Permitted Encumbrances" shall mean, collectively, (a) the Liens and security interests created (or otherwise expressly permitted) by the Loan Documents, (b) all Liens, encumbrances and other matters disclosed in the Title Insurance Policy relating to the Property or any part thereof, (c) Liens, if any, for Taxes imposed by any Governmental Authority not yet delinquent, (d) existing Leases and subsequent Leases entered into in accordance with the terms of the Loan Documents and (e) such other title and survey exceptions (including, without limitation, Leases, special taxes and assessments, zoning and development restrictions, and historic or landmark restrictions) as Lender has approved or may approve in writing in Lender's sole discretion.

"Permitted Investments" shall have the meaning set forth in the Cash Management Agreement

"Person" shall mean any individual, corporation, partnership, joint venture, limited liability company, estate, trust, unincorporated association, any other entity, any federal, State, county or municipal government or any bureau, department or agency thereof and any fiduciary acting in such capacity on behalf of any of the foregoing.

"Personal Property" shall have the meaning set forth in Article 1 of the Security Instrument with respect to the Property.

"Physical Conditions Report" shall mean the report dated June 27, 2007 prepared by EMG and delivered to Lender in connection with the Loan.

"Plan" shall mean an employee benefit plan (as defined in section 3(3) of ERISA) subject to Title I of ERISA or a plan or other arrangement subject to section 4975 of the Code.

"Plan Assets" shall mean assets of a Plan within the meaning of 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA.

"Policies" shall have the meaning set forth in Section 6.1(b) hereof.

"Principal" shall have the meaning set forth in Section 4.1.35 hereof, together with its successors and assigns. Lender and Borrower agree that, based on Borrower's organizational structure as of the date hereof, no Principal exists on the date hereof.

"Prohibited Person" shall mean any Person:

(a) listed in the Annex to, or otherwise subject to the provisions of, the Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001, and relating to Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (the **"Executive Order"**);

(b) that is owned or controlled by, or acting for or on behalf of, any person or entity that is listed to the Annex to, or is otherwise an object of any of the restrictions, limitations or prohibitions set forth in the provisions of the Executive Order;

(c) with whom Lender is prohibited from dealing or otherwise engaging in any transaction by any terrorism or money laundering law, including the Executive Order;

(d) who commits, threatens or conspires to commit or supports "terrorism" as defined in the Executive Order;

(e) that is named as a "specially designated national and blocked person" on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control at its official website, http://www.treas.gov.ofac/tl lsdn.pdf or at any replacement website or other replacement official publication of such list; or

(f) who is an Affiliate of or affiliated with a Person listed above.

"Property" shall mean the real property, the Improvements thereon and all Personal Property owned and/or leased by Borrower and encumbered by the Security Instrument, together with all rights pertaining to the Property and the Improvements, as more particularly described in Article 1 of the Security Instrument and referred to therein as the "Property".

"Provided Information" shall have the meaning set forth in Section 9.1(a) hereof.

"Qualified Fund Transferee" shall mean either:

(A) any Person that in Lender's reasonable determination meets the criteria set forth in any of the following clauses:

(i) a pension fund, pension trust or pension account that (a) has total real estate assets of at least $2 Billion and (b) is managed by a Person who controls or manages at least $2 Billion of real estate equity assets; or

(ii) a pension fund advisor who (a) immediately prior to such transfer, controls at least $2 Billion (exclusive of the Property) of real estate equity assets and (b) is acting on behalf of one or more pension funds that, in the aggregate, satisfy the requirements of clause (i) of this definition; or

(iii) an insurance company which is subject to supervision by the insurance commissioner, or a similar official or agency, of a state or territory of the United States (including the District of Columbia) (a) with a Net Worth, as of a date no more than six (6) months prior to the date of the transfer, of at least $800 Million and (b) who, immediately prior to such transfer, controls real estate equity assets of at least $2 Billion (exclusive of the Property); or

(iv) a corporation organized under the banking laws of the United States or any state or territory of the United States (including the District of Columbia) (a) with a combined capital and surplus of at least $800 Million and (b) who, immediately prior to such transfer, controls real estate equity assets of at least $2 Billion (exclusive of the Property); or

(v) any Person who (a) owns or operates at least 15,000,000 square feet of gross leaseable area of commercial space, of which not less than 5,000,000 square feet (excluding the Property) is "Class A" office space in major metropolitan areas, (b) has a Net Worth, as of a date no more than six (6) months prior to the date of such transfer, of at least $800 Million and (c) immediately prior to such transfer, controls real estate equity assets of at least $2 Billion or non-real estate equity assets of $4 Billion; or

(vi) any Person controlled directly or indirectly by Morgan Stanley Mortgage Capital Holdings LLC, or any Affiliate of Morgan Stanley Mortgage Capital Holdings LLC; or

(vii) any Person controlled directly or indirectly by Transwestern Mezzanine Realty Partners, LLC, or any Affiliate of Transwestern Mezzanine Realty Partners, LLC.

or

(B) any other Person (a) approved by Lender or, (b) if a Securitization shall have occurred, regarding which Lender shall have received written confirmation by the Rating Agencies that the transfer to such Person will not, in and of itself, cause a downgrade, withdrawal or qualification of the ratings then assigned to the Securities.

"Qualified Insurer" shall have the meaning set forth in Section 6.1(b) hereof.

"Qualified Manager" shall mean either (1) Broadway Real Estate Services, LLC or any property manager which is an Affiliate of Broadway Partners Fund Manager LLC, (2) Cushman & Wakefield, (3) CB Richard Ellis, or (4) a reputable and experienced professional management organization (a) which manages, together with its Affiliates, seven (7) or more properties of a type, quality and size similar to the Property, totaling in the aggregate no less than 3,500,000 square feet of gross leaseable area of space (in each case of (2), (3) or (4), excluding the Property) and (b) prior to whose employment as manager of the Property (i) prior to the occurrence of a Securitization, such employment shall have been approved by Lender, and (ii) after the occurrence of a Securitization, Lender shall have received written confirmation from the Rating Agencies that the employment of such manager will not result in a downgrade, withdrawal or qualification of the initial, or if higher, then current ratings of the Securities.

"Qualified Transferee" shall mean either:

(A) any Person that in Lender's reasonable determination meets the criteria set forth in any of the following clauses:

(i) a pension fund, pension trust or pension account that (a) has total real estate assets of at least $800 Million and (b) is managed by a Person who controls or manages at least $800 Million of real estate equity assets; or

(ii) a pension fund advisor who (a) immediately prior to such transfer, controls at least $800 Million of real estate equity assets and (b) is acting on behalf of one or more pension funds that, in the aggregate, satisfy the requirements of clause (i) of this definition; or

(iii) an insurance company which is subject to supervision by the insurance commissioner, or a similar official or agency, of a state or territory of the United States (including the District of Columbia) (a) with a Net Worth, as of a date no more than six (6) months prior to the date of the transfer, of at least $400 Million and (b) who, immediately prior to such transfer, controls real estate equity assets of at least $800 Million; or

(iv) a corporation organized under the banking laws of the United States or any state or territory of the United States (including the District of

Columbia) (a) with a combined capital and surplus of at least $400 Million and (b) who, immediately prior to such transfer, controls real estate equity assets of at least $800 Million; or

(v) any Person who (a) owns or operates at least 2,000,000 square feet (excluding the Property) of gross leaseable area of "Class A" office space in major metropolitan areas, (b) has a Net Worth, as of a date no more than six (6) months prior to the date of such transfer, of at least $400 Million and (c) immediately prior to such transfer, controls real estate equity assets of at least $800 Million.

or

(B) any other Person (a) approved by Lender or, (b) if a Securitization shall have occurred, regarding which Lender shall have received written confirmation by the Rating Agencies that the transfer to such Person will not, in and of itself, cause a downgrade, withdrawal or qualification of the ratings then assigned to the Securities.

"Rating Agencies" shall mean each of S&P, Moody's, and Fitch, and any other nationally recognized statistical rating agency which has been approved by Lender.

"Register" shall have the meaning set forth in Section 9.7.2(h) hereof.

"Registration Statement" shall have the meaning set forth in Section 9.2(b) hereof.

"Regulation D" shall mean Regulation D of the Board of Governors of the Federal Reserve System from time to time in effect, including any successor or other Regulation or official interpretation of said Board of Governors relating to reserve requirements applicable to member banks of the Federal Reserve System.

"Release" of any Hazardous Materials shall mean any release, deposit, discharge, emission, leaking, spilling, seeping, migrating, injecting, pumping, pouring, emptying, escaping, dumping, disposing or other movement of Hazardous Materials (other than for purposes of remediation of such Hazardous Materials) in violation of any Environmental Law.

"REMIC Trust" shall mean a "real estate mortgage investment conduit" within the meaning of Section 860D of the Code that holds the Note.

"Renewal Lease" shall have the meaning set forth in Section 5.1.17(a) hereof.

"Rents" shall have the meaning set forth in Article 1 of the Security Instrument.

"Replacement Guarantor" shall mean any Acceptable Guarantor.

"Replacement Interest Rate Cap Agreement" means an interest rate cap agreement from an Acceptable Counterparty in form and substance substantially similar to the Interest Rate Cap Agreement in all material respects.

"Replacement Management Agreement" shall mean, collectively, (a) either (i) a management agreement with a Qualified Manager substantially in the same form and substance as the Management Agreement, or (ii) a management agreement with a Qualified Manager, which management agreement shall be reasonably acceptable to Lender in form and substance, provided, with respect to this subclause (ii), Lender, at its option after the occurrence of a Securitization, may require that Borrower obtain confirmation from the applicable Rating Agencies that such management agreement will not result in a downgrade, withdrawal or qualification of the initial, or if higher, then current rating of the Securities or any class thereof; and (b) a conditional assignment of management agreement substantially in the form of the Assignment of Management Agreement (or such other form acceptable to Lender), executed and delivered to Lender by Borrower and such Qualified Manager at Borrower's expense.

"Replacements" shall mean replacements and repairs required to be made to the Property during the calendar year.

"Required Leasing Reserve Deposits" shall have the meaning set forth in Section 7.4.1 hereof.

"Required Repairs" shall have the meaning set forth in Section 7.1.1.

"Reserve Fund Deposits" shall mean the amounts to be deposited into the Reserve Funds for any given month.

"Reserve Funds" shall mean the Tax and Insurance Escrow Fund, the Rollover/Replacement Reserve Fund, the Debt Service Shortfall Reserve Fund or any other escrow or reserve fund established by the Loan Documents.

"Resizing Mezzanine Borrower" shall have the meaning set forth in Section 9.5 hereof.

"Resizing Mezzanine Loan" shall have the meaning set forth in Section 9.5 hereof.

"Responsible Officer" means with respect to a Person, the chairman of the board, president, chief operating officer, chief financial officer, treasurer, vice president-finance or other authorized representative of such Person.

"Restoration" shall mean the repair and restoration of the Property after a Casualty or Condemnation as nearly as possible to the condition the Property was in immediately prior to such Casualty or Condemnation, with such alterations as may be approved by Lender, which approval shall not be unreasonably withheld, conditioned or delayed.

"Restoration Threshold Amount" shall mean an amount equal to $5,000,000.

"Restricted Party" shall mean Borrower or any direct shareholder, partner, member (springing or otherwise) or non member manager thereof, or any direct or indirect legal or beneficial owner of, Borrower or any non member manager or springing member thereof.

Rollover/Replacement Reserve Account" shall have the meaning set forth in the Cash Management Agreement.

Rollover/Replacement Reserve Fund" shall have the meaning set forth in Section 7.4.1 hereof.

"**S&P**" shall mean Standard & Poor's Ratings Services, a division of McGraw Hill, Inc.

"Sale or Pledge" shall mean a voluntary or involuntary sale, conveyance, transfer or pledge of a direct or indirect legal or beneficial interest (other than in connection with a Condemnation).

"Secondary Market Transaction" shall have the meaning set forth in Section 9.1 hereof.

"Securities" shall have the meaning set forth in Section 9.1 hereof.

"Securitization" shall have the meaning set forth in Section 9.1 hereof.

"Securities Act" shall have the meaning set forth in Section 9.2(a) hereof.

"Security Deposits" shall have the meaning set forth in Section 5.1.17(e) hereof.

"Security Instrument" shall mean that certain first priority Mortgage, Fixture Filing and Security Agreement dated as of the date hereof, executed and delivered by Borrower as security for the Loan and encumbering the Property, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

"Servicer" shall have the meaning set forth in Section 9.3 hereof.

"Servicing Agreement" shall have the meaning set forth in Section 9.3 hereof.

"Severed Loan Documents" shall have the meaning set forth in Section 8.2(c) hereof.

"Spread Maintenance Premium" shall mean, with respect to any repayment of the outstanding principal amount of the Loan on or prior to the Permitted Prepayment Date, a payment to Lender in an amount equal to the present value discounted at LIBOR on the most recent LIBOR Determination Date with respect to any period when the Loan bears interest at the a Eurodollar Rate (or, with respect to any period when the Loan is a Substitute Rate Loan, discounted at an interest rate that Lender believes, in its judgment, would equal LIBOR on such LIBOR Determination Date if LIBOR was then available), of all future installments of interest which would have been due hereunder through and including the last calendar day of the Accrual Period in which the Permitted Prepayment Date occurs, on the portion of the outstanding principal balance of the Loan being prepaid as if interest accrued on such portion of the principal balance being prepaid at an interest rate per annum equal to the Eurodollar Spread. The Spread Maintenance Premium shall be calculated by Lender and shall be final absent manifest error.

"Standard Statement" shall have the meaning set forth in Section 5.1.10(g)(i) hereof.

"State" shall mean any State of the United States of America or the District of Columbia.

"Substitute Rate" shall have the meaning set forth in Section 2.2.3(a).

"Substitute Rate Loan" shall mean the Loan at any time in which the Applicable Interest Rate is calculated at the Substitute Rate plus the Substitute Spread in accordance with the provisions of Article II hereof.

"Substitute Spread" shall have the meaning set forth in Section 2.2.3(a).

"Successor Borrower" shall have the meaning set forth in Section 2.4.2 hereof.

"**Survey**" shall mean a survey of the Property prepared by a surveyor licensed in the State where the Property is located and satisfactory to Lender and the company or companies issuing the Title Insurance Policies, and containing a certification of such surveyor satisfactory to Lender.

"Syndication" shall have the meaning set forth in Section 9.7.2(a).

"Tax Reserve Account" shall have the meaning set forth in the Cash Management Agreement.

"Tax and Insurance Escrow Fund" shall have the meaning set forth in Section 7.2(c) hereof.

"**Taxes**" shall mean all real estate and personal property taxes, assessments, water rates or sewer rents, now or hereafter levied or assessed or imposed against the Property or part thereof, together with interest and penalties thereon.

"Telerate Page 3750" means the display designated as "Reuters Screen LIBOR01 Page" (formerly Telerate page 3750), or such other page or display as may replace such page or display, or such other service as may be nominated by the British Bankers-Association as the information vendor for the purposes of displaying British Bankers-Association Interest Settlement Rates for U.S. dollar deposits.

"Terrorism Insurance Cap" shall mean $578,600.

"Third Party Reports" shall have the meaning set forth in Section 4.1.32 hereof.

"Title Insurance Policy" shall mean, with respect to the Property, an ALTA mortgagee title insurance policy in a form acceptable to Lender (or, if the Property is located in a State which does not permit the issuance of such ALTA policy, such form as shall be permitted in such State and acceptable to Lender) issued with respect to the Property and insuring the lien of the Security Instrument encumbering the Property.

"Transfer" shall have the meaning set forth in Section 5.2.10(a) hereof.

"Transferee" shall have the meaning set forth in Section 5.2.1l(b) hereof.

"TRIA" shall have the meaning set forth in Section 6.1(b) hereof

"UCC" or **"Uniform Commercial Code"** shall mean the Uniform Commercial Code as in effect in the State in which the Property is located.

"Underwriter Group" shall have the meaning set forth in Section 9.2(b) hereof.

Section 1.2 Principles of Construction. All references to sections and schedules are to sections and schedules in or to this Agreement unless otherwise specified. All uses of the word "including" shall mean "including, without limitation" unless the context shall indicate otherwise. Unless otherwise specified, the words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. Unless otherwise specified, all meanings attributed to defined terms herein shall be equally applicable to both the singular and plural forms of the terms so defined.

ARTICLE II

GENERAL TERMS

Section 2.1 Loan Commitment; Disbursement to Borrower.

2.1.1 Agreement to Lend and Borrow. Subject to and upon the terms and conditions set forth herein, Lender hereby agrees to make and Borrower hereby agrees to accept the Loan on the Closing Date.

2.1.2 Single Disbursement to Borrower. Borrower may request and receive only one borrowing hereunder in respect of the Loan. Any amount borrowed and repaid hereunder in respect of the Loan may not be reborrowed.

2.1.3 The Note, Security Instrument and Loan Documents. The Loan shall be evidenced by the Note and secured by the Security Instrument, the Assignment of Leases and the other Loan Documents.

2.1.4 Use of Proceeds. Borrower shall use the proceeds of the Loan to (a) finance the Property, (b) pay all past due Basic Carrying Costs, if any, with respect to the Property, (c) make deposits into the Reserve Funds on the Closing Date in the amounts provided herein or in the other Loan Documents, (d) pay costs and expenses incurred in connection with the financing of the Property, (e) pay costs and expenses incurred in connection with the closing of the Loan, as approved by Lender, and/or (f) fund any working capital requirements of the Property.

Section 2.2 Interest; Loan Payments; Late Payment Charge .

2.2.1 Payments.

(a) Payments Generally. Interest on the outstanding principal balance of the Loan shall accrue from and including the Closing Date to and including the last day of the Accrual Period in which the Maturity Date occurs at the Applicable Interest Rate (even if such period extends beyond the Maturity Date). The Monthly Debt Service Payment Amount shall be paid on each Payment Date commencing with the Payment Date occurring in August, 2007 and on each subsequent Payment Date thereafter up to and including the Payment Date preceding the Maturity Date. Provided no Event of Default shall have occurred and be continuing, each such payment shall be applied to the payment of interest that has accrued and will accrue during the Accrual Period in which the Payment Date occurs (calculated in accordance with Section 2.2.2 below).

(b) No Offsets, etc. All payments and other amounts due under the Note, this Agreement and the other Loan Documents shall be made without any setoff, defense or irrespective of, and without deduction for, counterclaims.

(c) Extension of the Maturity Date. Borrower shall have the option to extend the term of the Loan beyond the initial Maturity Date for three (3) successive terms (the **"Extension Option")** of one (1) year each (each, an **"Extension Period")** to (x) the Payment Date occurring in August, 2010 if the first Extension Option is exercised, (y) the Payment Date occurring in August, 2011 if the second Extension Option is exercised and (z) the Payment Date occurring in August, 2012 if the last Extension Option is exercised (each such date, the **"Extended Maturity Date")** upon satisfaction of the following terms and conditions:

(i) no Event of Default shall have occurred and be continuing at the time an Extension Option is exercised and on the date that the applicable Extension Period is commenced;

(ii) Borrower shall notify Lender of its irrevocable election to extend the Maturity Date as aforesaid not earlier than sixty (60) days and no later than thirty (30) days prior to the Maturity Date; provided, however, that Borrower shall be permitted to revoke such notice at any time up to five (5) days before the Maturity Date provided that Borrower pays to Lender all actual out-of-pocket costs incurred by Lender in connection with such notice, including, without limitation, any Breakage Costs;

(iii) Borrower shall obtain and deliver to Lender prior to exercise of such Extension Option, one or more Replacement Interest Rate Cap Agreements having a LIBOR strike price not greater than 6.25%, which Replacement Interest Rate Cap Agreements shall be effective commencing on the first day of such Extension Option and shall have a maturity date not earlier than the then current Extended Maturity Date;

(iv) Borrower shall have paid to Lender the Extension Fee on or prior to the commencement of each Extension Period; and

(v) Borrower shall have paid to Lender funds for deposit into the Rollover/Replacement Reserve Account to the extent necessary based on the then anticipated Leasing Expenses calculated at a rate of $1.25 per square foot with respect to Leasing Expenses (and such funds will be disbursed to Borrower in accordance with Section 7.4 to be used solely for Leasing Expenses), and $0.25 per square foot with respect to Replacements (and such funds shall be disbursed to Borrower in accordance with Section 7.4 to be used solely for Replacements), during the Extension Period for which an Extension Option is being exercised; and

(vi) Borrower shall have paid to Lender funds for deposit into the Debt Service Shortfall Reserve Account in an amount equal to the projected shortfall in the Aggregate Debt Service payments during the Extension Period for which an Extension Option is being exercised, as determined by Lender in its reasonable discretion and using a per annum interest rate (A) for the Loan, equal to the sum of (1) the actual LIBOR strike price set forth in the Replacement Interest Rate Cap Agreement required under subsection (iii) above; provided, however, that such LIBOR strike price shall in no event be greater than 6.25%, plus (2) the Eurodollar Spread, (B) for Mezzanine Loan A, equal to the sum of (1) the actual LIBOR strike price set forth in the Replacement Interest Rate Cap Agreement required under Section 2.2.1(c)(iii) of the Mezzanine A Loan Agreement, plus (2) the Eurodollar Spread (as defined in the Mezzanine A Loan Agreement), (C) for Mezzanine Loan B, equal to the sum of the actual LIBOR strike price set forth in the Replacement Interest Rate Cap Agreement required under Section 2.2.1(c)(iii) of the Mezzanine B Loan Agreement, plus (2) the Eurodollar Spread (as defined in the Mezzanine B Loan Agreement), and (D) for Mezzanine Loan C, equal to the sum of the actual LIBOR strike price set forth in the Replacement Interest Rate Cap Agreement required under Section 2.2.1(c)(iii) of the Mezzanine B Loan Agreement, plus (2) the Eurodollar Spread (as defined in the Mezzanine C Loan Agreement).

(d) All references in this Agreement and in the other Loan Documents to the Maturity Date shall mean the Extended Maturity Date in the event the applicable Extension Option is exercised.

(e) All payments and other amounts due under the Note, this Agreement and the other Loan Documents shall be made without any setoff, defense or irrespective of, and without deduction for, counterclaims.

2.2.2 Interest Calculation. Interest on the outstanding principal balance of the Loan shall be calculated by multiplying (a) the actual number of days elapsed in the Accrual Period for which the calculation is being made by (b) a daily rate equal to the Applicable Interest Rate divided by three hundred sixty (360) by (c) the outstanding principal balance of the Loan.

2.2.3 Eurodollar Rate or Substitute Rate Unascertainable; Illegality; Increased Costs .

(a) In the event that Lender shall have determined (which determination shall be conclusive and binding upon Borrower absent manifest error) that by reason of circumstances affecting the interbank eurodollar market, adequate and reasonable means do not exist for

ascertaining LIBOR, then Lender shall, by notice to Borrower **("Lender's Notice")**, which notice shall set forth in reasonable detail such circumstances, establish the Applicable Interest Rate at a spread (the **"Substitute Spread")** above a published index used for other variable rate loans and chosen by Lender (the **"Substitute Rate")** such that such Substitute Rate shall yield to Lender a rate of return substantially the same as (but no less than) the rate of return Lender would have realized had the Applicable Interest Rate been the Eurodollar Rate, all as reasonably determined by Lender. If, pursuant to the terms of this Agreement, the Loan has been converted to a Substitute Rate Loan and Lender shall determine (which determination shall be conclusive and binding upon Borrower absent manifest error) that the event(s) or circumstance(s) which resulted in such conversion shall no longer be applicable, Lender shall give notice thereof to Borrower, and the Substitute Rate Loan shall automatically convert to a LIBOR Loan on the effective date set forth in such notice. Notwithstanding any provision of this Agreement to the contrary, in no event shall Borrower have the right to elect to convert a LIBOR Loan to a Substitute Rate Loan. If any requirement of law or any change therein or in the interpretation or application thereof, shall hereafter make it unlawful for Lender to make or maintain a LIBOR Loan as contemplated hereunder, (i) the obligation of Lender hereunder to make a LIBOR Loan shall be cancelled forthwith and (ii) Lender may give Borrower a Lender's Notice, establishing the Applicable Interest Rate at the Substitute Rate plus the Substitute Spread, in which case the Applicable Interest Rate shall be a rate equal to the Substitute Rate in effect from time to time plus the Substitute Spread. In the event the condition necessitating the cancellation of Lender's obligation to make a LIBOR Loan hereunder shall cease, Lender shall promptly notify Borrower of such cessation and the Loan shall resume its characteristics as a LIBOR Loan in accordance with the terms herein from and after the first day of the Interest Period next following such cessation. Borrower hereby agrees promptly to pay Lender, upon demand, any additional amounts necessary to compensate Lender for any reasonable out-of-pocket costs actually incurred by Lender in making any conversion in accordance with this Agreement, including, without limitation, any interest or fees payable by Lender to lenders of funds obtained by it in order to make or maintain the LIBOR Loan hereunder. Lender's notice of such costs, as certified to Borrower, shall be set forth in reasonable detail and Lender's calculation shall be conclusive absent manifest error.

(b) In the event that any change in any requirement of any Applicable Law or in the interpretation or application thereof, or compliance in good faith by Lender or any Co-Lender with any request or directive hereafter issued from any Governmental Authority which is generally applicable to all lenders subject to such Governmental Authority's jurisdiction:

(i) shall hereafter impose, modify, increase or hold applicable any reserve, special deposit, compulsory loan or similar requirement against assets held by, or deposits or other liabilities in or for the account of, advances or loans by, or other credit extended by, or any other acquisition of funds by, any office of Lender or any Co-Lender which is not otherwise included in the determination of LIBOR hereunder;

(ii) shall, if the Loan is then bearing interest at the Eurodollar Rate, hereafter have the effect of reducing the rate of return on Lender's or any Co-Lender's capital as a consequence of its obligations hereunder to a level below that which Lender or any Co-Lender could have achieved but for such adoption, change or compliance (taking into

consideration Lender's or any Co-Lender's policies with respect to capital adequacy) by any amount deemed by Lender or any Co-Lender to be material; or

(iii) shall, if the Loan is then bearing interest at the Eurodollar Rate, hereafter impose on Lender or any Co-Lender any other condition, the result of which is to increase the cost to Lender or such Co-Lender of making, renewing or maintaining loans or extensions of credit or to reduce any amount receivable hereunder;

then, in any such case, Borrower shall promptly pay Lender or such Co-Lender (within ten (10) Business Days of Lender's or such Co-Lender's written demand therefor), any additional amounts necessary to compensate Lender or such Co-Lender for such additional cost or reduced amount receivable which Lender or such Co-Lender deems to be material in its reasonable discretion. If Lender or any Co-Lender becomes entitled to claim any additional amounts pursuant to this Section 2.2.3(c), Lender and such Co-Lender shall provide Borrower with not less than ten (10) Business Days written notice specifying in reasonable detail the event or circumstance by reason of which it has become so entitled and the additional amount required to fully compensate Lender and such Co-Lender for such additional cost or reduced amount. A certificate as to any additional costs or amounts payable pursuant to the foregoing sentence submitted by Lender or such Co-Lender to Borrower shall be conclusive absent manifest error. Subject to Section 2.2.3(e) hereof, this provision shall survive payment of the Note and the satisfaction of all other obligations of Borrower under the Note, this Agreement and the other Loan Documents.

(c) Subject to Section 9.4 hereof, after the occurrence of a Syndication of all or any portion of the Loan Borrower agrees to indemnify Lender and the Co-Lenders and to hold Lender and the Co-Lenders harmless from any actual, out-of-pocket loss or expense which Lender or any Co-Lender sustains or incurs as a consequence of (I) any default by Borrower in payment of the principal of or interest on the Loan while bearing interest at the Eurodollar Rate, including, without limitation, any such loss or expense arising from interest or fees payable by Lender or any Co-Lenders to lenders of funds obtained by it in order to maintain the Eurodollar Rate, (II) any prepayment (whether voluntary or mandatory) of the Loan on a day that (A) is not the Payment Date occurring on the last day of an Accrual Period with respect thereto or (B) is the Payment Date occurring on the last day of an Accrual Period with respect thereto if Borrower did not give the prior written notice of such prepayment required pursuant to the terms of this Agreement, including, without limitation, such loss or expense arising from interest or fees payable by Lender or any Co-Lender to lenders of funds obtained by it in order to maintain the Eurodollar Rate hereunder and (III) the conversion of the Applicable Interest Rate from the Eurodollar Rate to the Substitute Rate with respect to any portion of the outstanding principal amount of the Loan then bearing interest at the Eurodollar Rate on a date other than the Payment Date immediately following the last day of an Accrual Period, including, without limitation, such loss or expenses arising from interest or fees payable by Lender or any Co-Lender to lenders of funds obtained by it in order to maintain the Eurodollar Rate hereunder (the amounts referred to in clauses (I), (II) and (III) are herein referred to collectively as the **"Breakage Costs"**). Subject to Section 2.2.3 hereof, this provision shall survive payment of the Note and the satisfaction of all other obligations of Borrower under this Agreement and the other Loan Documents. Notwithstanding anything to the contrary contained in this Agreement, there shall be no

Breakage Costs applicable to any portion of the Loan after the occurrence of a Securitization (other than a Syndication) of the entire Loan.

(d) Neither Lender nor the applicable Co-Lender shall be entitled to claim compensation pursuant to this Section 2.2.3 or Section 2.2.8 for any increased cost or reduction in amounts received or receivable hereunder, or any reduced rate of return, which was incurred or which accrued more than the earlier of (i) ninety (90) days before the date Lender or the applicable Co-Lender notified Borrower of the change in law or other circumstance on which such claim of compensation is based and delivered to Borrower a written statement setting forth in reasonable detail the basis for calculating the additional amounts owed to Lender or the applicable Co-Lender under this Section 2.2.3 or Section 2.2.8, which statement shall be conclusive and binding upon all parties hereto absent manifest error or (ii) any earlier date (but not earlier than the effective date of such change in law or circumstance) provided that Lender notified Borrower of such change in law or circumstance and delivered the written statement referenced in clause (i) within one ninety (90) days after Lender received written notice of such change in law or circumstance. Each Lender or Co-Lender must use reasonable efforts to avoid or reduce or any other increased costs.

(e) This Section shall not apply to increased costs with respect to Indemnified Taxes, which shall be governed solely by Section 2.2.8.

2.2.4 Intentionally Deleted.

2.2.5 Payment on Maturity Date. Borrower shall pay to Lender on the Maturity Date the outstanding principal balance of the Loan, all accrued and unpaid interest and all other amounts due hereunder and under the Note, the Security Instrument and the other Loan Documents, including, without limitation, all interest that would accrue on the outstanding principal balance of the Loan through and including the end of the Accrual Period in which the Maturity Date occurs (even if such Accrual Period extends beyond the Maturity Date).

2.2.6 Payments after Default. Upon the occurrence and during the continuance of an Event of Default, interest on the outstanding principal balance of the Loan and, to the extent permitted by Applicable Law, overdue interest and other amounts due in respect of the Loan, shall accrue at the Default Rate, calculated from the date such payment was due without regard to any grace or cure periods contained herein. Interest at the Default Rate shall be computed from the occurrence and continuance of an Event of Default until the actual receipt and collection of the Debt (or that portion thereof that is then due). To the extent permitted by Applicable Law, unpaid interest at the Default Rate shall be added to the Debt, shall itself accrue interest at the same rate as the Loan and shall be secured by the Security Instrument. This paragraph shall not be construed as an agreement or privilege to extend the date of the payment of the Debt, nor as a waiver of any other right or remedy accruing to Lender by reason of the occurrence of any Event of Default.

2.2.7 Late Payment Charge. If any Monthly Debt Service Payment Amount is not paid by Borrower on or prior to the date on which it is due or any other sums due under the Loan Documents (other than the payment of the balance of the principal sum of the Note due on the Maturity Date) are not paid by Borrower within five (5) days of written demand therefor,

Borrower shall pay to Lender upon demand an amount equal to the lesser of five percent (5%) of such unpaid sum or the maximum amount permitted by Applicable Law in order to defray the expense incurred by Lender in handling and processing such delinquent payment and to compensate Lender for the loss of the use of such delinquent payment. Any such amount shall be secured by the Security Instrument and the other Loan Documents to the extent permitted by Applicable Law.

2.2.8 Indemnified Taxes. All payments made by Borrower hereunder shall be made free and clear of, and without reduction for or on account of, Indemnified Taxes. If any Indemnified Taxes are required by Applicable Law to be withheld from any amounts payable to Lender or any Co-Lender hereunder, the amounts so payable to Lender or such Co-Lender shall be increased to the extent necessary to yield to Lender or such Co-Lender (after payment of all Indemnified Taxes and all taxes with respect to such increased amounts) interest or any such other amounts payable hereunder at the rate or in the amounts specified hereunder and due at that time. Whenever any Indemnified Tax is payable pursuant to Applicable Law by Borrower, Borrower shall send to Lender or the applicable Co-Lender an original official receipt if available, showing payment of such Indemnified Tax or other evidence of payment reasonably satisfactory to Lender or the applicable Co-Lender. Borrower hereby indemnifies Lender and each Co-Lender for any incremental taxes, interest or penalties that may become payable by Lender or any Co-Lender which may result from any failure by Borrower to pay any such Indemnified Tax when due to the appropriate taxing authority or any failure by Borrower to remit to Lender or any Co-Lender the required receipts or other required documentary evidence. Each Lender and each Co-Lender (and any successor and/or assign of such Lender or such Co-Lender, as applicable) shall deliver to Borrower on or prior to the date on which such Lender or such Co-Lender, as applicable, becomes a party to this Agreement (i) two duly completed copies of United States Internal Revenue Service Form W-8BEN, W-8IMY (with all the requisite attachments) or Form W-8ECI or successor applicable form, as the case may be, certifying in each case that such entity is entitled to receive payments under the Note, without deduction or withholding of any United States federal income taxes, (ii) two duly completed copies of an Internal Revenue Service Form W-9 or successor applicable form, as the case may be, to establish an exemption from United States backup withholding tax, or (iii) in the case of a Lender or Co-Lender that is a foreign corporation claiming such an exemption under Section 881(c) of the Code, a duly completed certificate to the effect that such Lender or Co-Lender is not (A) a "bank" within the meaning of section 881(c)(3)(A) of the Code, (B) a "10 percent shareholder" of such Borrower within the meaning of section 881(c)(3)(B) of the Code, or (C) a "controlled foreign corporation" described in section 881(c)(3)(C) of the Code. Each entity required to deliver to Borrower a Form W-8BEN, W-8IMY or W-8ECI or Form W-9 pursuant to the preceding sentence further undertakes to deliver to Borrower two further copies of Form W-8BEN, W-8IMY or Form W-8ECI or Form W-9, or successor applicable forms, as the case may be, on or before the date that any such form expires or becomes obsolete or after the occurrence of any event requiring a change in the most recent form previously delivered by it to Borrower, or upon request by Borrower, certifying in the case of a Form W-8BEN or Form W-8ECI that such entity is entitled to receive payments under the Note without deduction or withholding of any United States federal income taxes, unless in any such case an event (including, without limitation, any change in treaty, law or regulation) has occurred prior to the date on which any such delivery would otherwise be required which renders all such forms inapplicable or which would prevent such entity from duly completing and delivering any such

form with respect to it, and such entity notifies Borrower; it being understood that in the case of any such event that prevents a Lender or Co-Lender from continuing to provide a Form W-8IMY establishing an exemption from withholding by the Borrower, the Borrower shall not be required to increase amounts payable pursuant to this Section 2.2.8 by an amount greater than would have been required had such Lender or Co-Lender or an affiliate thereof not been acting as an intermediary with respect to such amounts. Notwithstanding the foregoing, if such entity fails to provide a duly completed Form W-8BEN or Form W-8ECI or other applicable form and such entity is otherwise entitled under Applicable Law to receive payments under the Note without deduction or withholding of any United States federal income taxes and, under Applicable Law, in order to avoid liability for Indemnified Taxes, Borrower is required to withhold on payments made to such entity that has failed to provide the applicable form, Borrower shall be entitled to withhold the appropriate amount of Indemnified Taxes without grossing up such entity, provided that Borrower will make commercially reasonable efforts to obtain the applicable certification. In such event, Borrower shall promptly provide to such entity evidence of payment of such Indemnified Taxes to the appropriate taxing authority and shall promptly forward to such entity any official tax receipts or other documentation with respect to the payment of the Indemnified Taxes as may be issued by the taxing authority.

2.2.9 Treatment of Certain Refunds or Credits. If Lender or Co-Lender (or any successor and/or assign of such Lender or such Co-Lender, as applicable) determines, in its reasonable discretion, that it has received a refund of any Indemnified Taxes as to which it has been indemnified by Borrower or with respect to which Borrower has paid additional amounts pursuant to Section 2.2.8, it shall pay to Borrower an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by or on behalf of Borrower under Section 2.2.8 with respect to Indemnified Taxes giving rise to such recovery), net of all out-of-pocket expenses (including taxes) of such Lender or such Co-Lender, as the case may be, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided that Borrower, upon the request of such Lender or such Co-Lender, agrees to repay to such Lender or such Co-Lender, as the case may be, the amount paid over to Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event such Lender or such Co-Lender is required to repay such refund to such Governmental Authority. This section shall not be construed to require such Lender or such Co-Lender to make any claim for refund of Taxes or make available its tax returns (or any other information relating to its taxes which it deems confidential) to Borrower or any other Person.

2.2.10 Usury Savings. This Agreement and the Note are subject to the express condition that at no time shall Borrower be obligated or required to pay interest on the principal balance of the Loan at a rate which could subject Lender to either civil or criminal liability as a result of being in excess of the Maximum Legal Rate. If, by the terms of this Agreement or the other Loan Documents, Borrower is at any time required or obligated to pay interest on the principal balance due hereunder at a rate in excess of the Maximum Legal Rate, the Applicable Interest Rate or the Default Rate, as the case may be, shall be deemed to be immediately reduced to the Maximum Legal Rate and all previous payments in excess of the Maximum Legal Rate shall be deemed to have been payments in reduction of principal and not on account of the interest due hereunder. All sums paid or agreed to be paid to Lender for the use, forbearance, or detention of the sums due under the Loan, shall, to the extent permitted by Applicable Law, be

amortized, prorated, allocated, and spread throughout the full stated term of the Loan until payment in full so that the rate or amount of interest on account of the Loan does not exceed the Maximum Legal Rate of interest from time to time in effect and applicable to the Loan for so long as the Loan is outstanding.

Section 2.3 Prepayments.

2.3.1 Voluntary Prepayments. Except as otherwise provided in this Section 2.3.1 and in Section 2.3.2, Borrower shall not have the right to prepay the Loan, in whole or in part, prior to the Maturity Date. Borrower shall have no right to prepay the Loan, in whole or in part, prior to the Payment Date occurring in February 2008. On and after the Payment Date occurring in February 2008 Borrower may, upon at least ten (10) days prior written notice to Lender, prepay the Loan in whole but not in part at anytime, provided however if such prepayment occurs prior to the Payment Date occurring in August, 2008 (the **"Permitted Prepayment Date"**), Borrower shall also pay Lender the applicable Spread Maintenance Premium. On the Permitted Prepayment Date or on any date thereafter, Borrower may, at its option and upon at least ten (10) days prior written notice to Lender, prepay the entire Debt without payment of the Spread Maintenance Premium. Borrower may revoke any notice of prepayment at any time prior to the date of such prepayment. Borrower shall promptly reimburse Lender for any reasonable out-of-pocket costs and expenses associated with any such revocation. In addition, Borrower agrees that (a) in the event that a prepayment shall be made during the period commencing on the first calendar day immediately following a Payment Date to, but not including, the LIBOR Determination Date in such calendar month, such payment shall be accompanied by a payment of interest on the amount of principal being prepaid that Lender determines would be payable by Borrower if such prepayment had been made on or after such LIBOR Determination Date but prior to the succeeding Payment Date calculated using a per annum interest rate equal to 6.25% plus the Eurodollar Spread (such amount, the **"Estimated Interest Payment"**). In the event that the Estimated Interest Payment paid by Borrower to Lender exceeds the amount that otherwise would have been payable by Borrower if the final interest payment amount was calculated based on the interest rate determined on the applicable LIBOR Determination Date (the **"Actual Required Payment"**), Lender shall refund to Borrower an amount equal to the Estimated Interest Payment minus the Actual Required Payment. In the event the Estimated Interest Payment paid by Borrower is less than the Actual Required Payment, Borrower shall, promptly upon demand by Lender, pay to Lender an amount equal to the Actual Required Payment minus the Estimated Interest Payment; (b) if such prepayment is made on a Payment Date, then in connection with such prepayment Borrower shall pay to Lender, simultaneously with such prepayment, all interest on the principal balance of the Note then being prepaid which would have accrued through the end of the Accrual Period then in effect notwithstanding that such Accrual Period extends beyond the date of such prepayment; and (c) subject to subsection (a) above, if such prepayment is made on a day other than a Payment Date, then in connection with such prepayment Borrower shall pay to Lender, simultaneously with such prepayment, all interest on the principal balance of the Note then being prepaid which would have accrued through the end of the Accrual Period then in effect notwithstanding that such Accrual Period extends beyond the date of such prepayment; provided, however, that if such date is a date on or after the LIBOR Determination Date in such calendar month and prior to the first day of the Accrual Period that commences in such calendar month, Borrower shall also pay to Lender in connection with such prepayment all interest on the

principal balance of this Note then being prepaid which would have accrued through the end of the next succeeding Accrual Period. Any prepayment received by Lender on a date other than a Payment Date shall be held by Lender as collateral security for the Loan and shall be applied to the Debt on the next Payment Date.

2.3.2 Mandatory Prepayments. On each date on which Borrower actually receives any Net Proceeds, if Lender is not obligated, or does not elect, to make such Net Proceeds available to Borrower for the Restoration of the Property pursuant to the terms of this Agreement, Borrower shall prepay the outstanding principal balance of the Note in an amount equal to one hundred percent (100%) of such Net Proceeds together with (i) in the event that such Net Proceeds are received on or before a Payment Date, interest accruing on such amount calculated through and including the end of the Accrual Period in which such Monthly Payment Date occurs, or (ii) in the event that such Net Proceeds are received on a date after a Payment Date, interest accruing on such amount calculated through and including the end of Interest Period in which the next Payment Date occur. No Spread Maintenance Premium shall be due in connection with any prepayment made pursuant to this Section 2.3.2.

2.3.3 Prepayments After Default. If, following the occurrence and during the continuance of an Event of Default, payment of all or any part of the Debt is tendered by Borrower or otherwise recovered by Lender, such tender or recovery shall be deemed a voluntary prepayment by Borrower in violation of the prohibition against prepayment set forth in Section 2.3.1 and Borrower shall pay, in addition to the Debt, (i) an amount equal to the greater of (a) one percent (1%) of the outstanding principal amount of the Loan to be prepaid or satisfied, or (b) the Spread Maintenance Premium, (ii) all accrued and unpaid interest on the amount of principal being prepaid (including, without limitation, (x) in the event that such prepayment is received on or before a Payment Date, interest accruing on such amount calculated through and including the end of the Accrual Period in which such Payment Date occurs, or (b) in the event that such prepayment is received on a date after a Payment Date, interest accruing on such amount calculated through and including the end of Accrual Period in which the next Payment Date occurs), (iii) to the extent applicable, Breakage Costs and (iv) other amounts payable under the Loan Documents. Notwithstanding anything contained herein to the contrary, the amounts set forth in clause (i) above shall not be payable if the related payment is tendered on or after the Permitted Prepayment Date.

2.3.4 Making of Payments. Each payment by Borrower hereunder or under the Note shall be made in funds settled through the New York Clearing House Interbank Payments System or other funds immediately available to Lender by 12:00 noon, New York City time, on or prior to the date such payment is due, to Lender by deposit to such account as Lender may designate by written notice to Borrower. Whenever any payment hereunder or under the Note shall be stated to be due on a day which is not a Business Day, such payment shall be made on the Business Day immediately preceding such day.

2.3.5 Application of Principal Prepayments. All prepayments received pursuant to this Section 2.3 shall be applied to the payments of principal due under the Loan in the inverse order of maturity.

Section 2.4 Interest Rate Cap Agreement. (a) Borrower shall purchase one or more Interest Rate Cap Agreements (i) for a period to expire on the initial Maturity Date, (ii) in a notional amount not less than the outstanding principal balance of the Loan, (iii) having a LIBOR strike price not greater than 6.25% and (iv) which otherwise comply with the requirements of this Section 2.4. Thereafter, Borrower shall purchase prior to each Extension Period, and shall maintain throughout the remaining term of the Loan, an Interest Rate Cap Agreement or Interest Rate Cap Agreements, or replacements, increases or amendments thereto, in a notional amount not less than the then outstanding principal balance of the Loan, for a period beginning on the first day of the applicable Extension Period and ending on the last calendar day of the Accrual Period in which the applicable Maturity Date occurs and otherwise complying with the requirements of this Section 2.4. Each Interest Rate Cap Agreement delivered after the initial Maturity Date shall provide for a LIBOR strike price not greater than 6.25%. The Counterparty shall be obligated under the Interest Rate Cap Agreement to make monthly payments equal to the excess of one (1) month LIBOR over the applicable strike rate required pursuant to this subsection (a) calculated on the notional amount. The notional amount of the Interest Rate Cap Agreement may be reduced from time to time in amounts equal to any prepayment of the principal of the Loan in accordance with Section 2.3 hereof and Borrower may sell any such excess notional amount.

(b) Borrower shall collaterally assign to Lender pursuant to a Collateral Assignment of Interest Rate Cap Agreement, all of its right, title and interest to receive any and all payments under the Interest Rate Cap Agreement (and any related guarantee, if any) and shall deliver to Lender an executed counterpart of such Interest Rate Cap Agreement and notify the Counterparty of such collateral assignment (either in such Interest Rate Cap Agreement or by separate instrument). The Counterparty shall agree in writing to make all payments it is required to make under the Interest Rate Cap Agreement directly to the Deposit Account where such payments shall be applied in accordance with the terms of Section 3.3 of the Cash Management Agreement. At such time as the Loan is repaid in full, all of Lender's right, title and interest in the Interest Rate Cap Agreement shall terminate and Lender shall promptly execute and deliver at Borrower's sole cost and expense, such documents as may be required to evidence Lender's release of the Interest Rate Cap Agreement and to notify the Counterparty of such release.

(c) Borrower shall comply with all of its obligations under the terms and provisions of the Interest Rate Cap Agreement. Borrower shall take all actions reasonably requested by Lender to enforce Lender's rights under the Interest Rate Cap Agreement in the event of a default by the Counterparty and shall not waive, amend or otherwise modify in any material respect any of its rights thereunder, without Lender's consent, not to be unreasonably withheld.

(d) In the event of any downgrade or withdrawal of the rating of such Counterparty by any Rating Agency below the Minimum Counterparty Rating, Borrower shall replace the Interest Rate Cap Agreement not later than thirty (30) days following receipt of notice of such downgrade or withdrawal with an Interest Rate Cap Agreement from an Acceptable Counterparty having a Minimum Counterparty Rating; provided, however, that if any Rating Agency withdraws or downgrades the credit rating of the Counterparty below the Minimum Counterparty Rating, Borrower shall not be required to replace the Counterparty under the Interest Rate Cap Agreement provided that within thirty (30) days following notice to

Borrower of such downgrade or withdrawal (y) such Counterparty or an Affiliate thereof posts additional collateral acceptable to the Rating Agencies from time to time securing its obligations under the Interest Rate Cap Agreement or (z) an Affiliate of such Counterparty with a Minimum Counterparty Rating delivers a guaranty acceptable to the Rating Agencies guaranteeing such Counterparty's obligations under the Interest Rate Cap Agreement; provided that, notwithstanding any such downgrade or withdrawal, unless and until the Counterparty transfers the Interest Rate Cap Agreement to a replacement Acceptable Counterparty pursuant to the foregoing clause (z), the Counterparty will continue to perform its obligations under the Interest Rate Cap Agreement. Notwithstanding the foregoing, if S&P or Fitch withdraws or downgrades the long-term credit rating of such Counterparty below "BBB-" or short term credit rating below "A-3", or Moody's withdraws or downgrades the credit rating of such Counterparty below "A2" (if the Counterparty has only a long term rating from Moody's) or below "A3" or "P-2" (if the Counterparty has both long term and short term ratings from Moody's), Borrower shall replace the Interest Rate Cap Agreement not later than thirty (30) days following receipt of notice of such downgrade or withdrawal with an Interest Rate Cap Agreement from an Approved Counterparty having a Minimum Counterparty Rating. Failure to satisfy any of the foregoing shall constitute an "Additional Termination Event" as defined by Section 5(b)(v) of the ISDA Master Agreement, with the Counterparty as the "Affected Party."

(e) In the event that Borrower fails to purchase and deliver to Lender the Interest Rate Cap Agreement or any Replacement Interest Cap Agreement as and when required hereunder, Lender may purchase such Interest Rate Cap Agreement and the cost incurred by Lender in purchasing such Interest Rate Cap Agreement shall be paid by Borrower to Lender with interest thereon at the Default Rate from the date such cost was incurred by Lender until such cost is paid by Borrower to Lender.

(f) In connection with an Interest Rate Cap Agreement, Borrower shall obtain and deliver to Lender an opinion of counsel from counsel (which may be in house counsel) for the Counterparty (upon which Lender and its successors and assigns may rely) which shall provide, in relevant part, that:

(1) the Counterparty is duly organized, validly existing, and in good standing under the laws of its jurisdiction of incorporation and has the organizational power and authority to execute and deliver, and to perform its obligations under, the Interest Rate Cap Agreement;

(2) the execution and delivery of the Interest Rate Cap Agreement by the Counterparty, and any other agreement which the Counterparty has executed and delivered pursuant thereto, and the performance of its obligations thereunder have been and remain duly authorized by all necessary action and do not contravene any provision of its certificate of incorporation or by-laws (or equivalent Organizational Documents) or any law, regulation or contractual restriction binding on or affecting it or its property;

(3) all consents, authorizations and approvals required for the execution and delivery by the Counterparty of the Interest Rate Cap

Agreement, and any other agreement which the Counterparty has executed and delivered pursuant thereto, and the performance of its obligations thereunder have been obtained and remain in full force and effect, all conditions thereof have been duly complied with, and no other action by, and no notice to or filing with any governmental authority or regulatory body is required for such execution, delivery or performance; and

(4) the Interest Rate Cap Agreement, and any other agreement which the Counterparty has executed and delivered pursuant thereto, has been duly executed and delivered by the Counterparty and constitutes the legal, valid and binding obligation of the Counterparty, enforceable against the Counterparty in accordance with its terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law); or

(5) be in form and scope reasonably acceptable to Lender and otherwise satisfy then current market standards the holder of the Note customarily adheres with respect to Interest Rate Cap Agreement opinions.

Section 2.5 Release of Property. Except as set forth in this Section 2.5, no repayment, or prepayment of all or any portion of the Loan shall cause, give rise to a right to require, or otherwise result in, the release of any Lien of the Security Instrument on the Property.

2.5.1 Intentionally Deleted.

2.5.2 Release on Payment in Full. Lender shall, upon the written request and at the expense of Borrower, upon payment in full of all principal and interest due on the Loan (including by way of prepayment pursuant to Section 2.3 hereof) and all other amounts due and payable under the Loan Documents in accordance with the terms and provisions of the Note and this Agreement, release the Lien of the Security Instrument on the Property and the other Loan Documents if not thereto for released and remit any remaining Reserve Funds to Borrower. Any release or assignment delivered by Lender pursuant to this Section 2.5 shall be at Borrower's sole cost and expense.

ARTICLE III

INTENTIONALLY OMITTED

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

Section 4.1 Borrower Representations. Borrower represents and warrants as of the Closing Date that:

4.1.1 Organization. Borrower is duly organized and is validly existing and in good standing in the jurisdiction in which it is organized, with requisite power and authority to own the Property and to transact the businesses in which it is now engaged. Borrower is duly qualified to do business and is in good standing in each jurisdiction where it is required to be so qualified in connection with the Property, businesses and operations. Borrower possesses all rights, licenses, permits and authorizations, governmental or otherwise, necessary to entitle it to own the Property and to transact the businesses in which it is now engaged. The organizational chart of Borrower attached hereto as Schedule IV is true, correct and complete as of the Closing Date.

4.1.2 Proceedings. Borrower has taken all necessary action to authorize the execution, delivery and performance of this Agreement and the other Loan Documents. This Agreement and the other Loan Documents have been duly executed and delivered by or on behalf of Borrower and constitute legal, valid and binding obligations of Borrower enforceable against Borrower in accordance with their respective terms, subject only to applicable bankruptcy, insolvency and similar laws affecting rights of creditors generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

4.1.3 No Conflicts. The execution, delivery and performance of this Agreement and the other Loan Documents by Borrower will not conflict with or result in a breach of any of the terms or provisions of, or constitute a default under, or result in the creation or imposition of any Lien, charge or encumbrance (other than pursuant to the Loan Documents) upon any of the property or assets of Borrower pursuant to the terms of any indenture, mortgage, deed of trust, loan agreement, partnership agreement, management agreement, or other agreement or instrument to which Borrower is a party or by which any of Borrower's property or assets is subject, nor will such action result in any violation of the provisions of any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over Borrower or the Property or any of Borrower's other assets, or any license or other approval required to operate the Property, and any consent, approval, authorization, order, registration or qualification of or with any Governmental Authority required for the execution, delivery and performance by Borrower of this Agreement or any other Loan Documents have been obtained and is in full force and effect.

4.1.4 Litigation. Except as disclosed on Schedule VI attached hereto, there are no actions, suits or proceedings at law or in equity by or before any Governmental Authority or

other agency now pending or to Borrower's knowledge, threatened against or affecting Borrower or the Property, which actions, suits or proceedings, if determined against Borrower or the Property, are reasonably likely to have a Material Adverse Effect.

4.1.5 Agreements. Borrower is not a party to any agreement or instrument or subject to any restriction which is reasonably likely to have a Material Adverse Effect. To Borrower's knowledge, Borrower is not in default in any material respect in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any agreement or instrument to which it is a party or by which Borrower or the Property is bound. To Borrower's knowledge, Borrower has no material financial obligation under any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which Borrower is a party or by which Borrower or the Property is otherwise bound, other than (a) obligations incurred in the ordinary course of the operation of the Property and (b) obligations under the Loan Documents.

4.1.6 Solvency. Borrower (a) has not entered into the transaction or executed the Note, this Agreement or any other Loan Documents with the actual intent to hinder, delay or defraud any creditor and (b) has received reasonably equivalent value in exchange for its obligations under the Loan Documents. Giving effect to the Loan, the fair saleable value of Borrower's assets exceeds and will, immediately following the making of the Loan, exceed Borrower's total liabilities, including, without limitation, subordinated, unliquidated, disputed and contingent liabilities. The fair saleable value of Borrower's assets is and will, immediately following the making of the Loan, be greater than Borrower's probable liabilities, including the maximum amount of its contingent liabilities on its debts as such debts become absolute and matured. Borrower's assets do not and, immediately following the making of the Loan will not, constitute unreasonably small capital to carry out its business as conducted or as proposed to be conducted. Borrower does not intend to incur debt and liabilities (including contingent liabilities and other commitments) beyond its ability to pay such debt and liabilities as they mature (taking into account the timing and amounts of Cash to be received by Borrower and the amounts to be payable on or in respect of obligations of Borrower). No petition under the Bankruptcy Code or similar state bankruptcy or insolvency law has been filed against Borrower or to Borrower's knowledge any constituent Person in the last seven (7) years, and neither Borrower nor to Borrower's knowledge, any constituent Person in the last seven (7) years has ever made an assignment for the benefit of creditors or taken advantage of any insolvency act for the benefit of debtors. Neither Borrower nor to its knowledge any of its constituent Persons are contemplating either the filing of a petition by it under the Bankruptcy Code or similar state bankruptcy or insolvency laws or the liquidation of all or a major portion of Borrower's assets or property, and Borrower has no knowledge of any Person contemplating the filing of any such petition against it or such constituent Persons.

4.1.7 Full and Accurate Disclosure. To the best of Borrower's knowledge, no statement of fact made by Borrower in this Agreement or in any of the other Loan Documents contains any untrue statement of a material fact or omits to state any material fact necessary to make statements contained herein or therein not misleading. There is no fact presently known to Borrower which has not been disclosed to Lender which has a Material Adverse Effect, or is reasonably likely to have a Material Adverse Effect.

4.1.8 No Plan Assets. As of the date hereof and during the term of the Loan, Borrower is not and will not be a Plan, and none of the assets of Borrower constitute or will constitute "Plan Assets" of one or more Plans. In addition, (a) Borrower is not a "governmental plan" within the meaning of Section 3(32) of ERISA and (b) transactions by or with Borrower are not subject to State statutes regulating investment of, and fiduciary obligations with respect to, governmental plans that are similar to the provisions of Section 406 of ERISA or Section 4975 of the Code, which prohibit or otherwise restrict the transactions contemplated by this Agreement.

4.1.9 Compliance. Except as expressly disclosed to Lender in writing, to the best of Borrower's knowledge, Borrower and the Property and the use thereof, comply in all material respects with all applicable Legal Requirements, including, without limitation, all Environmental Laws, building and zoning ordinances and codes. Except as previously disclosed to Lender in writing, to Borrower's knowledge, Borrower is not in default or violation of any order, writ, injunction, decree or demand of any Governmental Authority. To the best of Borrower's knowledge, there has not been committed by Borrower or, any other Person in occupancy of or involved with the operation or use of the Property any act or omission affording the federal government or any other Governmental Authority the right of forfeiture as against the Property or any part thereof or any monies paid in performance of Borrower's obligations under any of the Loan Documents.

4.1.10 Financial Information. To the best of Borrower's knowledge, all financial data, including, without limitation, the statements of cash flow and income and operating expense, that have been delivered to Lender by or on behalf of Borrower in respect of Borrower and the Property (i) are true, complete and correct in all material respects, (ii) accurately represent the financial condition of Borrower and the Property as of the date of such reports, and (iii) have been prepared in accordance with GAAP (or such other accounting basis reasonably acceptable to Lender) throughout the periods covered, except as disclosed therein. Except for Permitted Encumbrances, to the best of Borrower's knowledge, Borrower does not have any contingent liabilities, liabilities for taxes, unusual forward or long term commitments or unrealized or anticipated losses from any unfavorable commitments that are known to Borrower and are reasonably likely to have a Material Adverse Effect on the Property or the operation thereof as an office building, except as referred to or reflected in said financial statements. Since the date of such financial statements, there has been no material adverse change in the financial condition, operations or business of Borrower from that set forth in said financial statements.

4.1.11 Condemnation. No Condemnation or other similar proceeding has been commenced or, to the best of Borrower's knowledge, is threatened in writing or contemplated with respect to all or any portion of the Property or for the relocation of roadways providing access to the Property.

4.1.12 Federal Reserve Regulations. No part of the proceeds of the Loan will be used for the purpose of purchasing or acquiring any "margin stock" within the meaning of Regulation U of the Board of Governors of the Federal Reserve System or for any other purpose which would be inconsistent with such Regulation U or any other Regulations of such Board of Governors, or for any purposes prohibited by Legal Requirements or by the terms and conditions of this Agreement or the other Loan Documents.

4.1.13 Utilities and Public Access. Except as disclosed in the Survey or the Title Insurance Policy, to Borrower's knowledge the Property has rights of access to public ways and is served by public water, sewer, sanitary sewer and storm drain facilities adequate to service the Property for its intended use. To Borrower's knowledge, except as disclosed in the Survey or in the Title Insurance Policy, all public utilities necessary or convenient to the full use and enjoyment of the Property are located either in the public right of way abutting the Property (which are connected so as to serve the Property without passing over other property) or in recorded easements serving the Property and such easements are set forth in and insured by the Title Insurance Policy. Except as disclosed in the Survey or in the Title Insurance Policy, to Borrower's knowledge, all roads necessary for the use of the Property for its current purpose have been completed, are physically open and are dedicated to public use and have been accepted by all Governmental Authorities.

4.1.14 Not a Foreign Person. Borrower is not a "foreign person" within the meaning of §1445(f)(3) of the Code.

4.1.15 Separate Lots. The Property is comprised of one (1) or more parcels which constitute a separate tax lot or lots and does not constitute a portion of any other tax lot not a part of the Property.

4.1.16 Assessments. To the best of Borrower's knowledge and except as expressly set forth in the Title Insurance Policy, there are no pending or proposed special or other assessments for public improvements or otherwise affecting the Property, nor are there any contemplated improvements to the Property that may result in such special or other assessments.

4.1.17 Enforceability. The Loan Documents are not subject to any right of rescission, set off, counterclaim or defense by Borrower, including the defense of usury, and Borrower has not asserted any right of rescission, set off, counterclaim or defense with respect thereto.

4.1.18 No Prior Assignment. To the best of Borrower's knowledge and except as will be released on the Closing Date, there are no prior assignments of the landlord's interest in the Leases or landlord's interest in any portion of the Rents due and payable or to become due and payable which are presently outstanding.

4.1.19 Insurance. Borrower has obtained and has delivered to Lender certified copies of all insurance policies reflecting the insurance coverages, amounts and other requirements set forth in this Agreement. To Borrower's knowledge, no Person, including Borrower, has done, by act or omission, anything which would impair the coverage of any such policy.

4.1.20 Use of Property. The Property is used primarily as an office building with a parking garage and ancillary retail uses and other appurtenant and related uses.

4.1.21 Certificate of Occupancy; Licenses. To the best of Borrower's knowledge, all certifications, permits, licenses and approvals, including without limitation, certificates of completion and occupancy permits required for the legal use, occupancy and operation of the Property by Borrower primarily as an office building (collectively, the

"Licenses"), have been obtained and are in full force and effect and are not subject to revocation, suspension or forfeiture. Borrower shall keep and maintain all Licenses necessary for the operation of the Property primarily as an office building. The use being made of the Property is in conformity with the certificate of occupancy issued for the Property.

4.1.22 Flood Zone. Except as expressly set forth in the Survey, none of the Improvements on the Property are located in an area as identified by the Federal Emergency Management Agency as an area having special flood hazards and, if so located, the flood insurance required pursuant to Section 6.1(a)(vii) is in full force and effect.

4.1.23 Physical Condition. To the best of Borrower's knowledge and except as otherwise expressly disclosed in that certain Physical Conditions Report, the other Third Party Reports or otherwise disclosed to Lender in writing, the Property, including, without limitation, all buildings, improvements, parking facilities, sidewalks, storm drainage systems, roofs, plumbing systems, HVAC systems, fire protection systems, electrical systems, equipment, elevators, exterior sidings and doors, landscaping, irrigation systems and all structural components, are in good condition, order and repair in all material respects; to Borrower's knowledge, there exists no structural or other material defects or damages in the Property, whether latent or otherwise, and Borrower has not received written notice from any insurance company or bonding company of any defects or inadequacies in the Property, or any part thereof, which would adversely affect the insurability of the same or cause the imposition of extraordinary premiums or charges thereon or of any termination or threatened termination of any policy of insurance or bond. To Borrower's knowledge, except as disclosed in the Physical Conditions Report or otherwise disclosed to Lender in writing, the Property is free from damage covered by fire or other casualty. To Borrower's knowledge, all liquid and solid waste disposal, septic and sewer systems located on the Property are in a good and safe condition and repair and in compliance with all Legal Requirements.

4.1.24 Boundaries. Except as shown on the Survey or in the Title Insurance Policy, to Borrower's knowledge, all of the Improvements which were included in determining the appraised value of the Property lie wholly within the boundaries and building restriction lines of the Property, and no improvements on adjoining properties encroach upon the Property, and no easements or other encumbrances upon the Property encroach upon any of the Improvements.

4.1.25 Leases. To the best of Borrower's knowledge, the Property is not subject to any Leases other than the Leases described in Schedule I attached hereto and made a part hereof. Borrower is the owner and lessor of landlord's interest in the Leases. To the best of Borrower's knowledge, no Person has any possessory interest in the Property or right to occupy the same except under and pursuant to the provisions of the Leases. To the best of Borrower's knowledge and except as otherwise disclosed to Lender on Schedule I attached hereto or in any tenant estoppel certificate delivered to Lender, the current Leases are in full force and effect and, there are no material defaults by Borrower or, any tenant under any Lease, and, there are no conditions that, with the passage of time or the giving of notice, or both, would constitute material defaults under any Lease. To the best of Borrower's knowledge and except as otherwise disclosed to Lender on Schedule I attached hereto or in any tenant estoppel certificate delivered to Lender, no Rent has been paid more than one (1) month in advance of its due date. To the best of Borrower's knowledge and except as otherwise disclosed to Lender on Schedule I

attached hereto or in any tenant estoppel certificate delivered to Lender, there are no offsets or defenses to the payment of any portion of the Rents. To the best of Borrower's knowledge and except as otherwise disclosed to Lender on Schedule I attached hereto or in any tenant estoppel certificate delivered to Lender, all work to be performed by Borrower as of the date of this Agreement under each Lease has been performed as required and has been accepted by the applicable tenant, and any payments, free rent, partial rent, rebate of rent or other payments, credits, allowances or abatements required to be given by Borrower to any tenant has already been received by such tenant. To the best of Borrower's knowledge and except as provided in the Loan Documents or as otherwise disclosed to Lender on Schedule I attached hereto or in any tenant estoppel certificate delivered to Lender, there has been no prior sale, transfer or assignment, hypothecation or pledge of any Lease or of the Rents received therein which is still in effect. To the best of Borrower's knowledge and except as otherwise disclosed to Lender on Schedule I attached hereto or in any tenant estoppel certificate delivered to Lender, no tenant under any Lease has sublet all or any portion of the premises demised thereby, no such tenant holds its leased premises under sublease, nor does anyone except such tenant and its employees occupy such leased premises. To the best of Borrower's knowledge and except as otherwise disclosed to Lender on Schedule I attached hereto or in any estoppel certificate delivered to Lender, no tenant under any Lease has a right or option pursuant to such Lease or otherwise to purchase all or any part of the leased premises or the building of which the leased premises are a part. To the best of Borrower's knowledge and except as otherwise disclosed to Lender on Schedule I attached hereto or in any tenant estoppel certificate delivered to Lender or in the Leases, no tenant under any Lease has any right or option for additional space in the Improvements. To the best of Borrower's knowledge, no Hazardous Materials have been disposed, stored or treated by any tenant under any Lease on or about the leased premises nor does Borrower have any knowledge of any tenant's intention to use its leased premises for any activity which, directly or indirectly, involves the use, generation, treatment, storage, disposal or transportation of any Hazardous Materials, except those that are both (i) in compliance with current Environmental Laws and with permits issued pursuant thereto (if such permits are required), and (ii) either (A) in amounts not in excess of that necessary to operate, clean, repair and maintain the Property or each tenant's respective business at the Property as set forth in their respective Leases, (B) held by a tenant for sale to the public in its ordinary course of business, or (C) fully disclosed to and approved by Lender in writing pursuant to the Environmental Report.

(b) Attached hereto as Schedule I is a rent roll of the Property which is true, correct and complete in all material respects.

4.1.26 Survey. To the best of Borrower's knowledge, the Survey delivered to Lender in connection with this Agreement does not fail to reflect any material matter affecting the Property or the title thereto.

4.1.27 Loan to Value. Based on the Appraisal delivered to Lender on the Closing Date, the maximum principal amount of the Loan does not exceed one hundred twenty-five percent (125%) of the fair market value of the Property.

4.1.28 Filing and Recording Taxes. All material transfer taxes, deed stamps, intangible taxes or other amounts in the nature of transfer taxes required to be paid by any Person under applicable Legal Requirements currently in effect in connection with the transfer of the

Property to Borrower (in connection with the merger transaction on or about the date hereof) have been paid or will be paid at or prior to the filing or recordation of the Security Instrument or any other Loan Document. All mortgage, mortgage recording, stamp, intangible or other similar tax required to be paid by any Person under applicable Legal Requirements currently in effect in connection with the execution, delivery, recordation, filing, registration, perfection or enforcement of any of the Loan Documents, including, without limitation, the Security Instrument, have been paid or will be paid at or prior to the filing or recordation of the Security Instrument or any other Loan Document.

4.1.29 [Intentionally Omitted].

4.1.30 Management Agreement. The Management Agreement is in full force and effect and there is no default thereunder by any party thereto and no event has occurred that, with the passage of time and/or the giving of notice would constitute a default thereunder.

4.1.31 Illegal Activity. No portion of the Property has been or will be purchased with proceeds of any illegal activity and to the best of Borrower's knowledge, there are no illegal activities or activities relating to any controlled substances at the Property.

4.1.32 No Change in Facts or Circumstances; Disclosure. To the best of Borrower's knowledge, all information submitted by Borrower to Lender and in all financial statements, rent rolls, reports, certificates and other documents submitted in connection with the Loan (other than the Environmental Report, the Physical Conditions Report, the Appraisal and other reports prepared by third parties (the **"Third Party Reports"**)) by or on behalf of Borrower or in satisfaction of the terms thereof and all statements of fact made by Borrower in this Agreement or in any other Loan Document, are to the best of Borrower's knowledge accurate, complete and correct in all material respects. To the best of Borrower's knowledge, there has been no material adverse change in any condition, fact, circumstance or event that would make any such information inaccurate, incomplete or otherwise misleading in any material respect or that otherwise are reasonably likely to have a Material Adverse Effect. Borrower acknowledges that it has received and reviewed copies of the Third Party Reports delivered to Lender in connection with the closing of the Loan and has no knowledge of any condition, fact, circumstance or event that would render any Third Party Report inaccurate, incomplete or otherwise misleading in any material respect.

4.1.33 Investment Company Act. Borrower is not (a) an "investment company" or a company "controlled" by an "investment company," within the meaning of the Investment Company Act of 1940, as amended; (b) a "holding company" or a "subsidiary company" of a "holding company" or an "affiliate" of either a "holding company" or a "subsidiary company" within the meaning of the Public Utility Holding Company Act of 1935, as amended; or (c) subject to any other federal or State law or regulation which purports to restrict or regulate its ability to borrow money.

4.1.34 Principal Place of Business; State of Organization. Borrower's principal place of business as of the date hereof is the address set forth in the introductory paragraph of this Agreement. Borrower is organized under the laws of the State of Delaware and its organizational identification number is 4324142.

4.1.35 Single Purpose Entity. Borrower represents and warrants that (i) Borrower has, since its formation, not owned any property and has existed solely in preparation for entering into the transaction; and (ii) Borrower has since its formation complied with the provisions of this Section 4.1.35. Borrower represents, warrants, covenants and agrees that until the Loan has been paid in full (x) it shall, and that its Organizational Documents shall provide that it shall, and (y) the general partner(s) of Borrower, if Borrower is a partnership or the managing member(s) of Borrower, if Borrower is a limited liability company with multiple economic members (in each case, if any, a **"Principal"**) has and shall, and that the Organizational Documents of such general partner(s) or managing member(s) shall provide that it shall:

(a) with respect to Borrower, not own any asset or property other than (i) the Property, and (ii) incidental Personal Property necessary for the ownership and operation of the Property, and with respect to Principal, not acquire or own any material asset other than its interest in Borrower;

(b) with respect to Borrower, not engage in any business, directly or indirectly, other than the ownership and management of the Property and with respect to Principal, not engage in any business or activity other than the ownership of its interest in Borrower and activities incidental thereto;

(c) notwithstanding anything to the contrary in this Agreement or in any other documents governing the formation, management or operation of the Borrower, for so long as the Obligations are outstanding, neither the Member nor the Borrower shall amend, alter, change or repeal the "Special Purpose Provisions" as set forth in, and as defined in, Borrower's Operating Agreement without the consent of Lender, nor amend, modify or otherwise change the Organizational Documents of Borrower or Principal, as the case may be, without the prior consent of Lender in any manner that (i) violates the single purpose covenants set forth in Section 4.1.35 hereof, or (ii) amends, modifies or otherwise changes any provision thereof that by its terms cannot be modified at any time when the Loan is outstanding or by its terms cannot be modified without Lender's consent, or, after the Securitization of the Loan unless Borrower has received (x) confirmation from each of the applicable Rating Agencies that such action would not result in the disqualification, withdrawal or downgrade of any Securities rating and (y) approval of such actions by Lender or its assigns;

(d) except for capital contributions or capital distributions permitted under the terms and conditions of the LLC Agreement and properly reflected on the books and records of Borrower, maintain relationships comparable to an arm's-length transaction with its Affiliates and enter into transactions with its Affiliates only on a commercially reasonable basis and on terms similar to those of an arm's-length transaction with an unaffiliated thirty party;

(e) with respect to Borrower, not incur, create or assume any indebtedness, secured (subordinate or *pari passu)* or unsecured, direct or indirect, absolute or contingent (including guaranteeing any obligation), other than (i) the indebtedness contemplated by the Loan Documents, (ii) unsecured trade payables and operational debt not evidenced by a note and (iii) indebtedness incurred in the financing of equipment and other personal property used on the Property; provided that any indebtedness incurred pursuant to subclauses (ii) and (iii) shall be

(x) not more than sixty (60) days past due, (y) incurred in the ordinary course of the business of operating the Property, and (z) does not exceed, in the aggregate, four percent (4%) of the outstanding principal balance of the Note, and with respect to Principal, not incur any debt secured or unsecured, direct or contingent (including guaranteeing any obligations);

(f) not make any loans or advances to any Person nor acquire debt obligations or securities of any Person;

(g) remain solvent and pay its debts and liabilities (including, as applicable, shared personnel and overhead expenses) from its assets, to the extent that cash flow from the Property is sufficient for such purpose, provided that this clause (g) shall not be construed to require Borrower's member to make equity contributions to Borrower;

(h) pay its own liabilities and expenses only out of its own funds and not the funds of any other Person;

(i) comply with and observe in all material respects the laws of the state of its formation as they relate to its organizational functions and responsibilities and other organizational formalities in order to maintain its separate existence;

(j) maintain all of its books, records and bank accounts separate from those of any other Person;

(k) prepare separate financial statements, showing its assets and liabilities separate and apart from those of any other Person, and not have its assets listed on the financial statement of any other Person; provided, however. Borrower's or Principal's assets, as the case may be, may be included in a consolidated financial statement with its Affiliates provided that (i) appropriate notations shall be made on such consolidated financial statement to indicate the separateness of Borrower or Principal, as the case may be, from such Affiliates and to indicate that none of any such Affiliate's assets and credit are available to satisfy the debts and other obligations of Borrower or Principal, as the case may be and (ii) such assets shall also be listed on Borrower's own separate balance sheet;

(l) file its own tax returns, if any, as may be required under Applicable Law, to the extent not treated as a "disregarded entity", and pay any taxes so required to be paid under applicable law;

(m) maintain its books, records, resolutions and agreements as official records;

(n) be, and at all times hold itself out to the public and all other Persons as a legal entity separate and distinct from any other entity (including any Affiliate or any constituent party of Borrower or Principal, as the case may be);

(o) conduct its business in its own name (or trade name) and correct any known misunderstanding regarding its separate identity and not identify itself as a department or division of any other Person;

(p) not identify itself or any of its Affiliates as a division or part of the other;

(q) use separate stationery, invoices and checks bearing its own name;

(r) maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations, to the extent that cash flow from the Property is sufficient for such purpose, provided that this clause (r) shall not be construed to require Borrower's member to make equity contributions to Borrower;

(s) not commingle its funds and other assets with assets of any Affiliate or constituent party or any other Person and hold all of its assets in its own name;

(t) maintain its assets in such a manner that it will not be materially costly or difficult to segregate, ascertain or identify its individual asset or assets, as the case may be, from those of any other Person;

(u) except for the pledge of assets to Lender in connection with the Loan, (i) not pledge its assets for the benefit of any other Person, (ii) not guarantee or become obligated for the debts of any other Person, and (iii) not hold itself out to be responsible for or have its credit or assets available to satisfy the debts or obligations of any other Person;

(v) not permit any constituent party independent access to its bank accounts;

(w) maintain a sufficient number of employees, if any, in light of its contemplated business operations and pay the salaries of such employees, if any, only from its own funds;

(x) not form, acquire or hold an interest in any subsidiary or own any equity interest in any other entity;

(y) allocate fairly and reasonably any overhead expenses that are shared with any Affiliate, including paying for office space and services that are performed by any employee of any Affiliate on behalf of Borrower or Principal, as the case maybe;

(z) to the fullest extent permitted by law, not seek or effect or engage in or cause any constituent party to seek or effect or engage in the liquidation, dissolution, winding up, consolidation or merger, in whole or in part, or the sale of substantially all of the assets of Borrower or Principal;

(aa) with respect to Principal or, if Borrower is a single member limited liability company that complies with the requirements of Section 4.1.35(hh) below, Borrower, at all times while the Loan is outstanding, have at least two (2) Independent Managers;

(bb) not fund the operations of any of its Affiliates or pay their expenses;

(cc) keep careful records of all transactions by and between Borrower or Principal, as the case may be, and its Affiliates and all such transactions shall be completely and accurately documented and payables shall be accurately and timely recorded;

(dd) notwithstanding any other provision of this Agreement or any provision of law that so empowers Borrower, the Member or any other Person, obtain, from and after the date hereof, the prior unanimous written consent of all other general partners/managing members/directors (including all Independent Managers) to (i) file or consent to the filing of any bankruptcy, insolvency or reorganization case or proceeding involving Borrower or Principal, as the case may be; institute any proceedings under any applicable insolvency law or otherwise seek any relief for Borrower or Principal, as the case may be, under any laws relating to the relief from debts or protection of debtors generally; (ii) seek or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator, custodian or any similar official for Borrower or Principal, as the case may be, or a substantial portion of its properties; (iii) make any assignment for the benefit of Borrower's or Principal's creditors, as the case may be; or (iv) take any action in furtherance of the foregoing, provided, however, that no such consent shall be granted unless there are at least two (2) Independent Managers then serving in such capacity (it being understood and agreed that, except in connection with the foregoing actions listed in this clause (dd), the approval/consent of the Independent Manager shall not be required in connection with any other actions taken by Borrower);

(ee) if Borrower or Principal is a corporation, fail to consider the interests of its creditors in connection with all corporate actions to the extent permitted by Applicable Law;

(ff) violate or cause to be violated the assumptions made with respect to Borrower and Principal in the Insolvency Opinion;

(gg) permit its board of directors or managers to take any action which, under the terms of any certificate of incorporation, by-laws, voting trust agreement with respect to any common stock or other applicable Organizational Documents, requires the unanimous vote of one hundred percent (100%) of the members of the board without the vote of both Independent Managers; and

(hh) upon the occurrence of any event that causes the Member to cease to be a member of the Borrower (other than (i) upon an assignment by the Member of all of its limited liability Borrower interest in the Borrower and the admission of the transferee pursuant to the terms of the Loan Documents and the limited liability company agreement of the Borrower (the **"LLC Agreement"**), or (ii) the resignation of the Member and the admission of an additional member of the Borrower pursuant to the terms of the Loan Documents and the LLC Agreement) (a **"Member Cessation Event"**), each person acting as an Independent Manager pursuant to the terms of the LLC Agreement shall, without any action of any Person and simultaneously with the Member Cessation Event, automatically be admitted to the Borrower as a "Special Member" of Borrower **("Special Member")** and shall continue Borrower without dissolution. If, however, at the time of a Member Cessation Event, Independent Manager 1 (as defined in the LLC Agreement) has died or is otherwise no longer able to step into the role of Special Member, then in such event, Independent Manager 2 (as defined in the LLC Agreement) shall, concurrently with the Member Cessation Event, and without any action of any Person and simultaneously with the Member Cessation Event, automatically be admitted to the Borrower as Special Member and shall continue the Borrower without dissolution. It is the intent of these provisions that the Borrower never have more than one Special Member at any particular point in time. No Special Member may resign from the Borrower or transfer its rights as Special Member unless a

successor Special Member has been admitted to the Borrower as Special Member by executing a counterpart to this Agreement. The Special Member shall automatically cease to be a member of the Borrower upon the admission to the Borrower of a substitute Member. The Special Member shall be a member of the Borrower that has no interest in the profits, losses and capital of the Borrower and has no right to receive any distributions of Borrower assets. Pursuant to Section 18-301 of the Delaware Limited Liability Company Act (the "Act"), a Special Member shall not be required to make any capital contributions to the Borrower and shall not receive a limited liability Borrower interest in the Borrower. A Special Member, in its capacity as Special Member, may not bind the Borrower. Except as required by any mandatory provision of the Act, a Special Member, in its capacity as Special Member, shall have no right to vote on, approve or otherwise consent to any action by, or matter relating to, the Borrower, including, without limitation, the merger, consolidation or conversion of the Borrower. In order to implement the admission to the Borrower of the Special Member, each of Independent Manager 1 and Independent Manager 2 shall execute a counterpart to this Agreement. Prior to its admission to the Borrower as Special Member, each person acting as Independent Manager shall not be a member of the Borrower.

Notwithstanding anything to the contrary contained in this Section 4.1.35, no provisions contained in this Section 4.1.35 shall be deemed to create an obligation on the part of Borrower, any member in Borrower, or any member, officer, director, employee or Affiliate of any of the forgoing to make loans, equity infusions or capital contributions to Borrower.

4.1.36 Business Purposes. The Loan is solely for the business purpose of Borrower, and is not for personal, family, household, or agricultural purposes.

4.1.37 Taxes. To the extent required, Borrower has filed all federal, State, county, municipal, and city income and other material tax returns required to have been filed by it and has paid all material amounts of taxes and related liabilities which have become due pursuant to such returns or pursuant to any assessments received by it. Borrower knows of no basis for any additional assessment in respect of any such taxes and related liabilities for prior years.

4.1.38 Forfeiture. Neither Borrower nor, to the best of Borrower's knowledge, any other Person in occupancy of or involved with the operation or use of the Property has committed any act or omission affording the federal government or any State or local government the right of forfeiture as against the Property or any part thereof or any monies paid in performance of Borrower's obligations under the Note, this Agreement or the other Loan Documents. Borrower hereby covenants and agrees not to commit, permit or suffer to exist any act or omission affording such right of forfeiture.

4.1.39 Environmental Representations and Warranties. Borrower represents and warrants, to the best of its knowledge, except as disclosed in the written report resulting from the environmental site assessments of the Property delivered to Lender prior to the Closing Date (the **"Environmental Report")** that: (a) there are no Hazardous Materials or underground storage tanks in, on, or under the Property, except those that are both (i) in compliance with current Environmental Laws and with permits issued pursuant thereto (if such permits are required), and (ii) either (A) in amounts not in excess of that necessary to operate, clean, repair and maintain

the Property or each tenant's respective business at the Property as set forth in their respective Leases, or (B) held by a tenant for sale to the public in its ordinary course of business, (b) there are no past, present or threatened Releases of Hazardous Materials in violation of any Environmental Law and which would require remediation by a Governmental Authority in, on, under or from the Property; (c) there is no threat of any Release of Hazardous Materials migrating to the Property in violation of any Environmental Law; (d) there is no past or present material non-compliance with current Environmental Laws, or with permits issued pursuant thereto, which has not been corrected, in connection with the Property; (e) Borrower does not know of, and has not received, any written or oral notice or other communication from any Person (including but not limited to a Governmental Authority) relating to Hazardous Materials in, on, under or from the Property; and (f) Borrower has truthfully and fully provided to Lender, in writing, any and all information relating to environmental conditions in, on, under or from the Property known to Borrower or contained in Borrower's files and records, including but not limited to any reports relating to Hazardous Materials in, on, under or migrating to or from the Property and/or to the environmental condition of the Property.

4.1.40 Taxpayer Identification Number. Borrower's United States taxpayer identification number is 20-8720730.

4.1.41 OFAC. Borrower represents and warrants that neither Borrower, Guarantor, or any of their respective Affiliates is, to the best of its knowledge and after review of the Annex to the Executive Order and any amendments or additions thereto, a Prohibited Person, and Borrower, Guarantor, and their respective Affiliates are in full compliance with all applicable orders, rules, regulations and recommendations of The Office of Foreign Assets Control of the U.S. Department of the Treasury.

4.1.42 Standard Form of Lease. Attached hereto as Schedule IX is the standard form of Lease for the Property approved by Lender.

4.1.43 Accounts. (a) The Lockbox Agreement and the Cash Management Agreement create valid and continuing security interests (as defined in the UCC) in the Lockbox Account and the Accounts, respectively, in favor of Lender, which security interests are prior to all other Liens and are enforceable as such against creditors of and purchasers from Borrower;

(b) Borrower and Lender agree that the Lockbox Account into which funds are deposited is and shall be maintained (i) as a "deposit account" (as such term is defined in Section 9-102(a)(29) of the UCC), (ii) in such a manner that Lender shall have control (within the meaning of Section 9-104(a)(2) of the UCC) over such Account and (iii) such that neither Borrower nor Manager shall have any right of withdrawal from the Lockbox Account and no Account Collateral shall be released to Borrower or Manager from the Lockbox Account except in accordance with this Agreement. Without limiting Borrower's obligations under the immediately preceding sentence, Borrower shall only establish and maintain the Lockbox Account with a financial institution that has executed an agreement substantially in the form of the Lockbox Account Agreement, or in such other form reasonably acceptable to Lender.

(c) Borrower and Lender agree that each Account other than the Lockbox Account described in Section 4.1.43(b) above is and shall be maintained (i) as a "securities

account" (as such term is defined in Section 8-501(a) of the UCC), (ii) in such a manner that Lender shall have control (within the meaning of Section 8-106(d)(2) of the UCC) over each such Account, (iii) such that neither Borrower nor Manager shall have any right of withdrawal from such Accounts and, except as provided herein, no Account Collateral shall be released to Borrower from such Accounts, (iv) in such a manner that the Agent Bank shall agree to treat all property credited to each such Account as "financial assets" and (v) such that all securities or other property underlying any financial assets credited to such Accounts shall be registered in the name of Agent Bank, indorsed to Agent Bank or in blank or credited to another securities account maintained in the name of Agent Bank and in no case will any financial asset credited to any such Accounts be registered in the name of Borrower, payable to the order of Borrower or specially indorsed to Borrower except to the extent the foregoing have been specially indorsed to Agent Bank or in blank.

(d) Borrower owns and has good and marketable title to the Lockbox Account and each other Account free and clear of any Lien or claim of any Person other than Lender and the right of Lockbox Bank and Agent Bank to be paid ordinary fees and expenses, which may be satisfied by setoff against the Lockbox Account and/or the other Accounts in accordance with each separate agreement with each bank, respectively;

(e) Other than the security interest granted to Lender pursuant to the Lockbox Agreement and the Cash Management Agreement, Borrower has not pledged, assigned, or sold, granted a security interest in, or otherwise conveyed the Lockbox Account or any other Account; and

(f) None of the Lockbox Account nor any other Accounts is in the name of any Person other than Borrower or Lender. Borrower has not consented to the bank maintaining the Lockbox Account or the other Accounts to comply with instructions of any Person other than Lender.

4.1.44 Embargoed Person. As of the date hereof and at all times throughout the term of the Loan, including after giving effect to any Transfers permitted pursuant to the Loan Documents, to the best of Borrower's knowledge and after due inquiry and investigation, (a) none of the funds or other assets of Borrower, Principal and Guarantor constitute property of, or are beneficially owned, directly or indirectly, by any person, entity or government subject to trade restrictions under U.S. law, including but not limited to, the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701 et seq., The Trading with the Enemy Act, 50 U.S.C. App. 1 et seq., and any Executive Orders or regulations promulgated thereunder with the result that the investment in Borrower, Principal or Guarantor, as applicable (whether directly or indirectly), is prohibited by law or the Loan made by Lender is in violation of law (**"Embargoed Person")**; (b) no Embargoed Person has any interest of any nature whatsoever in Borrower, Principal or Guarantor, as applicable, with the result that the investment in Borrower, Principal or Guarantor, as applicable (whether directly or indirectly), is prohibited by law or the Loan is in violation of law; and (c) none of the funds of Borrower, Principal or Guarantor, as applicable, have been derived from any unlawful activity with the result that the investment in Borrower, Principal or Guarantor, as applicable (whether directly or indirectly), is prohibited by law or the Loan is in violation of law.

4.1.45 Pre-Existing Liabilities. Borrower hereby represents with respect to Borrower that it:

(a) is and always has been duly formed, validly existing, and in good standing in the state of its incorporation and in all other jurisdictions where it is qualified to do business;

(b) has no judgments or liens of any nature against it except for tax liens not yet due;

(c) is in compliance with all laws, regulations, and orders applicable to it and, except as otherwise disclosed in this Agreement, has received all permits necessary for it to operate;

(d) is not involved in any dispute with any taxing authority;

(e) has paid all taxes which it owes;

(f) has never owned any real property other than the Property and personal property necessary or incidental to its ownership or operation of the Property and has never engaged in any business other than the ownership and operation of the Property;

(g) is not now, nor has ever been, party to any lawsuit, arbitration, summons, or legal proceeding that is still pending or that resulted in a judgment against it that has not been paid in full;

(h) has provided Lender with complete financial statements that reflect a fair and accurate view of the entity's financial condition;

(i) has obtained a current Phase I environmental site assessment (ESA) for the Property prepared consistent with ASTM Practice E 1527 and the ESA has not identified any recognized environmental conditions that require further investigation or remediation; and

(j) has no material contingent or actual obligations not related to the Property;

Section 4.2 Survival of Representations. Borrower agrees that, except, to the extent otherwise provided, all of the representations and warranties of Borrower set forth in Section 4.1 and elsewhere in this Agreement and in the other Loan Documents shall survive for so long as any amount remains owing to Lender under this Agreement or any of the other Loan Documents by Borrower. All representations, warranties, covenants and agreements made in this Agreement or in the other Loan Documents shall be deemed to have been relied upon by Lender notwithstanding any investigation heretofore or hereafter made by Lender or on its behalf.

ARTICLE V

BORROWER COVENANTS

Section 5.1 Affirmative Covenants. From the Closing Date and until payment and performance in full of all obligations of Borrower under the Loan Documents or the earlier release of the Lien of the Security Instrument encumbering the Property (and all related obligations) in accordance with the terms of this Agreement and the other Loan Documents, Borrower hereby covenants and agrees with Lender that:

5.1.1 Existence; Compliance with Legal Requirements. (a) Borrower shall do or cause to be done all things necessary to preserve, renew and keep in full force and effect its existence, rights, licenses, permits and franchises, and comply, in all material respects, with all Legal Requirements applicable to it and the Property. There shall never be committed by Borrower, nor shall Borrower permit, through the exercise of commercially reasonable efforts, any other Person in occupancy of or involved with the operation or use of the Property, any act or omission affording the federal government or any State or local government the right of forfeiture against the Property or any part thereof or any monies paid in performance of Borrower's obligations under any of the Loan Documents. Borrower hereby covenants and agrees not to commit, permit or suffer to exist any act or omission affording such right of forfeiture. Borrower shall at all times maintain, preserve and protect all franchises and trade names and preserve all the remainder of its property used or useful in the conduct of its business and shall keep the Property in good working order and repair, and from time to time make, or cause to be made, all reasonably necessary repairs, renewals, replacements, betterments and improvements thereto, all as more fully provided in this Agreement. Borrower shall keep the Property insured at all times by financially sound and reputable insurers, to such extent and against such risks, and maintain liability and such other insurance, as is more fully provided in this Agreement. Borrower shall operate the portions of the Property that are the subject of any O&M Program in accordance with the terms and provisions thereof in all material respects.

(b) After prior written notice to Lender, Borrower, at its own expense, may contest by appropriate legal proceeding promptly initiated and conducted in good faith and with due diligence, the validity of any Legal Requirement, the applicability of any Legal Requirement to Borrower or the Property or any alleged violation of any Legal Requirement, provided that: (i) intentionally deleted; (ii) such proceeding shall be permitted under and be conducted in accordance with the provisions of any instrument to which Borrower is subject and shall not constitute a default thereunder and such proceeding shall be conducted in accordance with all Applicable Laws; (iii) neither the Property nor any part thereof or interest therein will be in danger of being sold, forfeited, terminated, cancelled or lost; (iv) Borrower shall promptly upon final determination thereof comply with any such Legal Requirement determined to be valid or applicable or cure any violation of any Legal Requirement; (v) such proceeding shall suspend the enforcement of the contested Legal Requirement against Borrower or the Property; and (vi) Borrower shall furnish such security as may be required in the proceeding, or as may be reasonably requested by Lender, to insure compliance with such Legal Requirement, together with all interest and penalties payable in connection therewith. Lender may apply any such security or part thereof, as necessary to cause compliance with such Legal Requirement at any time when, in the judgment of Lender, the validity, applicability or violation of such Legal

Requirement is finally established or the Property (or any part thereof or interest therein) shall be in danger of being sold, forfeited, terminated, cancelled or lost.

5.1.2 Taxes and Other Charges. Subject to the terms and provisions of this Section 5.1.2 and to the extent required by Applicable Law, Borrower shall pay all Taxes and Other Charges now or hereafter levied or assessed or imposed against the Property or any part thereof as the same become due and payable. Borrower shall furnish to Lender receipts, or other evidence for the payment of the Taxes and the Other Charges prior to the date the same shall become delinquent (provided, however, that Borrower is not required to furnish such receipts for payment of Taxes in the event that such Taxes have been paid by Lender pursuant to Section 7.2 hereof). Borrower shall not suffer and shall promptly cause to be paid and discharged any Lien or charge whatsoever which may be or become a Lien or charge against the Property, other than the Lien of the Security Instrument or the Permitted Encumbrances, and shall promptly pay for all utility services provided to the Property. After prior written notice to Lender, Borrower, at its own expense, may contest by appropriate legal proceeding, promptly initiated and conducted in good faith and with due diligence, the amount or validity or application in whole or in part of any Taxes or Other Charges, provided that (i) intentionally deleted; (ii) such proceeding shall be permitted under and be conducted in accordance with the provisions of any other instrument to which Borrower is subject and shall not constitute a default thereunder and such proceeding shall be conducted in accordance with all Applicable Laws; (iii) neither the Property nor any part thereof or interest therein will be in danger of being sold, forfeited, terminated, cancelled or lost; (iv) Borrower shall promptly upon final determination thereof pay the amount of any such Taxes or Other Charges, together with all costs, interest and penalties which may be payable in connection therewith; (v) such proceeding shall suspend the collection of such contested Taxes or Other Charges from the Property; and (vi) Borrower shall furnish such security as may be required in the proceeding, or as may be reasonably requested by Lender, to insure the payment of any such Taxes or Other Charges, together with all interest and penalties thereon. Lender may apply such security or part thereof held by Lender at any time when, in the judgment of Lender, the validity or applicability of such Taxes or Other Charges is established or the Property (or part thereof or interest therein) shall be in danger of being sold, forfeited, terminated, cancelled or lost or there shall be any danger of the Lien of the Security Instrument being primed by any related Lien.

5.1.3 Litigation. Borrower shall give prompt written notice to Lender of any litigation or governmental proceedings pending or threatened against Borrower of which Borrower has received written notice of and which is reasonably likely to have a Material Adverse Effect.

5.1.4 Access to the Property. Borrower shall permit agents, representatives and employees of Lender to inspect the Property or any part thereof at reasonable hours upon reasonable advance notice, subject to the rights of tenants under their respective Leases.

5.1.5 Notice of Default. Borrower shall promptly advise Lender of the occurrence of any event that is reasonably likely to have a Material Adverse Effect, or of the occurrence of any Default or Event of Default of which Borrower has knowledge, or of the occurrence of any default by Borrower under any reciprocal easement agreement affecting the Property of which Borrower has knowledge.

5.1.6 Cooperate in Legal Proceedings. Borrower shall cooperate fully with Lender with respect to any proceedings before any court, board or other Governmental Authority which may in any way materially and adversely affect the rights of Lender hereunder or any rights obtained by Lender under any of the other Loan Documents and, in connection therewith, permit Lender, at its election, to participate in any such proceedings.

5.1.7 Award and Insurance Benefits. Borrower shall cooperate with Lender in obtaining for Lender the benefits of any Awards or Insurance Proceeds lawfully or equitably payable in connection with the Property, and Lender shall be reimbursed for any reasonable out-of-pocket expenses actually incurred in connection therewith (including reasonable attorneys' fees and disbursements, and the payment by Borrower of the expense of an appraisal on behalf of Lender in case of Casualty or Condemnation affecting the Property or any part thereof) out of such Award or Insurance Proceeds.

5.1.8 Further Assurances. Borrower shall, at Borrower's sole but reasonable cost and expense:

(a) furnish to Lender all instruments, documents, boundary surveys, footing or foundation surveys, certificates, plans and specifications, appraisals, title and other insurance reports and agreements, and each and every other document, certificate, agreement and instrument required to be furnished by Borrower pursuant to the terms of the Loan Documents or reasonably requested by Lender in connection therewith; provided, however, that any such further assurances do not increase Borrower's liabilities and obligations, or decrease any of Borrower's rights, hereunder or under any of the other Loan Documents;

(b) execute and deliver to Lender such documents, instruments, certificates, assignments and other writings, and do such other acts necessary or desirable, to evidence, preserve and/or protect the collateral at any time securing or intended to secure the obligations of Borrower under the Loan Documents, as Lender may reasonably require including, without limitation, the authorization of Lender to file and/or the filing by Borrower of UCC financing statements, provided, however, that any such further assurances do not increase Borrower's liabilities and obligations, or decrease any of Borrower's rights, hereunder or under any of the other Loan Documents. Without limitation to the foregoing, Borrower hereby authorizes Lender to execute or file in the name of Borrower or without the signature of Borrower to the extent Lender may lawfully do so, and to file in the appropriate filing or recording offices, one or more financing statements or other instruments, to evidence more effectively the security interest of Lender in the Property. Borrower grants to Lender an irrevocable power of attorney coupled with an interest for the purpose of exercising and perfecting any and all rights and remedies available to Lender pursuant to this Section 5.1.8(b); and

(c) do and execute all and such further lawful and reasonable acts, conveyances and assurances for the better and more effective carrying out of the intents and purposes of this Agreement and the other Loan Documents, as Lender shall reasonably require from time to time, provided, however, that any such further assurances do not increase Borrower's liabilities and obligations, or decrease any of Borrower's rights, hereunder or under any of the other Loan Documents.

5.1.9 Mortgage and Intangible Taxes. Borrower shall pay all State, county and municipal recording, mortgage, intangible, and all other taxes imposed upon the execution, recordation or filing of the Security Instrument and/or upon the execution and delivery of the Note.

5.1.10 Financial Reporting. (a) Borrower will keep and maintain or will cause to be kept and maintained on a Fiscal Year basis, in accordance with GAAP (or such other accounting basis reasonably acceptable to Lender), proper and accurate books, records and accounts reflecting all of the financial affairs of Borrower and all items of income and expense in connection with the operation on an individual basis of the Property. Lender shall have the right from time to time at all times during normal business hours upon reasonable notice to Borrower to examine such books, records and accounts at the office of Borrower or any other Person maintaining such books, records and accounts and to make such copies or extracts thereof as Lender shall desire. Following the occurrence and during the continuance of an Event of Default, Borrower shall pay any reasonable out of pocket costs and expenses actually incurred by Lender to examine Borrower's accounting records with respect to the Property, as Lender shall determine to be necessary or appropriate in the protection of Lender's interest.

(b) Borrower will furnish to Lender quarterly and annually, within sixty (60) days following the end of each of the first, second and third fiscal quarters and one hundred twenty (120) days following the end of each Fiscal Year (as applicable), a complete copy of Borrower's quarterly or annual (as applicable) financial statements audited (only with respect to such annual financial statements) by an Approved Accountant in accordance with GAAP (or such other accounting basis reasonably acceptable to Lender) covering the Property for such quarter or Fiscal Year (as applicable) and containing statements of profit and loss for Borrower and the Property and a balance sheet for Borrower. Such statements shall set forth the financial condition and the results of operations for the Property for such quarter or Fiscal Year (as applicable), and shall include, but not be limited to, amounts representing annual Net Cash Flow, Net Operating Income, Gross Income from Operations and Operating Expenses. Borrower's annual financial statements shall be accompanied by (i) a comparison of the budgeted income and expenses and the actual income and expenses for the prior Fiscal Year, (ii) an Officer's Certificate in the form attached hereto as Schedule V-A stating that to the best of Borrower's or Principal's knowledge (x) each such annual financial statement presents fairly the financial condition and the results of operations of Borrower and the Property being reported upon and has been prepared in accordance with GAAP (or such other accounting basis as is reasonably acceptable to Lender), and (y) as of the date thereof whether there exists an Event of Default under the Loan Documents executed and delivered by, or applicable to, Borrower, and if such Event of Default exists, the nature thereof, the period of time it has existed and the action then being taken to remedy the same, (iii) with respect to annual financial statements, an unqualified opinion of an Approved Accountant, (iv) a current rent roll for the Property, (v) a breakdown showing the year in which each Lease then in effect expires and the percentage of total floor area of the Improvements and the percentage of base rent with respect to which Leases shall expire in each such year, each such percentage to be expressed on both a per year and cumulative basis, (vi) a schedule audited by such Approved Accountant reconciling Net Operating Income to Net Cash Flow (the **"Net Cash Flow Schedule"**), which shall itemize all adjustments made to Net Operating Income to arrive at Net Cash Flow deemed material by such Approved Accountant, and (vii) any written notice received from a tenant under a Major Lease alleging a default by

landlord. Together with Borrower's quarterly financial statements, Borrower shall furnish to Lender an Officer's Certificate certifying, to Borrower's knowledge, as of the date thereof whether there exists an Event of Default under the Loan Documents executed and delivered by, or applicable to, Borrower, and if such Event of Default exists, the nature thereof, the period of time it has existed and the action then being taken to remedy the same.

(c) Borrower will furnish, or cause to be furnished, to Lender on or before forty-five (45) days after the end of each calendar month the following items, accompanied by an Officer's Certificate in the form attached hereto as Schedule V-B stating that such items are true, correct, accurate, and complete and fairly present the financial condition and results of the operations of Borrower and the Property (subject to normal year-end adjustments): (i) a rent roll for the subject month; and (ii) a Net Cash Flow Schedule.

(d) Intentionally Omitted.

(e) For each calendar year during the term of the Loan, Borrower shall submit to Lender an Annual Budget not later than ten (10) Business Days prior to the commencement of such calendar year for informational purposes only.

(f) Any reports, statements or other information required to be delivered under this Agreement shall be delivered in any one (but not all) of the following formats: (i) in paper form, (ii) on a diskette, or (iii) if requested by Lender and within the capabilities of Borrower's data systems without change or modification thereto, in electronic form and prepared using a Microsoft Word for Windows or WordPerfect for Windows files (which files may be prepared using a spreadsheet program and saved as word processing files).

(g) Borrower agrees that Lender may forward to each purchaser, transferee, assignee, servicer, participant or investor in all or any portion of the Loan or any Securities (collectively, the **"Investor"**) or any Rating Agency rating such participations and/or Securities and each prospective Investor, and any organization maintaining databases on the underwriting and performance of commercial mortgage loans, all documents and information which Lender now has or may hereafter acquire relating to the Debt and to Borrower, any Guarantor, and the Property, whether furnished by Borrower, any Guarantor, or otherwise, as Lender determines necessary or desirable. Borrower irrevocably waives any and all rights it may have under any Applicable Laws to prohibit such disclosure, including but not limited to any right of privacy.

(h) If requested by Lender, Borrower shall provide Lender, promptly upon request or within the time periods set forth in this subsection (h), with the following financial statements if, at the time a Disclosure Document is being prepared for a Securitization, it is expected that the principal amount of the Loan together with any Affiliated Loans at the time of Securitization may, or if the principal amount of the Loan together with any Affiliated Loans at any time during which the Loan and any Affiliated Loans are included in a Securitization does, equal or exceed 20% of the aggregate principal amount of all mortgage loans included or expected to be included, as applicable, in the Securitization:

(i) A balance sheet with respect to the Property for the two most recent Fiscal Years, meeting the requirements of Section 210.3 01 of Regulation S-X of the Securities

Act and statements of income and statements of cash flows with respect to the Property for the three most recent Fiscal Years, meeting the requirements of Section 210.3 02 of Regulation S-X, and, to the extent that such balance sheet is more than 135 days old as of the date of the document in which such financial statements are included, interim financial statements of the Property meeting the requirements of Section 210.3 01 and 210.3 02 of Regulation S-X (all of such financial statements, collectively, the **"Standard Statements"**); provided, however, that with respect to a Property (other than properties that are hotels, nursing homes, or other properties that would be deemed to constitute a business and not real estate under Regulation S-X or other legal requirements) that has been acquired by Borrower from an unaffiliated third party (such Property, **"Acquired Property"**), as to which the other conditions set forth in Section 210.3 14 of Regulation S-X for provision of financial statements in accordance with such Section have been met, in lieu of the Standard Statements otherwise required by this section, Borrower shall instead provide the financial statements required by such Section 210.3 14 of Regulation S-X **("Acquired Property Statements")**.

(ii) Not later than 30 days after the end of each fiscal quarter following the date hereof, a balance sheet of the Property as of the end of such fiscal quarter, meeting the requirements of Section 210.3 01 of Regulation S-X, and statements of income and statements of cash flows of the Property for the period commencing following the last day of the most recent Fiscal Year and ending on the date of such balance sheet and for the corresponding period of the most recent Fiscal Year, meeting the requirements of Section 210.3 02 of Regulation S-X (provided, that if for such corresponding period of the most recent Fiscal Year Acquired Property Statements were permitted to be provided hereunder pursuant to subsection (i) above, Borrower shall instead provide Acquired Property Statements for such corresponding period).

(iii) Not later than 75 days after the end of each Fiscal Year following the date hereof, a balance sheet of the Property as of the end of such Fiscal Year, meeting the requirements of Section 210.3 01 of Regulation S-X, and statements of income and statements of cash flows of the Property for such Fiscal Year, meeting the requirements of Section 210.3 02 of Regulation S-X.

(iv) Within ten business days after notice from Lender in connection with the Securitization of this Loan, such additional financial statements, such that, as of the date (each an **"Offering Document Date"**) of each Disclosure Document, Borrower shall have provided Lender with all financial statements as described in subsection (g)(i) above; provided that the Fiscal Year and interim periods for which such financial statements shall be provided shall be determined as of such Offering Document Date.

(i) If requested by Lender, Borrower shall provide Lender, promptly upon request (but in no event later than the time periods set forth in Section 5.1.10(g) hereof), with summaries of the financial statements referred to in Section 5.1.10(g) hereof if, at the time a Disclosure Document is being prepared for a Securitization, it is expected that the principal amount of the Loan and any Affiliated Loans at the time of Securitization may, or if the principal amount of the Loan and any Affiliated Loans at any time during which the Loan and any Affiliated Loans are included in a Securitization does, equal or exceed 10% (but is less than

20%) of the aggregate principal amount of all mortgage loans included or expected to be included, as applicable, in a Securitization. Such summaries shall meet the requirements for "summarized financial information," as defined in Section 210.1 02(bb) of Regulation S-X, or such other requirements as may be determined to be necessary or appropriate by Lender.

(j) All financial statements provided by Borrower hereunder pursuant to Sections 5.1.10(g) and (h) hereof shall be prepared in accordance with GAAP, and shall meet the requirements of Regulation S-K, Regulation S-X, as applicable, Regulation AB and other applicable legal requirements. All financial statements referred to in Subsections 5.1.10(g)(i) and 5.1.10(g)(iii) above shall be audited by an Approved Accountant in accordance with Regulation S-K, Regulation S-X, as applicable, Regulation AB and all other applicable legal requirements, shall be accompanied by the manually executed report of the Approved Accountant thereon, which report shall meet the requirements of Regulation S-K, Regulation S-X, as applicable, Regulation AB and all other applicable legal requirements, and shall be further accompanied by a manually executed written consent of the Approved Accountant, in form and substance acceptable to Lender, to the inclusion of such financial statements in any Disclosure Document and any Exchange Act Filing and to the use of the name of such Approved Accountant and the reference to such Approved Accountant as "experts" in any Disclosure Document and Exchange Act Filing, all of which shall be provided at the same time as the related financial statements are required to be provided. All financial statements (audited or unaudited) provided by Borrower under this Section 5.1.10 shall be certified by the chief financial officer or administrative member of Borrower, which certification shall state that such financial statements meet the requirements set forth in the first sentence of this Section 5.1.10(i).

(k) If requested by Lender, Borrower shall provide Lender, promptly upon request, with any other or additional financial statements, or financial, statistical or operating information, as Lender shall determine to be required pursuant to Regulation S-K, Regulation S-X, as applicable, Regulation AB or any amendment, modification or replacement thereto or other legal requirements in connection with any Disclosure Document or any Exchange Act filing in connection with or relating to a Securitization or as shall otherwise be reasonably requested by Lender.

(l) In the event Lender determines, in connection with a Securitization, that the financial statements required in order to comply with Regulation S-K, Regulation S-X, as applicable, Regulation AB or other legal requirements are other than as provided herein, then notwithstanding the provisions of Section 5.1.10(g), (h) and (i) hereof, Lender may request, and Borrower shall promptly provide, such combination of Acquired Property Statement and/or Standard Statements or such other financial statements as Lender determines to be necessary or appropriate for such compliance.

(m) The term **"Affiliated Loans"** shall mean a loan made by Lender to a parent, subsidiary or such other entity affiliated with Borrower or any Guarantor.

(n) If requested by Lender and to the extent not otherwise included in information provided to Lender pursuant to the other subsections of this Section 5.1.10, Borrower shall provide Lender, promptly upon request, a list of tenants (including all affiliates of such tenants) that in the aggregate (i) occupy 10% or more (but less than 20%) of the total floor

area of the improvements or represent 10% or more (but less than 20%) of the aggregate base rent, and (ii) occupy 20% or more of the total floor area of the improvements or represent 20% or more of the aggregate base rent.

5.1.11 Business and Operations. Borrower will continue to engage in the businesses presently conducted by it as and to the extent the same are necessary for the ownership, maintenance, management and operation of the Property. Borrower will remain in good standing under the laws of each jurisdiction to the extent required for the ownership, maintenance, management and operation of the Property.

5.1.12 Costs of Enforcement. In the event (a) that the Security Instrument encumbering the Property is foreclosed in whole or in part or that the Security Instrument is put into the hands of an attorney for collection, suit, action or foreclosure, (b) of the foreclosure of any mortgage prior to or subsequent to the Security Instrument encumbering the Property in which proceeding Lender is made a party, or (c) of the bankruptcy, insolvency, rehabilitation or other similar proceeding in respect of Borrower or any of its constituent Persons or an assignment by Borrower or any of its constituent Persons for the benefit of its creditors, Borrower, its successors or assigns, shall be chargeable with and agrees to pay all costs of collection and defense, including reasonable attorneys' fees and costs, incurred by Lender or Borrower in connection therewith and in connection with any appellate proceeding or post judgment action involved therein, together with all required service or use taxes.

5.1.13 Estoppel Statement. (a) After written request by Lender, Borrower shall within ten (10) Business Days furnish Lender with a statement, duly acknowledged and certified, setting forth to Borrower's knowledge (i) the amount of the original principal amount of the Note, (ii) the unpaid principal amount of the Note, (iii) the Applicable Interest Rate of the Note, (iv) the date installments of interest and/or principal were last paid, (v) any offsets or defenses to the payment of the Debt, and (vi) that the Note, this Agreement, the Security Instrument and the other Loan Documents are valid, legal and binding obligations (subject to bankruptcy, insolvency, moratorium and other similar laws affecting the rights of creditors generally and subject to limitations on the availability of equitable remedies) and have not been modified or if modified, giving particulars of such modification.

(b) Borrower shall use commercially reasonable efforts to deliver to Lender, promptly following Lender's written request, tenant estoppel certificates from the applicable commercial tenant leasing space at the Property in the same form previously accepted by Lender or in form and substance reasonably satisfactory to Lender (but in each case, subject to the requirements set forth in the applicable Leases), provided that after the Closing Date and provided an Event of Default does not exist, Lender shall have the right to request such estoppels from a particular tenant not more than once in any calendar year (or twice if a Securitization occurs during such calendar year).

5.1.14 Loan Proceeds. Borrower shall use the proceeds of the Loan received by it on the Closing Date only for the purposes set forth in Section 2.1.4.

5.1.15 Performance by Borrower. Borrower shall in a timely manner observe, perform and fulfill each and every covenant, term and provision of each Loan Document

executed and delivered by, or applicable to, Borrower, and shall not enter into or otherwise suffer or permit any amendment, waiver, supplement, termination or other modification of any Loan Document executed and delivered by, or applicable to, Borrower without the prior written consent of Lender.

5.1.16 Confirmation of Representations. Borrower shall deliver, in connection with any Securitization, (a) one or more Officer's Certificates certifying as to the accuracy of all representations made by Borrower in the Loan Documents as of the date of the closing of such Securitization in all relevant jurisdictions, and (b) certificates of the relevant Governmental Authorities in all relevant jurisdictions indicating the good standing and qualification of Borrower and Principal as of the date of the closing of such Securitization.

5.1.17 Leasing Matters. (a) With respect to the Property, Borrower may enter into a proposed Lease (including the renewal or extension of an existing Lease (a **"Renewal Lease"**)) without the prior written consent of Lender, provided such proposed Lease or Renewal Lease (i) provides for rental rates and terms comparable to existing local market rates and terms (taking into account the type and quality of the tenant) as of the date such Lease is executed by Borrower (unless, in the case of a Renewal Lease, the rent payable during such renewal, or a formula or other method to compute such rent, is provided for in the original Lease), (ii) is an arms-length transaction with a bona fide, independent third party tenant, (iii) does not, in Borrower's commercially reasonable judgment, have a Material Adverse Effect, (iv) is subject and subordinate to the Security Instrument and the lessee thereunder agrees to attorn to Lender, (v) is written on the standard form of lease approved by Lender (other than a Renewal Lease, which shall be in the form of the existing lease being renewed or extended and may include commercially reasonable modifications that do not alter in any material adverse respect the provisions relating to subordination and attornment or other form reasonably acceptable to Lender, or, with respect to any proposed Lease, factual information with respect to the tenant and other commercially reasonable modifications as reasonably determined by Borrower, provided that in no event shall such modifications alter in any material adverse respect the standard lease provisions relating to subordination and attornment), and (vi) is not a Major Lease. All proposed Leases which do not satisfy the requirements set forth in this Section 5.1.17(a) shall be subject to the prior approval of Lender, which approval shall not be unreasonably withheld, conditioned or delayed; provided, however, that any "month-to-month" license or similar agreement that is terminable on written notice of thirty (30) days or less shall not be considered a Lease for purposes of this Section 5.1.17 and shall not be subject to the prior approval of Lender so long as such license or similar agreement does not constitute a Major Lease. At Lender's request, Borrower shall promptly deliver to Lender copies of all Leases which are entered into pursuant to this Subsection together with Borrower's certification that it has satisfied all of the conditions of this Section 5.1.17.

(b) Borrower (i) shall observe and perform all the material obligations imposed upon the lessor under the Leases and shall not do or permit to be done anything to impair the value of any of the Leases as security for the Debt; (ii) shall promptly send copies to Lender of all notices of default or other material matters which Borrower shall send or receive with respect to the Leases; (iii) shall enforce all of the material terms, covenants and conditions contained in the Leases upon the part of the tenant thereunder to be observed or performed (except for termination of a Major Lease which shall require Lender's prior written approval,

which approval shall not be unreasonably withheld, conditioned or delayed); (iv) shall not collect any of the Rents more than one (1) month in advance (except Security Deposits shall not be deemed Rents collected in advance); (v) shall, immediately upon receipt, deposit all Lease Termination Payments into the Rollover/Replacement Reserve Account; (vi) shall not execute any other assignment of the lessor's interest in any of the Leases or the Rents; and (vii) shall not (except as permitted in clause (c) below) consent to any assignment of any Leases or any subletting of the lesser of (x) the entire premises covered by a Major Lease or (y) one (1) full floor, without the prior written consent of Lender (which consent shall not be unreasonably withheld, conditioned or delayed).

(c) Borrower may, without the consent of Lender, amend, modify or waive the provisions of any Lease or terminate, reduce rents under, accept a surrender of space under, or shorten the term of, any Lease (including any guaranty, letter of credit or other credit support with respect thereto) or consent to any assignment or subletting thereof, provided that such Lease is not a Major Lease (or, with respect to the subletting of the premises covered by a Major Lease, such subletting is not of the entire premises covered by such Major Lease) and that such action (taking into account, in the case of a termination, reduction in rent, surrender of space or shortening of term, the planned alternative use of the affected space) does not in Borrower's commercially reasonable judgment have a Material Adverse Effect, and provided that such Lease, as amended, modified or waived, or assigned or sublet, is otherwise in compliance with the requirements of this Agreement and any lease subordination agreement binding upon Lender with respect to such Lease. A termination of a Lease (other than a Major Lease) with a tenant who is in default beyond applicable notice and grace periods shall not be considered an action which has a Material Adverse Effect. Any amendment, modification, waiver, termination, rent reduction, space surrender or term shortening or assignment or subletting which does not satisfy the requirements set forth in this Subsection shall be subject to the prior written approval of Lender and its counsel, at Borrower's reasonable expense, which approval shall not be unreasonably withheld, conditioned or delayed. At Lender's request, Borrower shall promptly deliver to Lender copies of all Leases, amendments, modifications and waivers which are entered into pursuant to this Section 5.1.17(c).

(d) Notwithstanding anything contained herein to the contrary, with respect to the Property, Borrower shall not, without the prior written consent of Lender, which consent shall not be unreasonably withheld, conditioned or delayed, enter into, renew, extend, amend, modify, waive any provisions of, terminate, reduce rents under, accept a surrender of space under, or shorten the term of, any Major Lease or any instrument guaranteeing or providing credit support for any Major Lease, provided that no consent shall be required in connection with the exercise of a renewal or extension option of a Major Lease which is in all material respects on the same terms on which the tenant thereunder has the right to renew such Major Lease.

(e) Borrower shall hold any and all monies representing security deposits under the Leases, including any letters of credit delivered as security for a tenant's obligation under a Lease (collectively, the **"Security Deposits"**), in accordance with Applicable Law and the terms of the respective Lease, and shall only release the Security Deposits in order to return a tenant's Security Deposit to such tenant if such tenant is entitled to the return of the Security Deposit under the terms of the Lease. All right, title and interest of Borrower in and to all Security Deposits are hereby assigned to Lender as security for the Debt, subject to the rights of

the tenants under the related Leases. The following shall apply with respect to any Security Deposit equal to or greater than $300,000 for any Lease entered into by Borrower after the Closing Date:

(i) Subject to any applicable restrictions contained in Leases in effect as of the date hereof, all cash Security Deposits shall be deposited into the Deposit Account or another Eligible Account that is under the sole control of Lender. Within five (5) Business Days of Borrower's written direction to Lender, Lender shall (1) deliver such Security Deposit to Borrower for repayment to the related tenant (to the extent the tenant is entitled to a refund of the Security Deposit under the terms of its Lease), or (2) so long as no Event of Default shall exist, deposit such Security Deposit into the Rollover/Replacement Reserve Account. Each such direction from Borrower, in order to be effective, shall be accompanied by an Officer's Certificate in the form attached hereto as Schedule XV certifying that the requested action is required (in the case of a refund) or authorized (in the case of a transfer to the Rollover/Replacement Reserve Fund);

(ii) In the case of a Security Deposit that is delivered in the form of a letter of credit in an amount equal to or greater than $300,000, the following provisions shall apply: Borrower shall, at its sole cost and expense, enforce the tenant's obligations under the related Lease to cause the beneficiary of each such letter of credit (including any renewal, amendment, supplement or replacement thereof) to be Lender or Servicer (as designated by Lender) and shall deliver all original letters of credit to Lender within three (3) Business Days of Borrower's receipt thereof. Within five (5) Business Days of Borrower's written direction to Lender to draw upon any such letter of credit, Lender shall draw upon such letter of credit in accordance with the terms thereof. Each such written direction from Borrower, in order to be effective, shall be accompanied by an Officer's Certificate in the form attached hereto as Schedule XVI certifying that the letter of credit may be drawn upon pursuant to the terms of the related Lease. If Borrower is entitled under the terms of the related Lease to retain the proceeds of such draw, Lender shall deposit the proceeds derived from such draw into the Rollover/Replacement Reserve Account. Notwithstanding anything contained herein to the contrary, if Lender shall in good faith determine that the conditions for drawing upon any such letter of credit may not have been satisfied, Lender may decline to draw upon any such letter of credit, provided that, if Lender shall make such determination and no Event of Default or Default shall exist, Borrower may, at its expense, require Lender to re-assign the beneficiary's interest in such letter of credit to Borrower, in which case the following apply: (1) if Borrower shall draw upon such letter of credit within thirty (30) days of such re-assignment, Borrower shall deposit the proceeds thereof into the Deposit Account, and such proceeds shall remain on deposit in the Deposit Account until such time as Lender is reasonably satisfied that the related draw was permitted (at which time such proceeds shall be applied in accordance with the preceding sentence) and (2) if Borrower shall not draw upon such letter of credit within thirty (30) days of such re-assignment, Borrower shall, at its expense, immediately cause Lender to become the beneficiary under such letter of credit. Subject to the rights of Tenants under Leases, Lender may take such actions as it determines to be reasonably necessary to preserve any such letter of credit or the proceeds thereof for the benefit of Borrower or Lender,

including making any draws thereon in the event of any prospective non-renewal thereof or if any draws are otherwise permitted under such letter of credit or the related Lease.

(f) Lender shall, within ten (10) Business Days following written notice from Borrower execute and deliver non-disturbance agreements, in the form attached hereto as Schedule XVII (subject to commercially reasonable negotiations), with (i) the tenant under any Major Lease that is approved by Lender in accordance with this Section 5.1.17, (ii) any nationally recognized tenant under any other Lease entered into in accordance with this Section 5.1.17 and approved by Lender in accordance with this Section 5.1.17 or (iii) any other tenants to the extent approved by Lender, which approval shall not be unreasonably withheld or delayed, under any other Lease entered into in accordance with this Section 5.1.17 and approved by Lender in accordance with this Section 5.1.17.

(g) Intentionally deleted.

(h) Notwithstanding the provisions above, to the extent, if any, that Lender's prior written approval is required pursuant to this Section 5.1.17, such request for approval shall be deemed approved if Lender shall have failed to notify Borrower of its approval or disapproval within ten (10) Business Days following Lender's receipt of Borrower's written request together with (if applicable) a copy of the proposed Lease, Renewal Lease, modification or other instrument requiring approval (and, if a Lease or a restatement of an existing Lease, a blacklined copy thereof showing changes to Borrower's standard form) and any information or documentation which Lender may request in accordance with the next sentence (such ten (10) Business Day period, the **"Leasing Approval Period"**). Upon Lender's request, Borrower shall be required to provide Lender with such material information and documentation as may be reasonably required by Lender, in its reasonable discretion, including without limitation, lease comparables and other market information as reasonably required by Lender to reach a decision. In order to be effective for the purposes of triggering the time periods set forth above for Lender to respond, all requests by Borrower for approval pursuant to this Section 5.1.17(h) must contain the following in bold, capital letters in the request and on the envelope or wrapper enclosing such request: **"THIS IS A REQUEST FOR APPROVAL PURSUANT TO SECTION 5.1.17(h) OF THE LOAN AGREEMENT BETWEEN LENDER AND BORROWER. FAILURE BY LENDER TO RESPOND WITHIN TIME PERIODS REFERENCED IN SAID SECTION 5.1.17(h) MAY RESULT IN APPROVAL OF THE MATTERS REFERRED TO HEREIN."**

5.1.18 Management Agreement. (a) The Improvements on the Property are operated under the terms and conditions of the Management Agreement. In no event shall the management fees under the Management Agreement exceed four percent (4%) of the Gross Income from Operations derived from the Property. Borrower shall (i) diligently perform and observe all of the material terms, covenants and conditions of the Management Agreement, on the part of Borrower to be performed and observed to the end that all things shall be done which are necessary to keep unimpaired the rights of Borrower under the Management Agreement and (ii) promptly notify Lender of the giving of any notice by Manager to Borrower of any default by Borrower in the performance or observance of any of the terms, covenants or conditions of the Management Agreement on the part of Borrower to be performed and observed and deliver to Lender a true copy of each such notice. Borrower shall not surrender the Management

Agreement, consent to the assignment by Manager of its interest under the Management Agreement, or terminate or cancel the Management Agreement, or modify, change, supplement, alter or amend the Management Agreement, in any material respect, either orally or in writing; provided, however, that Borrower shall have the right to terminate the Management Agreement without Lender's prior written consent upon satisfaction of the following conditions: (i) Borrower delivers to Lender written notice of its intention to terminate the Management Agreement at least five (5) days prior to such termination; (ii) Borrower replaces Manager within thirty (30) days of the termination of the Management Agreement with a Qualified Manager pursuant to a Management Agreement; (iii) such Qualified Manager delivers to Lender an Assignment of Management Agreement substantially in the form of the Assignment of Management Agreement delivered to Lender by Manager on the date hereof; and (iv) if such replacement manager is an affiliate of Borrower, delivers to Lender an updated Insolvency Opinion acceptable to Lender. Borrower hereby assigns to Lender as further security for the payment of the Debt and for the performance and observance of the terms, covenants and conditions of this Agreement, all the rights, privileges and prerogatives of Borrower to surrender the Management Agreement, or to terminate, cancel, modify, change, supplement, alter or amend the Management Agreement, in any respect, and any such surrender of the Management Agreement, or termination, cancellation, material modification, change, supplement, alteration or amendment of the Management Agreement, without the prior consent of Lender shall be void and of no force and effect. If Borrower shall default in the performance or observance of any material term, covenant or condition of the Management Agreement on the part of Borrower to be performed or observed beyond applicable notice and cure periods provided therein, then, without limiting the generality of the other provisions of this Agreement, and without waiving or releasing Borrower from any of its obligations hereunder, Lender shall have the right, but shall be under no obligation, to pay any sums and to perform any act or take any action as may be appropriate to cause all the terms, covenants and conditions of the Management Agreement on the part of Borrower to be performed or observed to be promptly performed or observed on behalf of Borrower, to the end that the rights of Borrower in, to and under the Management Agreement shall be kept unimpaired and free from default. Lender and any Person designated by Lender shall have, and are hereby granted, the right to enter upon the Property at any time and from time to time upon reasonable prior written notice to Borrower and at reasonable hours for the purpose of taking any such action; provided, however, that Lender shall not take such action unless an Event of Default has occurred and is continuing. If Manager shall deliver to Lender a copy of any notice sent to Borrower of default under the Management Agreement beyond applicable notice and cure periods provided therein, such notice shall constitute full protection to Lender for any action taken or omitted to be taken by Lender in good faith, in reliance thereon; provided, however, that if the Manager is not then an Affiliated Manager and Lender shall within five (5) days of its receipt of Manager's notice receive from Borrower a written notice disputing Manager's notice and stating the basis of such dispute and that it will attempt to resolve its dispute with Manager, then Lender shall refrain from taking any action described in the immediately preceding sentence until the earlier of to occur of (x) the date that is thirty (30) days after Lender's receipt of Manager's notice of such default, and (y) the date that is five (5) Business Days prior to the date on which Manager could, under the Management Agreement, terminate the Management Agreement, assuming that the facts stated in Manager's notice were true. Borrower shall not, and shall not permit Manager to, sub-contract any or all of its management responsibilities under the Management Agreement to a third party without the prior

written consent of Lender, which will not be unreasonably withheld. Borrower shall, from time to time (but not more frequently than once annually), use commercially reasonable efforts to obtain from Manager such certificates of estoppel with respect to compliance by Borrower with the terms of the Management Agreement as may be requested by Lender. Borrower shall exercise each individual option, if any, to extend or renew the term of the Management Agreement upon demand by Lender made at any time within one (1) year of the last day upon which any such option may be exercised, and Borrower hereby expressly authorizes and appoints Lender its attorney-in-fact to exercise any such option in the name of and upon behalf of Borrower, which power of attorney shall be irrevocable and shall be deemed to be coupled with an interest. Such power of attorney shall not be exercisable by Lender unless an Event of Default has occurred and is continuing. Any sums expended by Lender pursuant to this paragraph (i) shall bear interest at the Default Rate from the date such cost is incurred to the date of payment to Lender, (ii) shall be deemed to constitute a portion of the Debt, (iii) shall be secured by the lien of the Security Instrument and the other Loan Documents and (iv) shall be immediately due and payable upon demand by Lender therefor.

(b) Without limitation of the foregoing, Borrower, upon the request of Lender, shall terminate the Management Agreement and replace Manager, without penalty or fee, if at any time during the Loan: (a) an Event of Default has occurred and is then continuing, (b) there exists a material default by Manager under the Management Agreement, beyond any applicable cure and grace periods, (c) the Manager shall become insolvent or a debtor in any bankruptcy or insolvency proceeding or (d) if at any time Manager has engaged in gross negligence, fraud or willful misconduct. Within thirty (30) days after Manager is removed, a Qualified Manager shall assume management of the Property pursuant to a Replacement Management Agreement.

5.1.19 Environmental Covenants. (a) Borrower covenants and agrees that so long as the Loan is outstanding: (i) all uses and operations on or of the Property, whether by Borrower or any other Person (if within Borrower's control, or Borrower shall use its commercially reasonable efforts if such Person is not within Borrower's control), shall be in compliance in all material respects with all Environmental Laws and permits issued pursuant thereto; (ii) there shall be no Releases of Hazardous Materials in, on, under or from any of the Property in violation of any Environmental Law whether by Borrower or any other Person (if within Borrower's control, or Borrower shall use its commercially reasonable efforts if such Person is not within Borrower's control); (iii) there shall be no Hazardous Materials in, on, or under the Property, except those that are both (A) in compliance in all material respects with all Environmental Laws and with permits issued pursuant thereto, if and to the extent required, and (B) (1) in amounts not in excess of that necessary to operate the Property or (2) fully disclosed to and approved by Lender in writing; (iv) Borrower shall keep the Property free and clear of all liens and other encumbrances imposed pursuant to any Environmental Law, whether due to any act or omission of Borrower or any other Person (if within Borrower's control, or Borrower shall use its best efforts to keep the Property free of any such liens if the acts or omissions are of any Person that is not within Borrower's control) (the **"Environmental Liens"**); (v) Borrower shall, at its sole cost and expense, fully and expeditiously cooperate in all activities pursuant to paragraph (b) below, including but not limited to providing all relevant information and making knowledgeable persons available for interviews; (vi) Borrower shall, at its sole cost and expense, perform any environmental site assessment or other investigation of environmental conditions in connection with the Property, pursuant to any reasonable written request of Lender, upon

Lender's reasonable belief that the Property is not in material compliance with all Environmental Laws non-compliance of which shall have a Material Adverse Effect, and share with Lender the reports and other results thereof, and Lender and other Indemnified Parties shall be entitled to rely on such reports and other results thereof; (vii) Borrower shall, at its sole cost and expense, comply with all reasonable written requests of Lender to (A) reasonably effectuate remediation of any Hazardous Materials in, on, under or from the Property to the extent required by any Environmental Law; and (B) comply with any Environmental Law; (viii) Borrower shall use its commercially reasonable efforts to prevent any tenant or other user of any of the Property from violating any Environmental Law; and (ix) Borrower shall immediately notify Lender in writing after it has become aware of (A) any presence or Release of Hazardous Materials in, on, under, from or migrating towards the Property in violation of any Environmental Law; (B) any non compliance with any Environmental Laws related in any way to the Property; (C) any actual or potential Environmental Lien; (D) any required or proposed remediation of environmental conditions relating to any of the Property; and (E) any written notice or other communication of which Borrower becomes aware from any source whatsoever (including but not limited to a Governmental Authority) relating in any way to Hazardous Materials in, on, under, from or to the Property.

(b) Upon Lender's reasonable belief that the Property is not in compliance with all Environmental Laws in any material respect, Lender and any other Person designated by Lender, including but not limited to any representative of a Governmental Authority, and any environmental consultant, and any receiver appointed by any court of competent jurisdiction, shall have the right (subject to the rights of tenants under any Leases), but not the obligation, to enter upon the Property upon reasonable prior notice at all reasonable times to assess any and all aspects of the environmental condition of the Property and its use, including but not limited to conducting any environmental assessment or audit (the scope of which shall be determined in Lender's reasonable discretion) and taking samples of soil, groundwater or other water, air, or building materials, and conducting other invasive testing. Borrower shall reasonably cooperate with and provide access to Lender and any such Person designated by Lender. Lender and such Persons shall use commercially reasonable efforts not to interfere with the activities of tenants and users of the Property.

5.1.20 Alterations. Borrower shall not be required to obtain Lender's prior written consent to any alterations to any Improvements except (i) as otherwise provided in this Agreement, (ii) with respect to alterations that may have a Material Adverse Effect, or (iii) which, in the aggregate, cost in excess of the Alteration Threshold Amount. If the total unpaid amounts with respect to alterations to the Improvements at the Property (other than such amounts to be paid or reimbursed by tenants under the Leases) shall at any time exceed (x) the Alteration Threshold Amount or (y) at anytime that the Mezzanine D Loan is outstanding, $1,000,000 (the amounts set forth in subsections (x) and (y) are referred to as the **"Alteration Security Threshold"**), Borrower shall promptly deliver to Lender as security for the payment of such amounts and as additional security for Borrower' obligations under the Loan Documents any of the following: (A) Cash, (B) Governmental Securities, (C) other securities having a rating acceptable to lender and that the applicable Rating Agencies have confirmed in writing will not, in and of itself, result in a downgrade, withdrawal or qualification of the initial, or, if higher, then current ratings assigned in connection with any Securitization, (D) completion bond issued by a financial institution having a rating by S&P of no less than A-1+ if the term of such bond is no

longer than three (3) months or, if such term is in excess of three (3) months, issued by a financial institution having a rating that is acceptable to Lender and that the applicable Rating Agencies have confirmed in writing will not, in and of itself, result in a downgrade, withdrawal or qualification of the initial, or, if higher, then current ratings assigned in connection with any Securitization, (E) a Letter of Credit or (F) provided that there shall have been no material adverse change in the financial condition of Guarantor since the date hereof, a guaranty of payment and performance made by Guarantor, in all respects reasonably acceptable to Lender (any such guaranty shall constitute a Loan Document). Such security shall be in an amount equal to the excess of the total unpaid amounts with respect to alterations to the Improvements on the Property (other than such amounts to be paid or reimbursed by tenants under the Leases) over the Alteration Security Threshold and applied from time to time at the option Lender to pay for such alterations or to terminate any of the alterations and restore the Property to the extent necessary to prevent any Material Adverse Effect.

5.1.21 OFAC. At all times throughout the term of the Loan, Borrower, Guarantor and their respective Affiliates shall be in full compliance with all applicable orders, rules, regulations and recommendations of The Office of Foreign Assets Control of the U.S. Department of the Treasury.

Section 5.2 Negative Covenants. From the Closing Date until payment and performance in full of all obligations of Borrower under the Loan Documents or the earlier release of the Lien of the Security Instrument encumbering the Property in accordance with the terms of this Agreement and the other Loan Documents, Borrower covenants and agrees with Lender that it will not do, directly or indirectly, any of the following:

5.2.1 Liens. Borrower shall not create, incur, assume or suffer to exist any Lien on any portion of the Property or permit any such action to be taken, except for Permitted Encumbrances and Liens and Other Charges that are being contested in accordance with Section 5.1.2 hereof.

5.2.2 Dissolution. Borrower shall not (a) engage in any dissolution, liquidation or consolidation or merger with or into any other business entity, (b) transfer, lease or sell, in one transaction or any combination of transactions, the assets or all or substantially all of the Property or assets of Borrower except to the extent expressly permitted by the Loan Documents, (c) except as expressly permitted under the Loan Documents materially modify, materially amend, materially waive or terminate its Organizational Documents or its qualification and good standing in any jurisdiction or (d) cause the Principal to (i) dissolve, wind up or liquidate or take any action, or omit to take an action, as a result of which the Principal would be dissolved, wound up or liquidated in whole or in part, or (ii) except as expressly permitted under the Loan Documents materially amend, materially modify, materially waive or terminate the certificate of incorporation or bylaws or similar Organizational Documents of the Principal, in each case, without obtaining the prior written consent of Lender.

5.2.3 Change in Business. Borrower shall not enter into any line of business other than the ownership, acquisition, development, operation, leasing and management of the Property (including providing services in connection therewith), or make any material change in

the scope or nature of its business objectives, purposes or operations or undertake or participate in activities other than the continuance of its present business.

5.2.4 Debt Cancellation. Borrower shall not cancel or otherwise forgive or release any material claim or debt (other than termination of Leases in accordance herewith) owed to Borrower by any Person, except for adequate consideration and in the ordinary course of Borrower's business.

5.2.5 Zoning. Borrower shall not initiate or consent to any zoning reclassification of any portion of the Property or seek any variance under any existing zoning ordinance or use or permit the use of any portion of the Property in any manner that could result in such use becoming a non-conforming use under any zoning ordinance or any other Applicable Law, without the prior written consent of Lender.

5.2.6 No Joint Assessment. Borrower shall not suffer, permit or initiate the joint assessment of the Property with (a) any other real property constituting a tax lot separate from the Property, or (b) any portion of the Property which may be deemed to constitute personal property, or any other procedure whereby the Lien of any taxes which may be levied against such personal property shall be assessed or levied or charged to the Property.

5.2.7 Name, Identity, Structure, or Principal Place of Business. Borrower shall not change its name, identity (including its trade name or names), or principal place of business set forth in the introductory paragraph of this Agreement, without, in each case, first giving Lender thirty (30) days prior written notice. Except as expressly permitted in this Agreement, Borrower shall not change its corporate, partnership or other structure, or the place of its organization as set forth in Section 4.1.34, without, in each case, the consent of Lender. Upon Lender's request, Borrower shall execute and deliver additional financing statements, security agreements and other instruments which may be necessary to effectively evidence or perfect Lender's security interest in the Property as a result of such change of principal place of business or place of organization.

5.2.8 ERISA. (a) During the term of the Loan or during any obligation or right hereunder, Borrower shall not be a Plan and none of the assets of Borrower shall constitute Plan Assets.

(b) Borrower further covenants and agrees to deliver to Lender a certificate (in form reasonably satisfactory to Lender) not more frequently than annually during the term of the Loan, within thirty days following a written request by Lender that (A) Borrower is not an "employee benefit plan" as defined in Section 3(3) of ERISA, which is subject to Title I of ERISA, and that the assets of Borrower do not constitute Plan Assets of one or more such plans for purposes of Title I of ERISA; (B) Borrower is not a "governmental plan" within the meaning of Section 3(32) of ERISA; (C) Borrower is not subject to State statutes regulating investments and fiduciary obligations with respect to governmental plans that are substantially similar to the provisions of Section 406 of ERISA or Section 4975 of the Code, which prohibit or otherwise restrict the transactions contemplated by this Agreement; and (D) one or more of the following circumstances is true:

(i) Equity interests in Borrower are publicly offered securities, within the meaning of 29 C.F.R. §2510.3-101(b)(2);

(ii) None or less than twenty five percent (25%) of each outstanding class of equity interests in Borrower are held by "benefit plan investors" within the meaning of 29 C.F.R. §2510.3-101(f)(2), as modified by Section 3(42) of ERISA; or

(iii) Borrower or a direct or indirect parent entity by which Borrower is wholly owned qualifies as an "operating company" or a "real estate operating company" within the meaning of 29 C.F.R. §2510.3 101(c) or (e).

5.2.9 Affiliate Transactions. Borrower shall not enter into, or be a party to, any transaction with an Affiliate of Borrower, Principal or any of the partners of Borrower or Principal except in the ordinary course of business and on terms which are fully disclosed to Lender in advance and are no less favorable to Borrower or such Affiliate than would be obtained in a comparable arm's length transaction with an unrelated third party. Notwithstanding anything contained hereunder, Lender approves the Management Agreement and the manager thereunder.

5.2.10 Transfers. (a) Borrower shall not sell, convey, mortgage, grant, bargain, encumber, pledge, assign, grant options with respect to, or otherwise transfer or dispose of (directly or indirectly, voluntarily or involuntarily, by operation of law or otherwise, and whether or not for consideration or of record) the Property or any part thereof or any legal or beneficial interest therein (other than in connection with a Condemnation) or permit a Sale or Pledge of an interest in any Restricted Party (collectively, a **"Transfer"**), other than pursuant to Sections 5.2.10(c) and 5.2.11 hereof and Leases of space in the Improvements to tenants in accordance with the provisions of Section 5.1.17 hereof and other than in connection with the creation of, and enforcement of the remedies available under, the Mezzanine Loan, without (i) the prior written consent of Lender and (ii) if a Securitization has occurred, delivery to Lender of written confirmation from the Rating Agencies that the Transfer will not result in the downgrade, withdrawal or qualification of the then current ratings assigned to any Securities or the proposed rating of any Securities.

(b) A Transfer shall include, but not be limited to: (i) an installment sales agreement wherein Borrower agrees to sell the Property or any part thereof for a price to be paid in installments; (ii) an agreement by Borrower leasing all or a substantial part of the Property for other than actual occupancy by a space tenant thereunder or a sale, assignment or other transfer of, or the grant of a security interest in, Borrower's right, title and interest in and to any Leases or any Rents; (iii) if a Restricted Party is a corporation, any merger, consolidation or Sale or Pledge of such corporation's stock or the creation or issuance of new stock; (iv) if a Restricted Party is a limited or general partnership or joint venture, any merger or consolidation or the change, removal, resignation or addition of a general partner or the Sale or Pledge of the partnership interest of any general partner or any profits or proceeds relating to such partnership interest, or the Sale or Pledge of limited partnership interests or any profits or proceeds relating to such limited partnership interests or the creation or issuance of new limited partnership interests; (v) if a Restricted Party is a limited liability company, any merger or consolidation or the change, removal, resignation or addition of a managing member or non member manager (or if no

managing member, any member) or the Sale or Pledge of the membership interest of a managing member (or if no managing member, any member) or any profits or proceeds relating to such membership interest, or the Sale or Pledge of non managing membership interests or the creation or issuance of new non managing membership interests; (vi) if a Restricted Party is a trust or nominee trust, any merger, consolidation or the Sale or Pledge of the legal or beneficial interest in a Restricted Party or the creation or issuance of new legal or beneficial interests; or (vii) the removal or the resignation of the managing agent (including, without limitation, an Affiliated Manager) other than in accordance with Section 5.1.18 hereof.

(c) Notwithstanding the provisions of Sections 5.2.10(a) and (b) (but subject to the requirements of subsection (d)), the following transfers/pledges shall not be deemed to be a Transfer (and shall not require the consent or confirmation of Lender or any Rating Agency): (i) a transfer by devise or descent or by operation of law upon the death of a member, partner or shareholder of a Restricted Party (other than a direct transfer of interests in Borrower or, if a Mezzanine Loan is outstanding, any borrower under the Mezzanine Loan) or of a Restricted Party itself; (ii) the Sale or Pledge, in one or a series of transactions, of the direct or indirect stock, partnership, membership or other equity interests (as applicable) in a Restricted Party (other than a direct transfer of interests in Borrower or, if a Mezzanine Loan is outstanding, the borrower under the applicable Mezzanine Loan); provided, however, that such transfers shall not result in a violation of the terms and provisions of Section 5.2.10(d) hereof, and Borrower will endeavor to deliver to Lender written notice within thirty (30) days following any such transfer contemplated by this Section 5.2.10(c), provided further, however, Borrower shall not be required to provide notice to Lender of the transfer of the direct or indirect interests in Broadway Partners Parallel Fund B III, L.P., Broadway Partners Parallel Fund P III, L.P. or Broadway Partners Real Estate Fund III, L.P. (including a transfer by the limited partners in such funds); or (iii) a transfer of the stock or membership or partnership interest in a Restricted Party (other than a direct transfer of interests in Borrower or, if a Mezzanine Loan is outstanding, the borrower under the applicable Mezzanine Loan) by a member, partner or shareholder of a Restricted Party or a Restricted Party itself to an Immediate Family Member of such member, partner or shareholder, or to a trust for the benefit of an Immediate Family Member of such member, partner or shareholder.

(d) Notwithstanding anything to the contrary contained in this Section 5.2.10, at all times, either (i) Guarantor must own not less than 10% of the direct or indirect interests in Borrower and control Borrower and Guarantor must be directly or indirectly controlled by Broadway Partners Fund GP III, LLC or (ii) Borrower must be controlled directly or indirectly by a Qualified Fund Transferee.

(e) Lender shall not be required to demonstrate any actual impairment of its security or any increased risk of default hereunder in order to declare the Debt immediately due and payable upon a Transfer in violation of this Section 5.2.10. This provision shall apply to every Transfer regardless of whether voluntary or not (other than in connection with a Condemnation), or whether or not Lender has consented to any previous Transfer. Notwithstanding anything to the contrary contained in this Section 5.2.10, (a) no transfer (whether or not such transfer shall constitute a Transfer) shall be made, to the best of Borrower's knowledge and after review of the Annex to the Executive Order and any amendments or additions thereto, to any Prohibited Person and (b) in the event any transfer (whether or not such

transfer shall constitute a Transfer) results in any Person owning in excess of forty-nine percent (49%) of the ownership interest in Borrower or Principal (directly or indirectly), Borrower shall, prior to such transfer, deliver an updated Insolvency Opinion to Lender, which opinion shall be in form, scope and substance acceptable in all respects to Lender and the Rating Agencies.

(f) Notwithstanding anything to the contrary set forth herein, the pledge and foreclosure (or assignment in lieu thereof) of the Collateral (as defined in each Mezzanine Loan Agreement) in accordance with the applicable Mezzanine Loan Documents shall not constitute a Default or Event of Default under this Agreement.

5.2.11 Permitted Transfer. Notwithstanding anything to the contrary contained in Section 5.2.10 of this Agreement, Lender shall not unreasonably withhold, condition or delay its consent to a one-time sale, assignment, or other transfer of the Property provided that (1) Lender receives at least thirty (30) days prior written notice of such transfer, (2) no Event of Default has occurred and is continuing under this Agreement, the Security Instrument, the Note or the other Loan Documents, and (3) the following conditions have, in the reasonable determination of Lender, been satisfied:

(a) Borrower or Transferee shall pay any and all costs incurred in connection with the transfer (including, without limitation, Lender's reasonable counsel fees and disbursements and all recording fees, title insurance premiums and mortgage and intangible taxes);

(b) The proposed transferee (the "**Transferee**") shall comply with all of the requirements of Section 4.1.35 hereof;

(c) Transferee shall assume all of the obligations of Borrower under the Note, the Security Instrument, this Agreement and the other Loan Documents, and a Replacement Guarantor shall assume all of the obligations of Guarantor under the Guaranty and the Environmental Indemnity, in a manner satisfactory to Lender in all respects, including, without limitation, by entering into an assumption agreement in form and substance satisfactory to Lender and delivering such legal opinions as Lender may reasonably require;

(d) The Property shall be managed by a Qualified Manager following such transfer;

(e) If a Securitization has occurred, and unless Transferee is wholly-owned and controlled by a Qualified Transferee or a Qualified Fund Transferee, Transferee shall deliver to Lender written confirmation from the Rating Agency rating any Securities that the transfer and the assumption by Transferee shall not result in a downgrade, withdrawal or qualification of the ratings then assigned to the Securities;

(f) Transferee shall deliver an endorsement to the existing title policy insuring the Security Instrument as modified by the assumption agreement, as a valid first lien on the Property and naming the Transferee as owner of the fee estate of the Property, which endorsement shall insure that as of the recording of the assumption agreement, the Property shall not be subject to any additional exceptions or liens other than those contained in the Title Policy;

(g) If the Mezzanine Loan is outstanding, all conditions precedent to such transfer set forth in the Mezzanine Loan Documents shall have been complied with; and

(h) Transferee shall deliver to Lender an opinion of counsel from an independent law firm with respect to the substantive non-consolidation of Transferee and its constituent entities (partners, members or shareholders), which law firm and which opinion shall be satisfactory in all respects to (i) Lender, if a Securitization has not occurred, or (ii) Lender and the Rating Agencies, if a Securitization has occurred.

A consent by Lender with respect to a transfer of the Property in its entirety to, and the related assumption of the Loan by, a Transferee pursuant to this Section 5.2.11 shall not be construed to be a waiver of the right of Lender to consent to any subsequent transfer of the Property. Except as otherwise specifically set forth herein, immediately upon a transfer of the Property to Transferee and the satisfaction of all of the above requirements, the named Borrower herein and any then existing Guarantor shall be released from all liability under the Loan Documents accruing after such transfer and which are not the result of any act or omission of Borrower, Guarantor and/or any of its Affiliates. Notwithstanding anything contained herein to the contrary, Guarantor shall not be released from its liability under the Guaranty in connection with any such transfer unless a Replacement Guarantor shall assume all liability of Guarantor thereunder in a manner acceptable to Lender.

Section 5.3 Transfer Fee. Borrower and Transferee shall pay in connection with each Transfer of the Property requiring Lender's approval (i) a transfer fee equal to the lesser of (x) 0.125% of the outstanding principal balance of the Loan and (y) $100,000, which amount shall be subject to change based upon a resizing of the Loan in accordance with Section 9.5; and (ii) all of Lender's reasonable expenses incurred in connection with such Transfer, at the time of each such Transfer.

ARTICLE VI

INSURANCE; CASUALTY; CONDEMNATION

Section 6.1 Insurance. (a) Borrower shall obtain and maintain, or cause to be maintained, Policies for Borrower and the Property providing at least the following coverages:

(i) comprehensive all risk insurance without an exclusion for wind peril on the Improvements and the Personal Property, in each case (A) in an amount equal to 100% of the **"Full Replacement Cost,"** which for purposes of this Agreement shall mean actual replacement value (exclusive of costs of excavations, foundations, underground utilities and footings) with a waiver of depreciation, (B) containing an agreed amount endorsement with respect to the Improvements and Personal Property waiving all coinsurance provisions; (C) providing for no deductible in excess of $100,000 (unless such insurance is provided by a blanket umbrella policy approved by Lender in writing in which case the deductible shall not exceed $100,000); and (D) providing coverage for contingent liability from Operation of Building Laws, Demolition Costs and Increased Cost of Construction Endorsements together with an **"Ordinance or Law Coverage"** or **"Enforcement"** endorsement if any of the Improvements or the use of the Property shall

at any time constitute legal non-conforming structures or uses. The above coverage shall include an endorsement requiring the insurer to pay the Full Replacement Cost notwithstanding the fact that the Property shall constitute a non-conforming use or structure. The Full Replacement Cost shall be redetermined from time to time (but not more frequently than once in any twenty-four (24) calendar months) at the request of Lender by an appraiser or contractor designated and paid by Borrower and approved by Lender, or by an engineer or appraiser in the regular employ of the insurer. After the first appraisal, additional appraisals may be based on construction cost indices customarily employed in the trade. No omission on the part of Lender to request any such ascertainment shall relieve Borrower of any of its obligations under this Subsection;

(ii) commercial general liability insurance against claims for personal injury, bodily injury, death or property damage occurring upon, in or about the Property, such insurance (A) to be on the so called "occurrence" form with a combined single limit of not less than $1,000,000 per occurrence and $2,000,000 general aggregate; (B) to continue at not less than the aforesaid limit until required to be changed by Lender in writing by reason of changed economic conditions making such protection inadequate; and (C) to cover at least the following hazards: (1) premises and operations; (2) products and completed operations on an "if any" basis; (3) independent contractors; (4) blanket contractual liability for all written and oral contracts; and (5) contractual liability covering the indemnities contained in Article 10 of the Security Instrument to the extent the same is available;

(iii) business interruption/loss of rents insurance (A) with loss payable to Lender; (B) covering all risks required to be covered by the insurance provided for in Section 6.1(a)(i); (C) containing an extended period of indemnity endorsement which provides that after the physical loss to the Improvements and Personal Property has been repaired, the continued loss of income will be insured until such income either returns to the same level it was at prior to the loss, or the expiration of eighteen (18) months from the date that the Property is repaired or replaced and operations are resumed, whichever first occurs, and notwithstanding that the policy may expire prior to the end of such period; and (D) in an amount equal to one hundred percent (100%) of the projected gross income from the Property (on an actual loss sustained basis) for a period of eighteen (18) months. The amount of such business interruption/loss of rents insurance shall be determined prior to the Closing Date and at least once each year thereafter based on the greater of (x) Borrower's reasonable estimate of the gross income (but excluding any extraordinary and non-recurring revenues) from the Property for the succeeding eighteen (18) month period and (y) the highest gross income received during the term of the Note for any full calendar year prior to the date the amount of such insurance is being determined. All insurance proceeds payable to Lender pursuant to this Section 6.1(a)(iii) shall be held by Lender and shall be applied to the obligations secured hereunder from time to time due and payable hereunder and under the Note and this Agreement; provided, however, that nothing herein contained shall be deemed to relieve Borrower of its obligations to pay the obligations secured hereunder on the respective dates of payment provided for in the Note and this Agreement except to the extent such amounts are actually paid out of the proceeds of such business interruption/loss of rents insurance;

(iv) at all times during which structural construction, repairs or alterations are being made with respect to the Improvements (A) owner's contingent or protective liability insurance covering claims not covered by or under the terms or provisions of the insurance provided for in Section 6.1(c)(ii); and (B) the insurance provided for in Section 6.1(a)(i) shall be written in a so called builder's risk completed value form covering 100% of the total costs of construction, with no exclusion for wind or terrorism (1) on a non reporting basis, (2) against all risks insured against pursuant to Section 6.1(a)(i), (3) shall include permission to occupy the Property, and (4) shall contain an agreed amount endorsement waiving co insurance provisions;

(v) to the extent Borrower has any employees, workers' compensation, subject to the statutory limits of the State in which the Property is located, and employer's liability insurance with a limit of at least $2,000,000.00 per accident and per disease per employee, and $2,000,000.00 for disease aggregate in respect of any work or operations on or about the Property, or in connection with the Property or its operation (if applicable);

(vi) comprehensive boiler and machinery insurance, if applicable, in amounts as shall be reasonably required by Lender on terms consistent with the commercial property insurance policy required under Section 6.1(c)(i);

(vii) if any portion of the Improvements is at any time located in an area identified by the Secretary of Housing and Urban Development or any successor thereto as an area having special flood hazards pursuant to the National Flood Insurance Act of 1968, the Flood Disaster Protection Act of 1973 or the National Flood Insurance Reform Act of 1994, as each may be amended, or any successor law (the **"Flood Insurance Acts"),** flood hazard insurance of the following types and in the following amounts (A) coverage under Policies issued pursuant to the Flood Insurance Acts (the **"Flood Insurance Policies")** in an amount equal to the maximum limit of coverage available for the Property under the Flood Insurance Acts, subject only to customary deductibles under such Policies and (B) coverage under supplemental private Policies in an amount not less than the amount of the Loan as each may be amended or such greater amount as Lender shall reasonably require;

(viii) earthquake, sinkhole and mine subsidence insurance, if such insurance is then regularly required by prudent institutional mortgage lenders for properties similar in size, location and quality as the Property, in amounts, form and substance reasonably satisfactory to Lender, provided that the insurance pursuant to this Section 6.1(a)(viii) hereof shall be on terms consistent with the all risk insurance policy required under Section 6.1(a)(i) hereof;

(ix) umbrella liability insurance in an amount not less than One Hundred Million and 00/100 Dollars ($100,000,000) per occurrence on terms consistent with the commercial general liability insurance policy required under Section 6.1(a) hereof;

(x) motor vehicle coverage for all owned and non owned vehicles, including rented and leased vehicles containing minimum limits per occurrence, including umbrella coverage of One Million and No/100 Dollars ($1,000,000);

(xi) parking garage liability coverage containing minimum limits per occurrence, including umbrella coverage of One Million and No/100 Dollars ($1,000,000);

(xii) insurance against employee dishonesty in an amount not less than one (1) month of gross revenue from the Property and with a deductible not greater than One Hundred Thousand and No/100 Dollars ($100,000);

(xiii) so-called "dramshop" insurance of other liability insurance required in connections with the sale of alcoholic beverages;

(xiv) if "acts of terrorism" or other similar acts or events or "fire following" are hereafter excluded from Borrower's comprehensive all risk insurance policy or policies required under Sections 6.1(a)(i) and 6.1(a)(iii) above, Borrower shall obtain an endorsement to such policy or policies, or a separate policy from an insurance provider which maintains at least an investment grade rating from S&P (that is, "BBB-") and, if they are rating the Securities and if they rate the insurer from Fitch (that is, "BBB-") and from Moody's (that is, "Baa3"), insuring against all such excluded acts or events and "fire following", to the extent such policy or endorsement is available, in an amount determined by Lender in its sole discretion (but in no event more than an amount equal to the sum of 100% of the "Full Replacement Cost" and eighteen (18) months business interruption insurance), provided, however, Borrower shall not be required to pay annual premiums in excess of the Terrorism Insurance Cap for the coverage required under this Section 6.1(a)(xiv) for the Property, it being agreed that the endorsement or policy shall be in form and substance reasonably satisfactory to Lender. Notwithstanding the foregoing, for so long as TRIA is in effect (including any extensions or if another federal governmental program is in effect which provides substantially similar protections as TRIA), Lender shall accept terrorism insurance which covers against "covered acts" as defined by TRIA (or such other program) as full compliance with this Section 6.1(a)(xiv) as it relates to the risks that are required to be covered; and

(xv) such other insurance and in such amounts as Lender from time to time may reasonably request against such other insurable hazards which at the time are commonly insured against for property similar to the Property located in or around the region in which the Property is located.

(b) All insurance provided for in Section 6.1(a) hereof shall be obtained under valid and enforceable policies (the **"Policies"** or in the singular, the **"Policy"**), in such forms and, from time to time after the date hereof, in such amounts as may be satisfactory to Lender, issued by financially sound and responsible insurance companies authorized to do business in the State in which the Property is located and approved by Lender. The insurance companies must have a claims paying ability/financial strength rating of "A-/A2" (or its equivalent) or better by at least two (2) Rating Agencies (one of which will be S&P if they are rating the Securities and one of

which shall be Moody's if they are rating the Securities), or if only one Rating Agency is rating the Securities, then only by such Rating Agency (each such insurer shall be referred to below as a **"Qualified Insurer"**), provided that if any insurance required is provided by a syndicate of insurers, the insurers with respect to such insurance shall be acceptable if there are five (5) or more insurers, 60% of the insurance providers must carry a minimum financial strength rating from S&P of "A-" or better with no insurer rated less than "BBB". Not less than fifteen (15) days prior to the expiration dates of the Policies theretofore furnished to Lender pursuant to Section 6.1 (a), Borrower shall deliver either (i) certified copies of the Policies marked "premium paid" or accompanied by evidence satisfactory to Lender of payment of the premiums due thereunder (the **"Insurance Premiums"**), or (ii) Acord certificates evidencing the effectiveness of the required Policies and payment of Insurance Premiums, provided, however, that Borrower shall provide certified copies of the Policies to Lender promptly upon Borrower's receipt thereof and in any event within ninety (90) days of the effective date of such Policies.

(c) Borrower shall not obtain (i) any umbrella or blanket liability or casualty Policy unless, in each case, such Policy is approved in advance in writing by Lender and Lender's interest is included therein as provided in this Agreement and such Policy is issued by a Qualified Insurer, or (ii) separate insurance concurrent in form or contributing in the event of loss with that required in Section 6.1 (a) to be furnished by, or which may be reasonably required to be furnished by, Borrower. In the event Borrower obtains separate insurance or an umbrella or a blanket policy, Borrower shall notify Lender of the same and shall cause certified copies of each Policy to be delivered as required in Section 6.1 (a). Any blanket insurance Policy shall specifically allocate to the Property the amount of coverage from time to time required hereunder and shall otherwise provide the same protection as would a separate Policy insuring only the Property in compliance with the provisions of Section 6.1 (a). Notwithstanding Lender's approval of any umbrella or blanket liability or casualty Policy hereunder, Lender reserves the right, in its sole discretion, to require Borrower to obtain a separate Policy in compliance with this Section 6.1.

(d) All Policies provided for or contemplated by Section 6.1 (a) hereof, except for the Policy referenced in Section 6.1(a)(v), shall name Lender and Borrower as the insured or additional insured, as their respective interests may appear, and in the case of property damage, boiler and machinery, and flood insurance, shall contain a so called New York standard non- contributing mortgagee clause in favor of Lender providing that the loss thereunder shall be payable to Lender.

(e) All Policies provided for in Section 6.1 (a) hereof shall contain clauses or endorsements to the effect that:

(i) no act or negligence of Borrower, or anyone acting for Borrower, or failure to comply with the provisions of any Policy which might otherwise result in a forfeiture of the insurance or any part thereof, shall in any way affect the validity or enforceability of the insurance insofar as Lender is concerned;

(ii) the Policy shall not be materially changed (other than to increase the coverage provided thereby) or cancelled without at least 30 days' written notice to Lender and any other party named therein as an insured or additional insured;

(iii) each Policy shall provide that the issuers thereof shall give written notice to Lender if the Policy has not been renewed thirty (30) days prior to its expiration; and

(iv) Lender shall not be liable for any Insurance Premiums thereon or subject to any assessments thereunder.

(f) If at any time Lender is not in receipt of written evidence that all insurance required hereunder is in full force and effect, Lender shall have the right, without notice to Borrower to take such action as Lender deems necessary to protect its interest in the Property, including, without limitation, the obtaining of such insurance coverage as Lender in its sole discretion deems appropriate, and all expenses incurred by Lender in connection with such action or in obtaining such insurance and keeping it in effect shall be paid by Borrower to Lender upon demand and until paid shall be secured by the Security Instrument and shall bear interest at the Default Rate.

(g) In the event of a foreclosure of the Security Instrument, or other transfer of title to the Property in extinguishment in whole or in part of the Debt all right, title and interest of Borrower in and to the Policies then in force and all proceeds payable thereunder allocable to the Property shall thereupon vest in the purchaser at such foreclosure or Lender or other transferee in the event of such other transfer of title.

(h) Upon the written request of Lender, Borrower shall furnish to Lender, on or before thirty (30) days after the close of each of Borrower's Fiscal Years, a statement certified by Borrower or a duly authorized officer of Borrower of the amounts of insurance maintained in compliance herewith, of the risks covered by such insurance and of the insurance company or companies which carry such insurance and, if requested by Lender, verification of the adequacy of such insurance by an independent insurance broker or appraiser acceptable to Lender.

Section 6.2 Casualty. If the Property shall be damaged or destroyed, in whole or in part, by fire or other casualty (a " **Casualty**"), Borrower shall give prompt notice of such damage to Lender and shall, provided the Net Proceeds are made available by Lender for such Restoration pursuant to Section 6.4 hereof, promptly commence and diligently prosecute the completion of the Restoration of the Property as nearly as possible to the condition the Property was in immediately prior to such Casualty, with such alterations as may be reasonably approved by Lender and otherwise in accordance with Section 6.4. Borrower shall pay all costs of such Restoration whether or not such costs are covered by insurance. Lender may, but shall not be obligated to make proof of loss if not made promptly by Borrower.

Section 6.3 Condemnation. Borrower shall promptly give Lender notice of the actual or threatened commencement of any proceeding for the Condemnation of all or any part of the Property of which Borrower has received written notice of and shall deliver to Lender copies of any and all papers served in connection with such proceedings. Lender may participate in any such proceedings during the continuance of an Event of Default or where such proceedings involve an Award in excess of $500,000, and Borrower shall from time to time deliver to Lender all instruments requested by it to permit such participation. Borrower shall, at its expense, diligently prosecute any such proceedings, and shall consult with Lender, its attorneys and experts, and cooperate with them in the carrying on or defense of any such proceedings during

the continuance of an Event of Default or where such proceedings involve an Award in excess of $500,000. Notwithstanding any taking by any public or quasi public authority through Condemnation or otherwise (including, but not limited to, any transfer made in lieu of or in anticipation of the exercise of such taking), Borrower shall continue to pay the Debt at the time and in the manner provided for its payment in the Note and in this Agreement and the Debt shall not be reduced until any Award shall have been actually received and applied by Lender, after the deduction of expenses of collection, to the reduction or discharge of the Debt. Lender shall not be limited to the interest paid on the Award by the condemning authority but shall be entitled to receive out of the Award interest at the rate or rates provided herein or in the Note. If the Property or any portion thereof is taken by a condemning authority, Borrower shall, provided that the Net Proceeds are made available by Lender to Borrower pursuant to Section 6.4 hereof, promptly commence and diligently prosecute the Restoration of the Property and otherwise comply with the provisions of Section 6.4. If the Property is sold, through foreclosure or otherwise, prior to the receipt by Lender of the Award, Lender shall have the right, whether or not a deficiency judgment on the Note shall have been sought, recovered or denied, to receive the Award, or a portion thereof sufficient to pay the Debt.

Section 6.4 Restoration. The following provisions shall apply in connection with the Restoration of the Property:

(a) If the Net Proceeds shall be less than the Restoration Threshold Amount and the costs of completing the Restoration shall be less than the Restoration Threshold Amount, the Net Proceeds will be disbursed by Lender to Borrower upon receipt, provided that all of the conditions set forth in Section 6.4(b)(i) are met and Borrower delivers to Lender a written undertaking to expeditiously commence and to satisfactorily complete with due diligence the Restoration in accordance with the terms of this Agreement.

(b) If the Net Proceeds are equal to or greater than the Restoration Threshold Amount or the costs of completing the Restoration is equal to or greater than the Restoration Threshold Amount, Lender shall make the Net Proceeds available for the Restoration in accordance with the provisions of this Section 6.4. The term **"Net Proceeds"** shall mean: (i) the net amount of all insurance proceeds received by Lender pursuant to Section 6.1(a)(i), (iv), (vi), (vii), (viii) and (with respect to casualty insurance only) (x) as a result of such damage or destruction, after deduction of its reasonable costs and expenses (including, but not limited to, reasonable counsel fees), if any, in collecting same **("Insurance Proceeds")**, or (ii) the net amount of the Award, after deduction of its reasonable costs and expenses (including, but not limited to, reasonable counsel fees), if any, in collecting same **("Condemnation Proceeds")**, whichever the case may be.

(i) The Net Proceeds shall be made available to Borrower for Restoration provided that each of the following conditions are met:

(A) no Event of Default shall have occurred and be continuing;

(B) (1) in the event the Net Proceeds are Insurance Proceeds, less than forty percent (40%) of the total floor area of the Improvements on the Property has been damaged, destroyed or rendered unusable as a result of such Casualty or

(2) in the event the Net Proceeds are Condemnation Proceeds, less than ten percent (10%) of the land constituting the Property is taken, and such land is located along the perimeter or periphery of the Property, and no portion of the Improvements is located on such land;

(C) Leases demising in the aggregate a percentage amount equal to or greater than seventy percent (70%) of the total rentable space in the Property which has been demised under executed and delivered Leases in effect as of the date of the occurrence of such Casualty or Condemnation, whichever the case may be, shall remain in full force and effect during and after the completion of the Restoration, notwithstanding the occurrence of any such Casualty or Condemnation, whichever the case may be, and Borrower furnishes to Lender evidence satisfactory to Lender that all tenants under Major Leases shall continue to operate their respective space at the Property after the completion of the Restoration;

(D) Subject to Force Majeure, Borrower shall commence the Restoration as soon as reasonably practicable (but in no event later than ninety (90) days after such Casualty or Condemnation, whichever the case may be, occurs) and shall diligently pursue the same to satisfactory completion in compliance with all Applicable Laws including, without limitation, all applicable Environmental Laws;

(E) Lender shall be reasonably satisfied that any operating deficits, including all scheduled payments of principal and interest under the Note, which will be incurred with respect to the Property as a result of the occurrence of any such Casualty or Condemnation, whichever the case may be, will be covered out of (1) the Net Proceeds, (2) the insurance coverage referred to in Section 6.1(a)(iii), if applicable, (3) by other funds of Borrower or (4) such other collateral reasonably acceptable to Lender delivered by Borrower to Lender to secure the obligation of Borrower to pay such operating deficits provided that in no event shall Lender be obligated to accept such collateral if any REMIC Trust formed pursuant to a Securitization will fail to maintain its status as a "real estate mortgage investment conduit" within the meaning of Section 860D of the Code as a result of such collateral being delivered to Lender;

(F) Lender shall be satisfied that the Restoration will be substantially completed on or before the earliest to occur of (1) six (6) months prior to the Maturity Date, (2) twelve (12) months after the occurrence of such Casualty or Condemnation, (3) the earliest date required for such completion under the terms of any Leases which are required in accordance with the provisions of this Section 6.4(b) to remain in effect subsequent to the occurrence of such Casualty or Condemnation and the completion of the Restoration, (4) such time as may be required under Applicable Law in order to repair and restore the Property to the substantially the same condition it was in immediately prior to such Casualty or Condemnation or (5) the expiration of the insurance coverage referred to in Section 6.1(a)(iii); provided, however, that the requirements set forth in this

subsection (F) shall be subject to Force Majeure but in no event shall Lender be obligated to make any Net Proceeds available if Lender is not satisfied that the Restoration will be substantially completed on or before the Maturity Date notwithstanding the occurrence of any Force Majeure;

(G) the Property and the use thereof after the Restoration will be in compliance with and permitted under all Applicable Laws;

(H) Lender shall be satisfied that the Gross Income from Operations of the Property for the succeeding twelve (12) month period following the completion of the Restoration will be restored to a level sufficient to cover all carrying costs and operating expenses of the Property for such twelve (12) month period, including, without limitation, debt service on the Note at a coverage ratio (after deducting all required reserves as required by Lender from net operating income) of at least equal to or greater than the lesser of (i) 1.25x and (2) the coverage ratio that existed prior to the related Casualty or Condemnation, which coverage ratio shall be determined by Lender in its sole discretion on the basis of the Applicable Interest Rate;

(I) any operating deficits which will be incurred with respect to the Property as a result of the occurrence of any such fire or other casualty will be covered out of (1) the Net Proceeds, (2) the insurance coverage referred to in Section 6.1(a)(iii), or (3) by other funds of Borrower;

(J) such Casualty or Condemnation, as applicable, does not result in the total loss of access to the Property or the related Improvements;

(K) Borrower shall deliver, or cause to be delivered, to Lender a signed detailed budget approved in writing by Borrower's architect or engineer stating the entire cost of completing the Restoration, which budget shall be acceptable to Lender;

(L) the Net Proceeds together with any Cash or Cash Equivalent deposited by Borrower with Lender are sufficient in Lender's discretion to cover the cost of the Restoration; and

(M) the Management Agreement in effect as of the date of the occurrence of such Casualty or Condemnation, whichever the case may be, shall (1) remain in full force and effect during the Restoration and shall not otherwise terminate as a result of the Casualty or Condemnation or the Restoration or (2) if terminated, shall have been replaced with a Replacement Management Agreement with a Qualified Manager, prior to the opening or reopening of the Property or any portion thereof for business with the public.

(ii) The Net Proceeds shall be held by Lender in an interest bearing account and, until disbursed in accordance with the provisions of this Section 6.4(b), shall constitute additional security for the Debt and other obligations under the Loan Documents. The Net Proceeds shall be promptly disbursed by Lender to, or as directed

by, Borrower from time to time during the course of the Restoration, upon receipt of evidence satisfactory to Lender that (A) all materials installed and work and labor performed (except to the extent that they are to be paid for out of the requested disbursement) in connection with the Restoration have been paid for in full, and (B) there exist no notices of pendency, stop orders, mechanic's or materialman's liens or notices of intention to file same, or any other Liens or encumbrances of any nature whatsoever on the Property which have not either been fully bonded to the satisfaction of Lender and discharged of record or in the alternative fully insured to the satisfaction of Lender by the title company issuing the Title Insurance Policy.

(iii) In the event the total cost of Restoration is $500,000.00 or more, all plans and specifications required in connection with the Restoration, shall be subject to prior review and acceptance in all respects by Lender and by an independent consulting engineer selected by Lender (the **"Casualty Consultant"**). Lender shall have the use of the plans and specifications and all permits, licenses and approvals required or obtained in connection with the Restoration. The identity of the contractors, subcontractors and materialmen engaged in the Restoration as well as the contracts under which they have been engaged, shall be subject to prior review and acceptance by Lender and the Casualty Consultant. All costs and expenses incurred by Lender in connection with making the Net Proceeds available for the Restoration including, without limitation, reasonable counsel fees and disbursements and the Casualty Consultant's fees, shall be paid by Borrower.

(iv) In no event shall Lender be obligated to make disbursements of the Net Proceeds in excess of an amount equal to the costs actually incurred from time to time for work in place as part of the Restoration, as certified by the Casualty Consultant, minus the Casualty Retainage. The term **"Casualty Retainage"** shall mean an amount equal to ten percent (10%), of the costs actually incurred for work in place as part of the Restoration, as certified by the Casualty Consultant, until the Restoration has been completed. The Casualty Retainage shall in no event, and notwithstanding anything to the contrary set forth above in this Section 6.4(b), be less than the amount actually held back by Borrower from contractors, subcontractors and materialmen engaged in the Restoration. The Casualty Retainage shall not be released until the Casualty Consultant certifies to Lender that the Restoration has been completed in accordance with the provisions of this Section 6.4(b) and that all approvals necessary for the re occupancy and use of the Property have been obtained from all appropriate Governmental Authorities, and Lender receives evidence satisfactory to Lender that the costs of the Restoration have been paid in full or will be paid in full out of the Casualty Retainage; provided, however, that Lender will release the portion of the Casualty Retainage being held with respect to any contractor, subcontractor or materialman engaged in the Restoration as of the date upon which the Casualty Consultant certifies to Lender that the contractor, subcontractor or materialman has satisfactorily completed all work and has supplied all materials in accordance with the provisions of the contractor's, subcontractor's or materialman's contract, the contractor, subcontractor or materialman delivers the lien waivers and evidence of payment in full of all sums due to the contractor, subcontractor or materialman as may be reasonably requested by Lender or by the title company issuing the Title Insurance Policy for the Property, and Lender receives an endorsement to such

Title Insurance Policy insuring the continued priority of the Lien of the Security Instrument and evidence of payment of any premium payable for such endorsement. If required by Lender, the release of any such portion of the Casualty Retainage shall be approved by the surety company, if any, which has issued a payment or performance bond with respect to the contractor, subcontractor or materialman.

(v) Lender shall not be obligated to make disbursements of the Net Proceeds more frequently than once every calendar month.

(vi) If at any time the Net Proceeds or the undisbursed balance thereof shall not, in the reasonable opinion of Lender in consultation with the Casualty Consultant, if any, be sufficient to pay in full the balance of the costs which are estimated by the Casualty Consultant to be incurred in connection with the completion of the Restoration, Borrower shall deposit the deficiency (the **"Net Proceeds Deficiency"**) with Lender before any further disbursement of the Net Proceeds shall be made. The Net Proceeds Deficiency deposited with Lender shall be held by Lender and shall be disbursed for costs actually incurred in connection with the Restoration on the same conditions applicable to the disbursement of the Net Proceeds, and until so disbursed pursuant to this Section 6.4(b) shall constitute additional security for the Debt and other obligations under the Loan Documents.

(vii) The excess, if any, of the Net Proceeds and the remaining balance, if any, of the Net Proceeds Deficiency deposited with Lender after the Casualty Consultant certifies to Lender that the Restoration has been completed in accordance with the provisions of this Section 6.4(b), and the receipt by Lender of evidence satisfactory to Lender that all costs incurred in connection with the Restoration have been paid in full, shall be remitted by Lender to Borrower, provided no Event of Default shall have occurred and shall be continuing under the Note, this Agreement or any of the other Loan Documents; provided, however, the amount of such excess returned to Borrower in the case of a Condemnation shall not exceed the amount of Net Proceeds Deficiency deposited by Borrower with the balance being applied to the Debt in the manner provided for in subsection 6.4(c).

(c) All Net Proceeds not required (i) to be made available for the Restoration in accordance with either Section 6.4(a) or (b) (due to the fact that Borrower has not satisfied one or more of the provisions of such Sections) or (ii) to be returned to Borrower as excess Net Proceeds pursuant to Section 6.4(b)(vii) may be retained and applied by Lender toward the payment of the Debt whether or not then due and payable in such order, priority and proportions as Lender in its sole discretion shall deem proper, or, at the discretion of Lender, the same may be paid, either in whole or in part, to Borrower for such purposes as Lender shall approve, in its discretion. If Lender shall receive and retain Net Proceeds, the Lien of the Security Instrument shall be reduced only by the amount thereof received and retained by Lender and actually applied by Lender in reduction of the Debt.

(d) Notwithstanding the last sentence of Section 6.1(a)(iii) and provided no Event of Default exists hereunder, proceeds received by Lender on account of the business interruption insurance specified in Subsection 6.1(a)(iii) above with respect to any Casualty shall

be deposited by Lender directly into the Deposit Account but (a) only to the extent it reflects a replacement for (i) lost Rents that would have been due under Leases existing on the date of such Casualty, and/or (ii) lost Rents under Leases that had not yet been executed and delivered at the time of such Casualty which Borrower has proven to the insurance company would have been due under such Leases (and then only to the extent such proceeds disbursed by the insurance company reflect a replacement for such past due Rents) and (b) only to the extent necessary to fully make the disbursements required by Section 3.3(a)(i) through (vii) of the Cash Management Agreement for the period that such business interruption insurance proceeds relate to. Notwithstanding the foregoing and provided no Event of Default exists, in the event Lender receives any business interruption insurance proceeds that relate to any period prior to Lender's receipt of such proceeds, Lender shall use such business interruption insurance proceeds to reimburse Borrower for deposits required by Section 3.3(a)(i) through (vi) of the Cash Management Agreement during such period and which deposits or payments were actually paid by Borrower during such period.

ARTICLE VII

RESERVE FUNDS

Section 7.1 Required Repairs. Borrower shall perform the repairs at the Property, as more particularly set forth on Schedule III hereto (such repairs hereinafter referred to as **"Required Repairs").** Borrower shall complete the Required Repairs on or before the required deadline for each repair as set forth on Schedule III provided that, if any such Required Repair cannot be completed by such date due to the occurrence of events beyond Borrower's control, then Borrower shall have such longer period of time as is required to complete such Required Repair, so long as Borrower is at all times diligently pursuing completion of same. It shall be an Event of Default under this Agreement if Borrower does not complete the Required Repairs at the Property by the required deadline for each repair as set forth on Schedule III.

Section 7.2 Tax and Insurance Escrow Fund. (a) On the Closing Date, Borrower shall deposit with Lender an amount equal to $3,894,388,59 to be deposited into the Tax Reserve Account and (subject to Section 7.8(b)) to be used solely for the payment of Taxes.

(b) Borrower shall pay to Lender on the Payment Date occurring in August, 2007 and on each Payment Date thereafter one-twelfth of the Taxes (the **"Monthly Tax Deposit")** that Lender reasonably estimates will be payable during the next ensuing twelve (12) months in order to accumulate with Lender sufficient funds to pay all such Taxes at least thirty (30) days prior to their respective due dates.

(c) Borrower shall pay to Lender on the Payment Date occurring in August 2007 and on each Payment Date thereafter one-twelfth of the Insurance Premiums (the **"Monthly Insurance Premium Deposit")** (subject to Section 7.8(b)) to be used solely for the payment of Insurance Premiums that Lender estimates will be payable for the renewal of the coverage afforded by the Policies upon the expiration thereof in order to accumulate with Lender sufficient funds to pay all such Insurance Premiums at least thirty (30) days prior to the

expiration of the Policies (said amounts in (a), (b) and (c) hereof hereinafter called the **"Tax and Insurance Escrow Fund")**.

(d) The Tax and Insurance Escrow Fund and the payments of interest or principal or both, payable pursuant to the Note and this Agreement, shall be added together and shall be paid as an aggregate sum by Borrower to Lender. Lender will apply the Tax and Insurance Escrow Fund to payments of Taxes and Insurance Premiums required to be made by Borrower pursuant to Sections 5.1.2 and 6.1 hereof, hi making any payment relating to the Tax and Insurance Escrow Fund, Lender may do so according to any bill, statement or estimate procured from the appropriate public office (with respect to Taxes) or insurer or agent (with respect to Insurance Premiums), without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof. If the amount of the Tax and Insurance Escrow Fund shall exceed the amounts due for Taxes and Insurance Premiums pursuant to Sections 5.1.2 and 6.1 hereof, Lender shall return any excess to Borrower or credit such excess against future payments to be made to the Tax and Insurance Escrow Fund. In allocating such excess, Lender may deal with the Person shown on the records of Lender to be the owner of the Property. Any amount remaining in the Tax and Insurance Escrow Fund after the Debt has been paid in full shall be returned to Borrower. If at any time Lender reasonably determines that the Tax and Insurance Escrow Fund is not or will not be sufficient to pay Taxes and Insurance Premiums by the dates set forth in (a) and (b) above, Lender shall notify Borrower of such determination and Borrower shall increase its monthly payments to Lender by the amount that Lender estimates is sufficient to make up the deficiency at least thirty (30) days prior to delinquency of the Taxes and/or thirty (30) days prior to expiration of the Policies, as the case may be.

(e) (i) Notwithstanding the foregoing, in the event that (A) Borrower delivers to Lender, evidence reasonably satisfactory to Lender, that (1) the liability or casualty Policy maintained by Borrower covering the Property constitutes an approved blanket or umbrella Policy pursuant to Section 6.1(c) that provides for the payment of Insurance Premiums on an annual basis and (2) the Insurance Premiums for such approved blanket or umbrella Policy have been paid in full, Lender shall disburse to Borrower all amounts held in the Tax and Insurance Escrow Fund for the payment of Insurance Premiums; or (B) Borrower delivers to Lender, evidence satisfactory to Lender in all respects, that (1) the liability or casualty Policy maintained by Borrower covering the Properties constitutes an approved blanket or umbrella Policy pursuant to Section 6.1(c) that provides for the payment of Insurance Premiums on a monthly basis and (2) the first monthly installment of the Insurance Premiums for such approved blanket or umbrella Policy has been paid in full, Lender shall disburse to Borrower all amounts held in the Tax and Insurance Escrow Fund for the payment of Insurance Premiums (less an amount equal to one monthly installment of the Insurance Premiums due and payable with respect to such approved blanket or umbrella Policy).

(ii) Notwithstanding the foregoing, Borrower's obligation to make any deposits into the Tax and Insurance Escrow Fund with respect to Insurance Premiums pursuant to Section 7.2(c) above shall be waived if Borrower delivers to Lender a Letter of Credit in the face amount of amounts required to be on deposit with Lender from time to time in the Tax and Insurance Escrow Fund for Insurance Premiums.

(f) Notwithstanding the foregoing, Borrower's obligation to make any deposits of into the Tax and Insurance Escrow Fund with respect to Taxes pursuant to Sections 7.2(a) and (b) above shall be waived if Borrower delivers to Lender a Letter of Credit in the face amount of amounts required to be on deposit in the Tax and Insurance Escrow Fund with Lender from time to time for Taxes.

Section 7.3 Intentionally Deleted.

Section 7.4 Rollover/Replacement Reserve.

7.4.1 Deposits into the Rollover/Replacement Reserve Account. On the Closing Date, Borrower shall deposit with Lender an amount equal to $1,549,120.00 to be deposited in the Rollover/Replacement Reserve Account (the **"Initial Rollover/Replacement Reserve Deposit")** to be used solely for Replacements. In addition, Borrower shall deposit with Lender (i) upon the exercise of each Extension Option the amount, if any, required pursuant to Section 2.2.1(c)(v) (which, to the extent applicable, shall be used for Leasing Expenses and Replacements), and (ii) all Lease Termination Payments. The Initial Rollover/Replacement Reserve Deposit, all Lease Termination Payments and all other deposits required to be made in accordance with this Section 7.4.1 (collectively, the **"Required Leasing Reserve Deposits")** shall be held by Lender in the Rollover/Replacement Reserve Account. Amounts deposited into the Rollover/Replacement Reserve Account in accordance with this Section 7.4.1 shall be referred to herein as the **"Rollover/Replacement Reserve Fund."** Notwithstanding anything to the contrary contained herein, Borrower's obligation to make any deposits into the Rollover/Replacement Reserve Fund above shall be waived if Borrower delivers to Lender a Letter of Credit in the face amount of amounts required to be on deposit with Lender from time to time for the Rollover/Replacement Reserve Fund.

7.4.2 Disbursements from the Rollover/Replacement Reserve Account. (a) With respect to disbursements from the Rollover/Replacement Reserve Fund for Leasing Expenses incurred by Borrower, Lender shall make disbursements from the Rollover/Replacement Reserve Fund from time to time upon satisfaction by Borrower of each of the following conditions:

(i) With respect to all Leasing Expenses, Lender shall make disbursements as requested by Borrower on a monthly basis in increments of no less than $5,000.00 upon delivery by Borrower to Lender of a draw request in form attached hereto as Schedule X accompanied by, if such disbursement relates to tenant improvement or leasing commission obligations, copies of paid or to be paid invoices for the amounts requested , an Officer's Certificate in the form attached hereto as Schedule XVIII designating the particular Lease for which such disbursement is sought and certifying that the requested Leasing Expenses have been incurred by Borrower and, if required by Lender, lien waivers and releases from all parties furnishing more than $50,000 worth of materials and/or services in connection with the requested payment (provided, however, that receipt of such lien waivers shall be a condition to the requested disbursement only if the aggregate amount of all such required lien waivers not received by Lender (including those in connection with all prior disbursements under this Section 7.4) equals or exceeds $250,000).

(ii) With respect to all Leasing Expenses, at Lender's option, Lender may reasonably require an inspection of the Property at Borrower's expense prior to making a disbursement in order to verify completion of improvements for which payment or reimbursement is sought.

(b) (i) With respect to disbursements from the Rollover/Replacement Reserve Fund for Replacements incurred by Borrower, in no event shall the total amount of disbursements from Rollover/Replacement Reserve Account with respect to Replacements be less than the Minimum Replacement Disbursement Amount. Lender shall make disbursements from the Rollover/Replacement Reserve Account for Replacements from time to time upon satisfaction by Borrower of each of the following conditions: (A) Borrower shall submit a written request for payment to Lender at least fifteen (15) days prior to the date on which Borrower requests such payment be made and specifies the Replacements to be paid, (B) on the date such request is received by Lender and on the date such payment is to be made, no Event of Default shall exist and remain uncured, (C) Lender shall have received an Officers' Certificate in the form attached hereto as Schedule XIV (1) stating that all Replacements at the Property to be funded by the requested disbursement have been or will be completed in good and workmanlike manner and, to the best of Borrower's knowledge, in accordance with all Legal Requirements and Environmental Laws, such certificate to be accompanied by a copy of any license, permit or other approval by any Governmental Authority if required to commence and/or complete the Replacements, (2) identifying each Person that supplied or will supply materials or labor in connection with the Replacements performed or to be performed at the Property with respect to the payments or reimbursement to be funded by the requested disbursement, and (3) stating that each such Person has been or will be paid in full (for all sums then due and payable) upon such disbursement, such Officers' Certificate to be accompanied by lien waivers or, to the extent final payment has not been made to a Person, other evidence reasonably satisfactory to Lender that all sums due and payable will be paid, (D) at Lender's option and if the cost of such Replacements exceeds $250,000, a title search for the Property indicating that the Property is free from all Liens, claims and other encumbrances not previously approved by Lender and (E) Lender shall have received such other evidence as Lender shall reasonably request that the Replacements at the Property to be funded by the requested disbursement have been or will be completed and has been or will be paid for upon such disbursement to Borrower. Lender shall not be required to make disbursements from the Rollover/Replacement Reserve Account with respect to Replacements at the Property unless such requested disbursement is in an amount greater than $5,000 (or a lesser amount if the total amount in the Rollover/Replacement Reserve Account is less than $5,000, in which case only one disbursement of the amount remaining in the account shall be made). Lender shall not be obligated to make disbursements from the Rollover/Replacement Reserve Account with respect to Replacements at the Property in excess of the amount deposited by Borrower. Lender shall not be obligated to make disbursements from the Rollover/Replacement Reserve Account to reimburse Borrower for the costs of routine maintenance to the Property.

(ii) (A) Borrower shall make Replacements when required in order to keep the Property in condition and repair consistent with similar office buildings in the same market segment in the metropolitan area in which the Property is located, and to keep the Property or any portion thereof from deteriorating. Borrower shall complete all

Replacements in a good and workmanlike manner as soon as practicable following the commencement of making each such Replacement.

(B) Lender reserves the right, at its option, to approve all contracts or work orders (which approval shall not be unreasonably withheld, conditioned or delayed) with materialmen, mechanics, suppliers, subcontractors, contractors or other parties providing labor or materials in connection with the Replacements costing, in the aggregate, in excess of (1) $500,000 or (2) for so long as the Mezzanine Loan D is outstanding, $250,000. Upon Lender's request, Borrower shall assign any contract or subcontract to Lender. Any approval required of Lender pursuant to this Section 7.4.2(b) shall be deemed to have been given if Lender shall have failed to notify Borrower of its approval or disapproval within ten (10) Business Days following Lender's receipt of Borrower's written request together with a true, accurate and complete copy of the contract work order in question. In connection with its review of a contract or work order, Lender may request to receive any and all material information and documentation relating thereto reasonably required by Lender to reach a decision. In order to be effective for the purpose of triggering the ten (10) Business Day time period set forth above, all requests by Borrower for approval pursuant to this Section 7.4.2(b)(ii)(B) must contain the following in bold, capital letters in the request and on the envelope or wrapper enclosing such request: **"THIS IS A REQUEST FOR APPROVAL PURSUANT TO SECTION 7.4.2(b)(ii)(B) OF THE LOAN AGREEMENT AMONG LENDER AND BORROWER. FAILURE BY LENDER TO RESPOND TO THIS REQUEST WITHIN TEN (10) BUSINESS DAYS OF THE DATE HEREOF SHALL RESULT IN THE APPROVAL OF THE MATTERS REFERRED TO HEREIN."**

(C) In the event Lender determines in its reasonable discretion that any Replacement is not being performed in a workmanlike or timely manner or that any Replacement has not been completed in a workmanlike or timely manner, Lender shall have the option without providing any prior notice to Borrower to withhold disbursement for such unsatisfactory Replacement and, subject to the cure periods set forth in Section 8.1(a)(xxi) hereof, to proceed under existing contracts or to contract with third parties to complete such Replacement and to apply the Rollover/Replacement Reserve Fund toward the labor and materials necessary to complete such Replacement and to exercise any and all other remedies available to Lender upon an Event of Default hereunder.

(D) In order to facilitate Lender's completion or making of the Replacements pursuant to Section 7.4.2(b)(ii)(C) above, Borrower grants Lender the right to enter onto the Property and perform any and all work and labor necessary to complete or make the Replacements and/or employ watchmen to protect the Property from damage provided, however, that Lender shall not exercise such right unless an Event of Default has occurred and is then continuing. All sums so expended by Lender, to the extent not from the Rollover/Replacement Reserve Fund, shall be deemed to have been advanced under the Loan to Borrower and secured by the Security Instrument. For this

purpose Borrower constitutes and appoints Lender its true and lawful attorney in fact with full power of substitution to complete or undertake the Replacements in the name of Borrower. Such power of attorney shall be deemed to be a power coupled with an interest and cannot be revoked. Borrower empowers said attorney in fact as follows: (1) to use any funds in the Rollover/Replacement Reserve Account for the purpose of making or completing the Replacements; (2) to make such additions, changes and corrections to the Replacements as shall be necessary or desirable to complete the Replacements; (3) to employ such contractors, subcontractors, agents, architects and inspectors as shall be required for such purposes; (4) to pay, settle or compromise all existing bills and claims which are or may become Liens against the Property, or as may be necessary or desirable for the completion of the Replacements, or for clearance of title; (5) to execute all applications and certificates in the name of Borrower which may be required by any of the contract documents; (6) to prosecute and defend all actions or proceedings in connection with the Property or the rehabilitation and repair of the Property; and (7) to do any and every act which Borrower might do in its own behalf to fulfill the terms of this Agreement. Notwithstanding the foregoing, Lender shall not exercise such power of attorney unless an Event of Default exists.

(E) Nothing in this Section 7.4.2 shall: (1) make Lender responsible for making or completing the Replacements; (2) require Lender to expend funds in addition to the Rollover/Replacement Reserve Fund to make or complete any Replacement; (3) obligate Lender to proceed with the Replacements; or (4) obligate Lender to demand from Borrower additional sums to make or complete any Replacement.

(F) The Replacements and all materials, equipment, fixtures, or any other item comprising a part of any Replacement shall be constructed, installed or completed, as applicable, free and clear of all mechanic's, materialmen's or other Liens, subject to Borrower's right to contest such Liens as set forth in Section 8.1(a)(xiii) hereof.

(G) In addition to any insurance required under the Loan Documents, Borrower shall provide or cause to be provided workmen's compensation insurance, builder's risk, and public liability insurance and other insurance to the extent required under Applicable Law in connection with a particular Replacement. All such policies shall be in form and amount reasonably satisfactory to Lender. All such policies which can be endorsed with standard mortgagee clauses making loss payable to Lender or its assigns shall be so endorsed. Upon request, certified copies of such policies or certificates evidencing the effectiveness of such policies and the payment of premiums thereunder shall be delivered to Lender.

(iii) (A) It shall be an Event of Default under this Agreement if Borrower fails to comply with any provision of this Section 7.4 and such failure is not cured within sixty (60) days after notice from Lender, subject to extension as is reasonably necessary

for Borrower to exercise due diligence to cure or due to Force Majeure. Upon the occurrence and continuance of an Event of Default, Lender may use the Rollover/Replacement Reserve Fund (or any portion thereof) for any purpose, including but not limited to completion of the Replacements as provided in Sections 7.4.2(b)(ii)(C) and (D), or for any other repair or replacement to the Property or toward payment of the Debt in such order, proportion and priority as Lender may determine in its sole discretion. Lender's right to withdraw and apply the Rollover/Replacement Reserve Funds shall be in addition to all other rights and remedies provided to Lender under this Agreement and the other Loan Documents.

(B) Nothing in this Agreement shall obligate Lender to apply all or any portion of the Rollover/Replacement Reserve Fund on account of an Event of Default to payment of the Debt or in any specific order or priority.

(c) The insufficiency of any balance in the Rollover/Replacement Reserve Account shall not relieve Borrower from its obligation to fulfill all preservation and maintenance covenants in the Loan Documents.

Section 7.5 Intentionally Omitted.

Section 7.6 Intentionally Omitted.

Section 7.7 Debt Service Shortfall Reserve Funds.

7.7.1 Deposits into the Debt Service Shortfall Reserve Fund. On the Closing Date, Borrower shall deposit with Lender an amount equal to $4,900,000.00 to be deposited in the Debt Service Shortfall Reserve Account (the **"Debt Service Shortfall Reserve Fund"**). Notwithstanding anything to the contrary contained in this Section 7.7.1, Borrower's obligation to make any deposits into the Debt Service Shortfall Reserve Fund shall be waived (and if Debt Service Shortfall Reserve Funds are on deposit, Borrower shall be entitled to withdraw the amounts deposited therein) if Borrower delivers to Lender a Letter of Credit in the face amount of the amount required to be on deposit with Lender in the Debt Service Shortfall Reserve Fund.

7.7.2 Withdrawals from the Debt Service Shortfall Reserve Fund. Lender shall make disbursements from the Debt Service Shortfall Reserve Fund from time to time as follows: If, on any Payment Date, the amounts on deposit in the Debt Service Shortfall Reserve Account are not sufficient to pay the amounts payable on any Payment Date pursuant to Section 3.3(a)(iii) and (vi) of the Cash Management Agreement, then Lender shall, and is hereby irrevocably authorized by Borrower to pay such shortfall (or so much thereof as may be paid from amounts on deposit in the Debt Service Shortfall Reserve Account if the amount on deposit in the Debt Service Shortfall Reserve Account is less than the amount necessary to pay such shortfall). Except in connection with the exercise of any Extension Option, Borrower shall not have an obligation to replenish amounts on deposit in the Debt Service Shortfall Reserve Account.

Section 7.8 Reserve Funds, Generally. (a) Borrower grants to Lender a first priority perfected security interest in each of the Reserve Funds and the related Accounts and any and all monies now or hereafter deposited in each Reserve Fund and related Account as

additional security for payment of the Debt. Until expended or applied in accordance herewith, the Reserve Funds and the related Accounts shall constitute additional security for the Debt.

(b) Upon the occurrence and during the continuance of an Event of Default, Lender shall have no obligation to disburse any Reserve Funds, and Lender may, in addition to any and all other rights and remedies available to Lender, apply any sums then present in any or all of the Reserve Funds to the payment of the Debt in any order in its sole discretion. Lender shall have no obligation to advance funds from any particular Account in excess of the amount on deposit in such Account.

(c) The Reserve Funds shall not constitute trust funds and may be commingled with other monies held by Lender.

(d) The Reserve Funds may be invested in Permitted Investments in accordance with, and to the extent permitted by, the Cash Management Agreement, and all earnings or interest on a Reserve Fund shall be added to and become a part of such Reserve Fund and shall be disbursed in the same manner as other monies deposited in such Reserve Fund.

(e) Borrower shall not, without obtaining the prior written consent of Lender, further pledge, assign or grant any security interest in any Reserve Fund or related Account or the monies deposited therein or permit any lien or encumbrance to attach thereto, or any levy to be made thereon, or any UCC-1 Financing Statements, except those naming Lender as the secured party, to be filed with respect thereto or any right of the depositary bank or securities intermediary to be paid ordinary fees and charges for such Account, for which there may be a set-off right.

(f) Borrower shall indemnify Lender and hold Lender harmless from and against any and all Losses arising from or in any way connected with the Reserve Funds or the related Accounts or the performance of the obligations for which the Reserve Funds or the related Accounts were established, except to the extent arising from the gross negligence or willful misconduct of Lender, its agents or employees. Borrower shall assign to Lender all rights and claims Borrower may have against all Persons supplying labor, materials or other services which are to be paid from or secured by the Reserve Funds or the related Accounts; provided, however, that Lender may not pursue any such right or claim unless an Event of Default has occurred and remains uncured.

Section 7.9 Provisions Regarding Letters of Credit.

7.9.1 Letters of Credit Generally. Borrower shall give Lender no less than thirty (30) days notice of Borrower's election to deliver a Letter of Credit pursuant to this Article VII. Borrower shall pay to Lender all of Lender's reasonable out-of-pocket costs and expenses in connection therewith. Borrower shall not be entitled to draw from any such Letter of Credit.

7.9.2 Event of Default. An Event of Default shall occur if Borrower shall have any reimbursement or similar obligation with respect to a Letter of Credit, or if Borrower shall fail to (i) replace or extend any Letter of Credit prior to the expiration thereof or (ii) replace any outstanding Letter of Credit within thirty (30) days of Lender's notice that such Letter of Credit fails to meet the requirements set forth in the definition of Letter of Credit. Lender shall not be

required to exercise its rights under Section 7.9.3 below in order to prevent any such Event of Default from occurring and shall not be liable for any losses due to the insolvency of the issuer of the Letter of Credit as a result of any failure or delay by Lender in the exercise of such rights, but if Lender draws on the Letter of Credit and the issuer honors such draw and no Event of Default shall exist, Lender shall deposit the proceeds of such draw into the Reserve Fund with respect to which such Letter of Credit was originally established.

7.9.3 Security for Debt. Each Letter of Credit delivered under this Agreement shall be additional security for the payment of the Debt. Upon the occurrence of an Event of Default, Lender shall have the right, at its option, to draw on any Letter of Credit and to apply all or any part thereof to the payment of the items for which such Letter of Credit was established or to apply each such Letter of Credit to payment of the Debt in such order, proportion or priority as Lender may determine or to hold such proceeds as security for the Debt.

7.9.4 Additional Rights of Lender. In addition to any other right Lender may have to draw upon a Letter of Credit pursuant to the terms and conditions of this Agreement, Lender shall have the additional rights to draw in full any Letter of Credit: (a) with respect to any evergreen Letter of Credit, if Lender has received a notice from the issuing bank that the Letter of Credit will not be renewed and a substitute Letter of Credit is not provided at least thirty (30) days prior to the date on which the outstanding Letter of Credit is scheduled to expire; (b) with respect to any Letter of Credit with a stated expiration date, if Lender has not received a notice from the issuing bank that it has renewed the Letter of Credit at least thirty (30) days prior to the date on which such Letter of Credit is scheduled to expire or a substitute Letter of Credit is not provided at least thirty (30) days prior to the date on which the outstanding Letter of Credit is scheduled to expire; or (c) if Lender has received notice that the bank issuing the Letter of Credit shall cease to be an Eligible Institution and Borrower has not, within thirty (30) days after notice thereof, obtained a new Letter of Credit with an Eligible Institution.

7.9.5 Reduction of Letter of Credit. In the event that, after the delivery of a Letter of Credit in accordance with the provisions of this Article VII, Borrower shall incur and pay for from its own funds and not from the Reserve Funds, funds in the Lockbox Account, or other funds sourced from, or otherwise derivative of, the Property, such items that would be eligible for a disbursement from the applicable Reserve Fund, Borrower may, in lieu of receiving such disbursement, reduce the amount of such Letter of Credit by a corresponding amount. Lender agrees to execute such agreements or amendments reasonably requested by Borrower in order to appropriately reduce the amount of such Letter of Credit. Borrower shall not be permitted to reduce the Letter of Credit more than one (1) time in any month.

7.9.6 Limitations on Guaranties and Letters of Credit. Notwithstanding anything to the contrary contained in the foregoing, the aggregate amount of any Letters of Credit in lieu of Reserve Funds delivered in accordance with the provisions of this Article VII and any guaranties delivered in accordance with the provisions of Section 5.1.20 shall not exceed ten percent (10%) of the principal amount of the Loan. To the extent that the aggregate amount of deposits that Borrower is obligated to make into the Reserve Funds hereunder exceeds ten percent (10%), Borrower shall deposit such excess amount with Lender for deposit into the applicable Reserve Fund.

ARTICLE VIII

DEFAULTS

Section 8.1 Event of Default. (a) Each of the following events shall constitute an event of default hereunder (an **"Event of Default"**):

(i) (A) if any payment of principal or interest due pursuant to the Note or the payment due on the Maturity Date is not paid on or prior to the date when due, and (B) any other portion of the Debt is not paid on or within four (4) business days after the same is due;

(ii) if any of the Taxes or any Other Charges are not paid on or before the date when the same are due and payable (except to the extent sums sufficient to pay such Taxes or any Other Charges have been deposited with Lender in accordance with the terms hereof);

(iii) if the Policies are not kept in full force and effect and if certified copies of the Policies, or Acord certificates evidencing the procurement of and payment for the Policies, are not delivered to Lender within five (5) Business Days of Lender's request;

(iv) if Borrower transfers or encumbers any portion of the Property in violation of the provisions of Section 5.2.10 hereof or Article 7 of the Security Instrument;

(v) if any representation or warranty made by Borrower, or any Guarantor herein or in any other Loan Document, or in any report, certificate, financial statement or other instrument, agreement or document prepared by or on behalf of Borrower, or any Guarantor and furnished to Lender shall have been false or misleading in any material adverse respect, when taken as a whole, as of the date the representation or warranty was made provided, however, that to the extent that the Person on whose behalf such representation or warranty was made had no actual or constructive knowledge of the falsehood or misleading nature of such representation or warranty when made, and that such falsehood or misleading nature was undiscoverable through commercially reasonable diligence, then such false or misleading representation or warranty shall constitute an Event of Default only if Borrower or such Person fails to make true and accurate such representation or warranty (by modifying or correcting the condition underlying such representation or warranty) within ten (10) days after Borrower's or such Person's discovery of such underlying condition;

(vi) if Borrower, Principal, any Guarantor or any other guarantor under any guaranty issued in connection with the Loan shall make an assignment for the benefit of creditors, unless, in the case of any Guarantor, any Replacement Guarantor has been substituted for such Guarantor in accordance with the terms and provisions of Section 9.6 hereof;

(vii) if a receiver, liquidator or trustee shall be appointed for Borrower, Principal, any Guarantor or any other guarantor under any guarantee issued in connection with the Loan or if Borrower, Principal, any Guarantor or such other guarantor shall be

adjudicated a bankrupt or insolvent, or if any petition for bankruptcy, reorganization or arrangement pursuant to the Bankruptcy Code, or any similar federal or State law, shall be filed by or against, consented to, or acquiesced in by, Borrower, Principal, any Guarantor or such other guarantor, or if any proceeding for the dissolution or liquidation of Borrower, Principal, any Guarantor or such other guarantor shall be instituted; provided, however, if such appointment, adjudication, petition or proceeding was involuntary and not consented to by Borrower, Principal, any Guarantor or such other guarantor, upon the same not being discharged, stayed or dismissed or bonded pending appeal within ninety (90) days, unless, in the case of any Guarantor, any Replacement Guarantor has been substituted for such Guarantor in accordance with the terms and provisions of Section 9.6 hereof;

(viii) if Borrower attempts to assign its rights under this Agreement or any of the other Loan Documents or any interest herein or therein in contravention of the Loan Documents;

(ix) if Borrower materially breaches any of its respective negative covenants contained in Section 5.2;

(x) if Borrower violates or does not comply with any provisions of Section 5.1.17 hereof and Borrower fails to remedy such breach within ten (10) Business Days after notice of such breach from Lender;

(xi) if a default has occurred and continues beyond any applicable cure period under the Management Agreement (or any Replacement Management Agreement) if such default permits Manager thereunder to terminate or cancel the Management Agreement (or any Replacement Management Agreement);

(xii) if Borrower or Principal violates or does not comply with any of the provisions of Section 4.1.35 hereof;

(xiii) if the Property becomes subject to any mechanic's, materialman's or other Lien other than a Lien for local real estate taxes and assessments not then due and payable and the Lien shall remain undischarged of record (by payment, bonding or otherwise) for a period of sixty (60) days, provided, however, after prior written notice to Lender, Borrower, at its own expense, may contest by appropriate legal proceedings, promptly initiated and conducted in good faith and with due diligence, the amount or validity, in whole or in part, of any mechanic's liens, provided that (i) no other Event of Default has occurred and is continuing under the Note, this Agreement or any of the other Loan Documents, (ii) such proceeding shall suspend the collection of the mechanic's or materialman's liens from Borrower and from the Property or Borrower shall have paid all of the mechanic's or materialman's liens under protest, (iii) such proceeding shall be permitted under and be conducted in accordance with the provisions of any other instrument to which Borrower is subject and shall not constitute a default thereunder, (iv) neither the Property nor any part thereof or interest therein will be in danger of being sold, forfeited, terminated, cancelled or lost, and (v) Borrower shall have deposited with Lender adequate reserves or security for the payment of the mechanic's or materialman's

liens, together with all interest and penalties thereon as determined by Lender in its reasonable discretion;

(xiv) if any federal tax Lien or state or local income tax Lien is filed against Borrower, Principal, any Guarantor or the Property and same is not discharged of record within sixty (60) days after same is filed, unless, in the case of any Guarantor, any Replacement Guarantor has been substituted for such Guarantor in accordance with the terms and provisions of Section 9.6 hereof;

(xv) (A) Borrower fails to provide Lender with the written certificate as provided in (and within the time period required by) Section 5.2.8 hereof and such failure continues for ten (10) days after written notice thereof from Lender, (B) Borrower is a Plan or its assets constitute Plan Assets, or (C) Borrower consummates a transaction which would cause the Security Instrument or Lender's exercise of its rights under the Security Instrument, the Note, this Agreement or the other Loan Documents to constitute a nonexempt prohibited transaction under ERIS A or result in a violation of a State statute regulating investment of, and fiduciary obligations with respect to, governmental plans that is substantially similar to Section 406 of ERISA or Section 4975 of the Code, which prohibits or otherwise restricts the transactions contemplated by this Agreement, subjecting Lender to liability for a violation of ERISA, the Code or such State statute;

(xvi) if Borrower shall fail to deliver to Lender, within ten (10) Business Days after request by Lender, the estoppel certificates required pursuant to the terms of Section 5.1.13(a) hereof (which request by Lender shall be sent after the expiration of any applicable notice and grace periods contained in Section 5.1.13);

(xvii) if any default occurs under any guaranty or indemnity executed in connection herewith (including, without limitation, the Guaranty and the Environmental Indemnity) and such default continues after the expiration of applicable grace periods, if any, unless, in the case of any Guarantor, any Replacement Guarantor has been substituted for such Guarantor in accordance with the terms and provisions of Section 9.6 hereof;

(xviii) Intentionally Omitted.

(xix) Intentionally Omitted.

(xx) with respect to any term, covenant or provision set forth herein which specifically contains a notice requirement or grace period, if Borrower shall be in default under such term, covenant or condition after the giving of such notice or the expiration of such grace period;

(xxi) if any of the assumptions contained in the Insolvency Opinion, or in any other "non-consolidation" opinion delivered to Lender in connection with the Loan (it being understood that this provision shall not apply to any "non-consolidation" opinion delivered to Lender in connection with the origination of the Loan following a transfer under Section 5.2.11), or in any other "non-consolidation" opinion delivered subsequent to the closing of the Loan, is or shall become untrue in any material respect;

(xxii) Intentionally Omitted;

(xxiii) if Borrower shall continue to be in Default under any of the other terms, covenants or conditions of this Agreement not specified in subsections (i) to (xxii) above or (xxiv) below, for ten (10) days after notice to Borrower from Lender, in the case of any Default which can be cured by the payment of a sum of money, or for thirty (30) days after notice from Lender in the case of any other Default; provided, however, that if such non monetary Default is susceptible of cure but cannot reasonably be cured within such thirty (30) day period and provided further that Borrower shall have commenced to cure such Default within such thirty (30) day period and thereafter diligently and expeditiously proceeds to cure the same, such thirty (30) day period shall be extended for such time as is reasonably necessary for Borrower in the exercise of due diligence to cure such Default, such additional period not to exceed ninety (90) days; or

(xxiv) if there shall be default under the Security Instrument or any of the other Loan Documents beyond any applicable notice and cure periods contained in such documents, whether as to Borrower or the Property, or if any other such event shall occur or condition shall exist, if the effect of such event or condition is to accelerate the maturity of any portion of the Debt or to permit Lender to accelerate the maturity of all or any portion of the Debt.

(b) Upon the occurrence and during the continuance of an Event of Default (other than an Event of Default described in clauses (vi) or (vii) above) and at any time thereafter, in addition to any other rights or remedies available to it pursuant to this Agreement and the other Loan Documents or at law or in equity, Lender may take such action, without notice or demand, that Lender deems advisable to protect and enforce its rights against Borrower and in and to the Property, including, without limitation, declaring the Debt to be immediately due and payable, and Lender may enforce or avail itself of any or all rights or remedies provided in the Loan Documents against Borrower and any part of the Property, including, without limitation, all rights or remedies available at law or in equity; and upon any Event of Default described in clauses (vi) or (vii) above, the Debt and all other obligations of Borrower hereunder and under the other Loan Documents shall immediately and automatically become due and payable, without notice or demand, and Borrower hereby expressly waives any such notice or demand, anything contained herein or in any other Loan Document to the contrary notwithstanding.

Section 8.2 Remedies. (a) Upon the occurrence and during the continuance of an Event of Default, all or any one or more of the rights, powers, privileges and other remedies available to Lender against Borrower under this Agreement or any of the other Loan Documents executed and delivered by, or applicable to, Borrower or at law or in equity may be exercised by Lender at any time and from time to time, whether or not all or any of the Debt shall be declared due and payable, and whether or not Lender shall have commenced any foreclosure proceeding or other action for the enforcement of its rights and remedies under any of the Loan Documents with respect to all or any part of the Property or any other Collateral. Any such actions taken by Lender shall be cumulative and concurrent and may be pursued independently, singly, successively, together or otherwise, at such time and in such order as Lender may determine in its sole discretion, to the fullest extent permitted by Applicable Law, without impairing or

otherwise affecting the other rights and remedies of Lender permitted by Applicable Law, equity or contract or as set forth herein or in the other Loan Documents. Without limiting the generality of the foregoing, Borrower agrees that if an Event of Default is continuing (i) Lender is not subject to any "one action" or "election of remedies" law or rule, and (ii) all Liens and other rights, remedies or privileges provided to Lender shall remain in full force and effect until Lender has exhausted all of its remedies against the Property and the other Collateral and the Security Instrument has been foreclosed, sold and/or otherwise realized upon in satisfaction of the Debt or the Debt has been paid in full.

(b) With respect to Borrower and the Property, nothing contained herein or in any other Loan Document shall be construed as requiring Lender to resort to any Collateral for the satisfaction of any of the Debt in preference or priority to any other Collateral, and Lender may seek satisfaction out of the Property or any other Collateral or any part thereof, in its absolute discretion in respect of the Debt. In addition, Lender shall have the right from time to time to partially foreclose the Security Instrument in any manner and for any amounts secured by the Security Instrument then due and payable as determined by Lender in its sole discretion including, without limitation, the following circumstances: (i) in the event Borrower defaults beyond any applicable grace period in the payment of one or more scheduled payments of principal and interest, Lender may foreclose the Security Instrument to recover such delinquent payments, or (ii) in the event Lender elects to accelerate less than the entire outstanding principal balance of the Loan, Lender may foreclose the Security Instrument to recover so much of the principal balance of the Loan as Lender may accelerate and such other sums secured by the Security Instrument as Lender may elect. Notwithstanding one or more partial foreclosures, the Property shall remain subject to the Security Instrument to secure payment of sums secured by the Security Instrument and not previously recovered.

(c) Lender shall have the right, from time to time, to sever the Note and the other Loan Documents into one or more separate notes, deeds of trust, mortgages and other security documents (the **"Severed Loan Documents")** in such denominations as Lender shall determine in its sole discretion for purposes of evidencing and enforcing its rights and remedies provided hereunder. Borrower shall execute and deliver to Lender from time to time, promptly after the request of Lender, a severance agreement and such other documents as Lender shall request in order to effect the severance described in the preceding sentence, all in form and substance reasonably satisfactory to Lender. Borrower hereby absolutely and irrevocably appoints Lender as its true and lawful attorney, coupled with an interest, in its name and stead to make and execute all documents necessary or desirable to effect the aforesaid severance, Borrower ratifying all that its said attorney shall do by virtue thereof; provided, however, Lender shall not make or execute any such documents under such power until three (3) days after notice has been given to Borrower by Lender of Lender's intent to exercise its rights under such power. The Severed Loan Documents shall not contain any representations, warranties or covenants not contained in the Loan Documents and any such representations and warranties contained in the Severed Loan Documents will be given by Borrower only as of the Closing Date.

Section 8.3 Remedies Cumulative; Waivers. The rights, powers and remedies of Lender under this Agreement shall be cumulative and not exclusive of any other right, power or remedy which Lender may have against Borrower pursuant to this Agreement or the other Loan Documents, or existing at law or in equity or otherwise. Lender's rights, powers and

remedies may be pursued singularly, concurrently or otherwise, at such time and in such order as Lender may determine in Lender's sole discretion. No delay or omission to exercise any remedy, right or power accruing upon an Event of Default shall impair any such remedy, right or power or shall be construed as a waiver thereof, but any such remedy, right or power may be exercised from time to time and as often as may be deemed expedient. A waiver of one or more Defaults or Events of Default with respect to Borrower shall not be construed to be a waiver of any subsequent Default or Event of Default by Borrower or to impair any remedy, right or power consequent thereon.

ARTICLE IX

SPECIAL PROVISIONS

Section 9.1 Sale of Notes and Securitization. Lender may, at any time, sell, transfer or assign the Note, this Agreement, the Security Instrument and the other Loan Documents, and any or all servicing rights with respect thereto, or grant participations therein or issue mortgage pass-through certificates or other securities (the **"Securities")** evidencing a beneficial interest in a rated or unrated public offering or private placement (a **"Securitization")** (such sales, participations and/or Securitizations, collectively, a **"Secondary Market Transaction").** Notwithstanding the foregoing, Lender shall endeavor, but shall have no obligation, to provide Borrower with ten (10) days prior notice of any Secondary Market Transaction for which Provided Information is, or is expected to be, requested and provide Borrower with the type of Secondary Market Transaction that is occurring, or is expected to occur. At the request of the holder of the Note and, to the extent not already required to be provided by Borrower under this Agreement, Borrower shall, at such noteholder's expense to the extent and as set forth in Section 9(g) hereof, use reasonable efforts to provide information in the possession or control of Borrower and not in possession of Lender or which may reasonably be required to satisfy the market standards to which the holder of the Note customarily adheres or which may be reasonably required in the marketplace or by the Rating Agencies in connection with a Securitization or the sale of the Note or the participations or Securities, including, without limitation, to:

(a) (i) provide such financial and other information with respect to the Property, Borrower, Manager and Guarantor, including but not limited to updated financial and operating statements currently created during the ordinary course of business, (ii) provide budgets relating to the Property and (iii) to perform or permit or cause to be performed or permitted such site inspection, appraisals, market studies, environmental reviews and reports (Phase I's and, if appropriate, Phase II's), engineering reports and other due diligence investigations of the Property, as may be reasonably requested by the holder of the Note or the Rating Agencies or as may be necessary or appropriate in connection with the Securitization (the **"Provided Information"),** together, if customary, with appropriate verification and/or consents of the Provided Information through letters of auditors or opinions of counsel of independent attorneys reasonably acceptable to Lender and acceptable to the Rating Agencies;

(b) if required by the Rating Agencies, deliver (i) a revised Insolvency Opinion, (ii) revised opinions of counsel as to due execution and enforceability with respect to the Property, Borrower, Guarantor, Principal and their respective Affiliates and the Loan

Documents, and (iii) revised Organizational Documents for Borrower, Guarantor, Principal and their respective Affiliates (including, without limitation, such revisions as are necessary to comply with the provisions of Section 4.1.35 hereof), which counsel, opinions and Organizational Documents shall be reasonably satisfactory to Lender and satisfactory to the Rating Agencies;

(c) if required by the Rating Agencies, request such additional tenant estoppel letters, subordination agreements or other agreements from parties to agreements that affect the Property, which estoppel letters, subordination agreements or other agreements shall be reasonably satisfactory to Lender and satisfactory to the Rating Agencies;

(d) execute such amendments to the Loan Documents and Organizational Documents as may be requested by the holder of the Note or the Rating Agencies or otherwise to effect the Securitization; provided, however, that Borrower shall not be required to modify or amend any Loan Document if such modification or amendment would (except for modifications and amendments required to be made pursuant to Section 9.1(e) below) (i) change the interest rate, the stated maturity or the amortization of principal set forth in the Note, (ii) modify or amend any other material economic term of the Loan or (iii) otherwise increase the obligations or liabilities or decrease the rights of Borrower pursuant to the Loan Documents;

(e) if Lender elects, in its sole discretion, prior to or upon a Securitization, to split the Loan into two or more parts, or the Note into multiple component notes or tranches which may have different interest rates, amortization payments, principal amounts and maturities, Borrower agrees to cooperate with Lender in connection with the foregoing and to execute the required modifications and amendments to the Note, this Agreement and the Loan Documents and to provide opinions necessary to effectuate the same. Such Notes or components may be assigned different interest rates, so long as the initial weighted average of such interest rates does not exceed the Applicable Interest Rate and the monthly debt service payments do not exceed the Monthly Debt Service Payment Amount; provided, however, that Borrower shall not be required to modify or amend any Loan Document if such modification or amendment would (except for modifications and amendments described in this Section 9.1(e)) (i) change the interest rate, the stated maturity or the amortization of principal set forth in the Note, (ii) modify or amend any other material economic term of the Loan or (iii) otherwise increase the obligations or liabilities or decrease the rights of Borrower pursuant to the Loan Documents; and

(f) make such representations and warranties as of the closing date of the Securitization with respect to the Property, Borrower, and the Loan Documents as are customarily provided in securitization transactions and as may be reasonably requested by the holder of the Note or the Rating Agencies and consistent with the facts covered by such representations and warranties as they exist on the date thereof, including the representations and warranties made in the Loan Documents.

(g) Lender shall pay for any third-party costs and expenses incurred by Borrower in connection with Borrower's complying with the requests made under this Section 9.1, other than Borrower's legal fees and expenses. Except as otherwise provided in this Article IX, in no event shall Borrower be obligated to pay for any costs and expenses incurred by Lender or by Borrower, other than Borrower's legal fees, in connection with a Securitization

other than any costs and expenses incurred by Lender due to Borrower's failure to perform or comply with Borrower's agreements and covenants contained in this Agreement and the other Loan Documents relating to documents, instruments or other items required to be delivered or produced by Borrower.

Section 9.2 Securitization Indemnification. (a) Borrower understands that certain of the Provided Information may be included in disclosure documents in connection with the Securitization, including, without limitation, a prospectus supplement, private placement memorandum, offering circular or other offering document (each a **"Disclosure Document")** and may also be included in filings (an **"Exchange Act Filing")** with the Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended (the **"Securities Act")**, or the Securities and Exchange Act of 1934, as amended (the **"Exchange Act"**), or provided or made available to Investors or prospective Investors in the Securities, the Rating Agencies, and service providers relating to the Securitization. In the event that the Disclosure Document is required to be revised prior to the sale of all Securities, Borrower will cooperate with the holder of the Note in updating the Disclosure Document by providing all current information necessary to keep the Disclosure Document accurate and complete in all material respects.

(b) Borrower agrees to provide in connection with each of (i) a preliminary and a private placement memorandum or (ii) a preliminary and final prospectus or prospectus supplement, as applicable, or (iii) collateral and structured term sheets or similar materials, an indemnification certificate (A) certifying that Borrower has carefully examined the relevant portions of such memorandum or prospectus or term sheets, as applicable, which relate to Borrower and its Affiliates or the Property, including without limitation, the sections entitled "Special Considerations," "Description of the Mortgages," "Description of the Mortgage Loans and Mortgaged Property," and "The Borrower" and such sections (and any other sections reasonably requested) do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, (B) indemnifying Lender (and for purposes of this Section 9.2, Lender hereunder shall include its officers and directors), the Affiliate of Morgan Stanley Mortgage Capital Holdings LLC **("Morgan Stanley")** that has filed the registration statement relating to the Securitization (the **"Registration Statement"),** each of its directors, each of its officers who have signed the Registration Statement and each Person who controls the Affiliate within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act (collectively, the **"Morgan Stanley Group"),** and Morgan Stanley, each of its directors and each Person who controls Morgan Stanley within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act (collectively, the **"Underwriter Group")** for any Losses, claims, damages or liabilities (collectively, the **"Liabilities")** to which Lender, the Morgan Stanley Group or the Underwriter Group may become subject insofar as the Liabilities arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in such sections described in clause (A) above, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated in such sections or necessary in order to make the statements in such sections or in light of the circumstances under which they were made, not misleading and (C) agreeing to reimburse Lender, the Morgan Stanley Group and the Underwriter Group for any legal or other expenses reasonably incurred by Lender the Morgan Stanley Group and the Underwriter Group in connection with investigating or defending the Liabilities; provided, however, that Borrower will be liable in any such case

under clauses (B) or (C) above only to the extent that any such Liability arises out of or is based upon any such untrue statement or omission made therein in reliance upon and in conformity with information furnished to Lender by or on behalf of Borrower in connection with the preparation of the memorandum or prospectus or in connection with the underwriting of the debt, including, without limitation, financial statements of Borrower, operating statements, rent rolls, environmental site assessment reports and property condition reports with respect to the Property. This indemnification will be in addition to any liability which Borrower may otherwise have. Moreover, the indemnification provided for in Clauses (B) and (C) above shall be effective whether or not an indemnification certificate described in (A) above is provided and shall be applicable based on information previously provided by Borrower or its Affiliates if Borrower does not provide the indemnification certificate; provided, however. Borrower shall not be liable in any such case to the extent that any such Liabilities relate solely to errors or omissions contained in documents prepared by a Person other than Borrower, Principal, Guarantor or any of their Affiliates, unless Borrower knew or should have known about such error or omission.

(c) In connection with filings under the Exchange Act, Borrower agrees to indemnify (i) Lender, the Morgan Stanley Group and the Underwriter Group for Liabilities to which Lender, the Morgan Stanley Group or the Underwriter Group may become subject insofar as the Liabilities arise out of or are based upon the omission or actual omission to state in the Provided Information a material fact required to be stated in the Provided Information in order to make the statements in the Provided Information, in light of the circumstances under which they were made not misleading and (ii) reimburse Lender, the Morgan Stanley Group or the Underwriter Group for any legal or other expenses reasonably incurred by Lender, the Morgan Stanley Group or the Underwriter Group in connection with defending or investigating the Liabilities.

(d) Promptly after receipt by an indemnified party under this Section 9.2 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under this Section 9.2, notify the indemnifying party in writing of the commencement thereof, but the omission to so notify the indemnifying party will not relieve the indemnifying party from any liability which the indemnifying party may have to any indemnified party hereunder except to the extent that failure to notify causes prejudice to the indemnifying party. In the event that any action is brought against any indemnified party, and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled, jointly with any other indemnifying party, to participate therein and, to the extent that it (or they) may elect by written notice delivered to the indemnified party promptly after receiving the aforesaid notice from such indemnified party, to assume the defense thereof with counsel satisfactory to such indemnified party. After notice from the indemnifying party to such indemnified party under this Section 9.2 the indemnifying party shall not be responsible for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation; provided, however, if the defendants in any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that there are any legal defenses available to it and/or other indemnified parties that are different from or additional to those available to the indemnifying party, the indemnified party or parties shall have the right to select separate counsel to assert such legal defenses and to

otherwise participate in the defense of such action on behalf of such indemnified party or parties. The indemnifying party shall not be liable for the expenses of more than one such separate counsel (in addition to indemnifying party's own attorneys) regardless of the number of indemnified parties.

(e) In order to provide for just and equitable contribution in circumstances in which the indemnifications provided for in Section 9.2(b) or (c) is or are for any reason held to be unenforceable by an indemnified party in respect of any Liability (or action in respect thereof) referred to therein which would otherwise be indemnifiable under Section 9.2(b) or (c), the indemnifying party shall contribute to the amount paid or payable by the indemnified party as a result of such Liability (or action in respect thereof); provided, however, that no Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. In determining the amount of contribution to which the respective parties are entitled, the following factors shall be considered: (i) Morgan Stanley's and Borrower's relative knowledge and access to information concerning the matter with respect to which claim was asserted; (ii) the opportunity to correct and prevent any statement or omission; and (iii) any other equitable considerations appropriate in the circumstances. Lender and Borrower hereby agree that it would not be equitable if the amount of such contribution were determined solely by *pro rata* or per capita allocation.

(f) The liabilities and obligations of both Borrower and Lender under this Section 9.2 shall survive the termination of this Agreement and the satisfaction and discharge of the Debt.

Section 9.3 Servicer. At the option of Lender, the Loan may be serviced by a servicer/trustee (the **"Servicer")** selected by Lender, and Lender may delegate all or any portion of its responsibilities under this Agreement and the other Loan Documents to the Servicer pursuant to a servicing agreement (the **"Servicing Agreement")** between Lender and Servicer. Borrower shall not be responsible for any set-up fees or any regular monthly servicing fee due to the Servicer under the Servicing Agreement.

Section 9.4 Exculpation. (a) Except as otherwise provided herein, in the Security Instrument or in the other Loan Documents, Lender shall not enforce the liability and obligation of Borrower to perform and observe the obligations contained in this Agreement, the Note, the Security Instrument or the other Loan Documents (other than the Environmental Indemnity and the Guaranty) by any action or proceeding wherein a money judgment shall be sought against Borrower, except that Lender may bring a foreclosure action, action for specific performance or other appropriate action or proceeding to enable Lender to enforce and realize upon this Agreement, the Note, the Security Instrument, the other Loan Documents, and the interest in the Property, the Rents and any other collateral given to Lender created by this Agreement, the Note, the Security Instrument and the other Loan Documents; provided, however, that any judgment in any such action or proceeding shall be enforceable against Borrower only to the extent of Borrower's interest in the Property, in the Rents and in any other collateral given to Lender. Lender, by accepting this Agreement, the Note and the Security Instrument, agrees that it shall not, except as otherwise provided in the Security Instrument, sue for, seek or demand any deficiency judgment against Borrower in any such action or proceeding,

under or by reason of or under or in connection with this Agreement, the Note, the other Loan Documents or the Security Instrument. The provisions of this Section shall not, however, (i) constitute a waiver, release or impairment of any obligation evidenced or secured by this Agreement, the Note, the other Loan Documents or the Security Instrument; (ii) impair the right of Lender to name Borrower as a party defendant in any action or suit for judicial foreclosure and sale under the Security Instrument; (iii) affect the validity or enforceability of any indemnity (including, without limitation, the Environmental Indemnity), guaranty (including, without limitation, the Guaranty), master lease or similar instrument made in connection with this Agreement, the Note, the Security Instrument, or the other Loan Documents; (iv) impair the right of Lender to obtain the appointment of a receiver; (v) impair the enforcement of the Assignment of Leases and Rents executed in connection herewith; (vi) impair the right of Lender to enforce the provisions of Sections 9.9 and 10.2 of the Security Instrument (to the extent of Borrower's interest in the Property) or Sections 4.1.8, 4.1.28, 5.1.9 and 5.2.8 hereof (to the extent of Borrower's interest in the Property); or (vii) impair the right of Lender to obtain a deficiency judgment or other judgment on the Note against Borrower if necessary to obtain any Insurance Proceeds or Awards to which Lender would otherwise be entitled under the Security Instrument; provided however, Lender shall only enforce such judgment to the extent of the Insurance Proceeds and/or Awards.

(b) Notwithstanding the provisions of this Section 9.4 to the contrary, Borrower shall be personally liable to Lender for the Losses it incurs due to: (i) fraud or intentional misrepresentation by Borrower or its Affiliates in connection with the execution and the delivery of this Agreement, the Note, the Security Instrument or the other Loan Documents; (ii) Borrower's misappropriation of Rents received by Borrower during the continuance of an Event of Default; (iii) Borrower's misappropriation of Security Deposits or Rents collected more than thirty (30) days in advance; (iv) Borrower's misappropriation of insurance proceeds or condemnation awards; (v) Borrower's failure to pay Taxes, Other Charges or Lien Charges (except to the extent that sums sufficient to pay such amounts have been deposited in escrow or reserved pursuant to the terms of Section 7.2 hereof and except to the extent that such failure to pay such Taxes, Other Charges or Lien Charges is due solely to the failure of the Property to generate Gross Income from Operations sufficient to pay such Taxes, Other Charges or Lien Charges when due); (vi) Borrower's failure to return or to reimburse Lender for all material Personal Property taken from the Property by or on behalf of Borrower and not replaced with Personal Property of the same utility and of the same or greater value (provided the replacement shall not be required if such Personal Property is no longer required for the operation of the Property); (vii) any act of intentional physical waste or arson by Borrower, or Principal, or any Affiliate thereof or by Guarantor; (viii) any Event of Default under Article 7 of the Security Instrument or any material Event of Default under Sections 4.1.35 (but excluding Sections 4.1.35(g) and (r) hereof), or in the event of Principal's material default under Section 4.1.35 (but excluding Sections 4.1.35(g) and (r)) of this Agreement; or (ix) the breach or inaccuracy of any representation or warranty contained in, or Borrower's failure to comply with the provisions of, Sections 4.1.39 or 5.1.19 hereof; and (ix) Borrower's indemnification of Lender set forth in Section 9.2 hereof.

(c) Notwithstanding the foregoing, the agreement of Lender not to pursue recourse liability as set forth in Subsection (a) above SHALL BECOME NULL AND VOID and shall be of no further force and effect (i) in the event of the existence of an Event of Default

under Section 5.2.10 hereof or in the event of an Event of Default under Section 5.2.1 of this Agreement arising out of a voluntary Lien, (ii) Borrower fails to obtain Lender's prior consent to any subordinate financing or other voluntary Lien encumbering the Property, (iii) Borrower files a voluntary petition under the Bankruptcy code or any other Federal or state bankruptcy or insolvency law; (iv) an Affiliate, officer, director, or representative which controls, directly or indirectly, Borrower files, or joins in the filing of, an involuntary petition against Borrower under the Bankruptcy Code or any other Federal or state bankruptcy or insolvency law, or solicits or causes to be solicited petitioning creditors for any involuntary petition against Borrower from any Person; (v) Borrower files an answer consenting to or otherwise acquiescing in or joining in any involuntary petition filed against it, by any other Person under the Bankruptcy Code or any other Federal or state bankruptcy or insolvency law, or solicits or causes to be solicited petitioning creditors for any involuntary petition from any Person; (vi) any Affiliate, officer, director, or representative which controls Borrower consents to or acquiesces in or joins in an application for the appointment of a custodian, receiver, trustee, or examiner for Borrower or any portion of the Property; or (vii) Borrower makes an assignment for the benefit of creditors, or admits, in writing or in any legal proceeding, its insolvency or inability to pay its debts as they become due.

(d) Nothing herein shall be deemed to be a waiver of any right which Lender may have under Section 506(a), 506(b), 1111 (b) or any other provision of the U.S. Bankruptcy Code to file a claim for the full amount of the indebtedness secured by the Security Instrument or to require that all collateral shall continue to secure all of the indebtedness owing to Lender in accordance with this Agreement, the Note, the Security Instrument and the other Loan Documents.

(e) Notwithstanding anything to the contrary contained in this Agreement the Note, the Security Instrument, or the other Loan Documents, no direct or indirect, parent, shareholder, partner, members, principal, affiliate, employee, officer, director, agent or representative of Borrower (excluding the Guarantor and Indemnitors in their respective capacities as guarantors/indemnitors under the Loan but including the direct or indirect shareholders, partners, members, principals, affiliates, employees, officers, directors, agents or representatives of the Guarantor and Indemnitors) (each a **"Related Party"**) shall have any personal liability for, nor be joined as a party to any action (except as required by any Legal Requirement) with respect to (i) the payment of any sum of money which is or may be payable hereunder or under the Security Instrument or the other Loan Documents, including, but not limited to, the repayment of the Debt, or (ii) the performance or discharge of any covenants, obligations or undertakings of Borrower or any Related Party with respect thereto. In addition to the foregoing, anything in the Note, the Security Instrument, this Agreement or the other Loan Documents to the contrary notwithstanding, in no event will the assets of any Related Party (including any distributions made by Borrower or the Guarantor to their direct or indirect members, partners or shareholders) be available to satisfy any obligation of Borrower in respect of the Debt or other obligations secured by the Property.

Section 9.5 Resizing. Borrower further agrees that if, in connection with the Securitization or Syndication, it is determined by the Rating Agencies or Lender that a portion of the Securitization would not receive an "investment grade" rating unless the principal amount of the Loan were to be decreased and, as a result, the principal amount of the Loan is decreased,

then, at Lender's sole cost and expense, (i) Borrower shall take all actions as are reasonably necessary to effect the "resizing" of the Mezzanine Loan and the Loan, including creating one or more additional mezzanine loans secured by the direct or indirect ownership interests in Borrower (collectively, **"Resizing Mezzanine Loan"**), (ii) Borrower shall exercise commercially reasonable efforts to cause the Mezzanine Borrower to comply with its agreements to effect a "resizing", and (iii) Lender shall on the date of the "resizing" of the Loan lend to Mezzanine Borrower or the holder or holders of the direct or indirect ownership interests of Mezzanine Borrower (collectively, **"Resizing Mezzanine Borrower")** such additional amount equal to the amount of the principal reduction of the Loan provided that Borrower and Mezzanine Borrower execute and deliver any and all reasonably necessary amendments or modifications to the Loan Documents and the Mezzanine Loan Documents and Resizing Mezzanine Borrower executes and delivers any and all reasonably necessary documents to evidence such Resizing Mezzanine Loans, which documents shall be on substantially the same forms as the Mezzanine Loan Documents with such changes or modifications thereto as the parties may reasonably agree upon. In addition, Borrower and Lender agree that if, in connection with the Securitization, it is determined by the Rating Agencies or Lender that, if the principal amount of the Mezzanine Loan was decreased and, as a result the principal amount of the Loan was increased, more "investment grade" rated securities could be issued, then (i) each of them shall take all actions provided for in the documentation for the Loan as are reasonably necessary to effect the "resizing" of the Loan and the Mezzanine Loan, (ii) Borrower shall exercise commercially reasonable efforts to cause the Mezzanine Borrower to comply with its agreements to effect a "resizing" and (iii) Lender shall on the date of the "resizing" of the Loan lend to the Borrower (by way of a reallocation of the principal amount of the Loan and the Mezzanine Loan) an additional amount equal to the amount of principal reduction of the Mezzanine Loan, provided that Borrower and Mezzanine Borrower execute and deliver any and all reasonably necessary modifications to the Loan Documents and Mezzanine Loan Documents, which modifications will be substantially on the same forms as similar transactions between Lender and Affiliates of Broadway Partners. In connection with the foregoing, Borrower agrees, at Lender's sole cost and expense other than Borrower's attorneys' fees with respect to Lender's exercise of its rights under this Section 9.5, to execute and deliver such documents and other agreements reasonably required by Mezzanine Lender and/or Lender to "re-size" the Loan and the Mezzanine Loan, including, without limitation, an amendment to this Agreement, the Note, the Security Instrument and the other Loan Documents, amendments to, or replacements of, the Interest Rate Cap Agreement modifying the notional amounts to reflect the "re-sized" loan, and, if the principal amount of the Loan is increased an endorsement to the Title Policy reflecting an increase in the insured amount thereunder, provided, however, that Borrower shall not be required to execute and deliver any documents or agreements which would (i) change the weighted average interest rate on the then outstanding principal balances of the Note and the Mezzanine Note immediately prior to such resizing, the stated maturity or the amortization of principal set forth in the Note, (ii) modify or amend any other material or economic term of the Loan in a manner that has a material adverse effect on Borrower, or (iii) materially increase Borrower's obligations and liabilities under the Loan Documents or materially decrease the rights of Borrower under the Loan Documents. All costs and expenses incurred by Borrower and Lender in connection with compliance with this Section 9.5 shall be paid by Lender other than Borrower's legal fees and expenses which shall be paid by Borrower.

Section 9.6 Replacement Guarantor. Upon the occurrence of any of the events set forth in Sections 8.1(a)(vi), (vii), (xiv) or (xvii) hereof, Borrower may cause the applicable Guarantor to be substituted or replaced by a Replacement Guarantor prior to the time that the occurrence of any of the foregoing events becomes an Event of Default or if the occurrence of any of the foregoing events is an immediate Event of Default, within ten (10) days following such occurrence. Borrower (a) shall deliver or cause to be delivered to Lender, (i) financial statements or other information reasonably required by Lender with respect to such proposed Replacement Guarantor and (ii) such legal opinions as Lender may reasonably require, including but not limited to an Insolvency Opinion and (b) shall cause such proposed Replacement Guarantor to assume all of the obligations of the applicable Guarantor under the Guaranty and Environmental Indemnity, in a manner reasonably satisfactory to Lender, including, without limitation, by entering into an assumption agreement in form and substance satisfactory to Lender.

Section 9.7 Syndication.

9.7.1 Syndication. The provisions of this Section 9.7 shall only apply in the event that the Loan is syndicated in accordance with the provisions of this Section 9.7 set forth below.

9.7.2 Sale of Loan, Co-Lenders, Participations and Servicing . (a) Lender and any Co-Lender may, at their option, without Borrower's consent (but with notice to Borrower, which Lender or such Co-Lender shall endeavor (with no obligation to do so) to give to Borrower prior to such sale), sell with novation all or any part of their right, title and interest in, and to, and under the Loan (the **"Syndication"**), to one or more additional lenders (each a **"Co-Lender")**. Each additional Co-Lender shall enter into an assignment and assumption agreement (the **"Assignment and Assumption"**) assigning a portion of Lender's or Co-Lender's rights and obligations under the Loan, and pursuant to which the additional Co-Lender accepts such assignment and assumes the assigned obligations. From and after the effective date specified in the Assignment and Assumption (i) each Co-Lender shall be a party hereto and to each Loan Document to the extent of the applicable percentage or percentages set forth in the Assignment and Assumption and, except as specified otherwise herein, shall succeed to the rights and obligations of Lender and the Co-Lenders hereunder and thereunder in respect of the Loan, and (ii) Lender, as lender and each Co-Lender, as applicable, shall, to the extent such rights and obligations have been assigned by it pursuant to such Assignment and Assumption, relinquish its rights and be released from its obligations hereunder and under the Loan Documents.

(b) The liabilities of Lender and each of the Co-Lenders shall be several and not joint, and Lender's and each Co-Lender's obligations to Borrower under this Agreement shall be reduced by the amount of each such Assignment and Assumption. Neither Lender nor any Co-Lender shall be responsible for the obligations of any other Co-Lender. Lender and each Co-Lender shall be liable to Borrower only for their respective proportionate shares of the Loan. If for any reason any of the Co-Lenders shall fail or refuse to abide by their obligations under this Agreement, Lender and the other Co-Lenders shall not be relieved of their obligations, if any, hereunder; notwithstanding the foregoing, Lender and the Co-Lenders shall have the right,

but not the obligation, at their sole option, to make the defaulting Co-Lender's *pro rata* share of such advance pursuant to the Co-Lending Agreement.

(c) Borrower agrees that it shall, in connection with any sale of all or any portion of the Loan, whether in whole or to an additional Co-Lender or Participant, within ten (10) Business Days after requested by Agent, furnish Agent with the certificates required under Sections 5.1.10 and 5.1.13 hereof and such other information as reasonably requested by any additional Co-Lender or Participant in performing its due diligence in connection with its purchase of an interest in the Loan. Lender shall pay for any third party costs and expenses incurred by Borrower in connection with Borrower's complying with the requests made under this Section 9.7 other than Borrower's legal fees and expenses.

(d) Lender (or an Affiliate of Lender) shall act as administrative agent for itself and the Co-Lenders (together with any successor administrative agent, the **"Agent"**) pursuant to this Section 9.7. Borrower acknowledges that Lender, as Agent, shall have the sole and exclusive authority to execute and perform this Agreement and each Loan Document on behalf of itself, as Lender and as agent for itself and the Co-Lenders subject to the terms of the Co-Lending Agreement. Lender acknowledges that Lender, as Agent, shall retain the exclusive right to grant approvals and give consents with respect to the operating budgets required to be delivered hereunder and with respect to matters concerning the establishment and administration of the Lockbox Account and the other Reserve Funds. Except as otherwise provided herein, Borrower shall have no obligation to recognize or deal directly with any Co-Lender, and no Co-Lender shall have any right to deal directly with Borrower with respect to the rights, benefits and obligations of Borrower under this Agreement, the Loan Documents or any one or more documents or instruments in respect thereof. Borrower may rely conclusively on the actions of Lender as Agent to bind Lender and the Co-Lenders, notwithstanding that the particular action in question may, pursuant to this Agreement or the Co-Lending Agreement be subject to the consent or direction of some or all of the Co-Lenders. Lender may resign as Agent of the Co-Lenders, in its sole discretion or if required to by the Co-Lenders in accordance with the term of the Co-Lending Agreement, in each case without the consent of Borrower. Upon any such resignation, a successor Agent shall be determined pursuant to the terms of the Co-Lending Agreement. The term Agent shall mean any successor Agent.

(e) Notwithstanding any provision to the contrary in this Agreement, the Agent shall not have any duties or responsibilities except those expressly set forth herein (and in the Co-Lending Agreement) and no covenants, functions, responsibilities, duties, obligations or liabilities of Agent shall be implied by or inferred from this Agreement, the Co-Lending Agreement, or any other Loan Document, or otherwise exist against Agent.

(f) Except to the extent its obligations hereunder and its interest in the Loan have been assigned pursuant to one or more Assignments and Assumption, Lender, as Agent, shall have the same rights and powers under this Agreement as any other Co-Lender and may exercise the same as though it were not Agent, respectively. The term **"Co-Lender"** or **"Co-Lenders"** shall, unless otherwise expressly indicated, include Lender in its individual capacity. Lender and the other Co-Lenders and their respective Affiliates may accept deposits from, lend money to, act as trustee under indentures of, and generally engage in any kind of business with, Borrower, or any Affiliate of Borrower and any Person who may do business with

or own securities of Borrower or any Affiliate of Borrower, all as if they were not serving in such capacities hereunder and without any duty to account therefor to each other.

(g) If required by any Co-Lender, Borrower hereby agrees to execute supplemental notes in the principal amount of such Co-Lender's *pro rata* share of the Loan substantially in the form of the Note, provided any such supplemental note does not represent any new indebtedness and a copy of the existing Note is returned to Borrower with a notation reflecting that such supplemental note has been issued, and such supplemental note shall (i) be payable to order of such Co-Lender, (ii) be dated as of the Closing Date, and (iii) mature on the Maturity Date. Such supplemental note shall provide that it evidences a portion of the existing indebtedness hereunder and under the Note and not any new or additional indebtedness of Borrower. The term "Note" as used in this Agreement and in all the other Loan Documents shall include all such supplemental notes. Such supplemental notes shall not increase any obligations or liabilities, or decrease any rights, of Borrower under the Loan Documents.

(h) Lender, as Agent, shall maintain at its domestic lending office or at such other location as Lender, as Agent, shall designate in writing to each Co-Lender and Borrower a copy of each Assignment and Assumption delivered to and accepted by it and a register for the recordation of the names and addresses of the Co-Lenders, the amount of each Co-Lender's proportionate share of the Loan and the name and address of each Co-Lender's agent for service of process (the **"Register"**). The entries in the Register shall be conclusive and binding for all purposes, absent manifest error, and Borrower, Lender, as Agent, and the Co-Lenders may treat each Person whose name is recorded in the Register as a Co-Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection and copying by Borrower or any Co-Lender during normal business hours upon reasonable prior notice to the Agent. A Co-Lender may change its address and its agent for service of process upon written notice to Lender, as Agent, which notice shall only be effective upon actual receipt by Lender, as Agent, which receipt will be acknowledged by Lender, as Agent, upon request.

(i) Notwithstanding anything herein to the contrary, any financial institution or other entity may be sold a participation interest in the Loan by Lender or any Co-Lender without Borrower's consent (such financial institution or entity, a **"Participant"**) (x) if such sale is without novation and (y) if the other conditions set forth in this paragraph are met. No Participant shall be considered a Co-Lender hereunder or under the Note or the Loan Documents. No Participant shall have any rights under this Agreement, the Note or any of the Loan Documents and the Participant's rights in respect of such participation shall be solely against Lender or Co-Lender, as the case may be, as set forth in the participation agreement executed by and between Lender or Co-Lender, as the case may be, and such Participant. No participation shall relieve Lender or Co-Lender, as the case may be, from its obligations hereunder or under the Note or the Loan Documents and Lender or Co-Lender, as the case may be, shall remain solely responsible for the performance of its obligations hereunder. A Participant shall not be entitled to receive any greater payment under Sections 2.2.3 and 2.2.8 than the Lender or Co-Lender, as applicable, would have been entitled to receive with respect to the participation interest sold to such Participant, unless the sale of the participation interest to such Participant is made with Borrower's prior written consent. A Participant would not be entitled to the benefits of Section 2.2.8 unless Borrower is notified of the participation interest sold to such Participant

and such Participant agrees, for the benefit of Borrower, to comply with Section 2.2.8 as though it were a Lender or a Co-Lender.

(j) Notwithstanding any other provision set forth in this Agreement, Lender or any Co-Lender may at any time create a security interest in all or any portion of its rights under this Agreement (including, without limitation, amounts owing to it in favor of any Federal Reserve Bank in accordance with Regulation A of the Board of Governors of the Federal Reserve System), provided that no such security interest or the exercise by the secured party of any of its rights thereunder shall release Lender or Co-Lender from its funding obligations hereunder.

ARTICLE X

MISCELLANEOUS

Section 10.1 Survival. This Agreement and all covenants, agreements, representations and warranties made herein and in the certificates delivered pursuant hereto shall survive the making by Lender of the Loan and the execution and delivery to Lender of the Note, and shall continue in full force and effect so long as all or any of the Debt is outstanding and unpaid unless a longer period is expressly set forth herein or in the other Loan Documents. Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party. All covenants, promises and agreements in this Agreement, by or on behalf of Borrower, shall inure to the benefit of the successors and assigns of Lender.

Section 10.2 Lender's Discretion. Whenever pursuant to this Agreement, Lender exercises any right given to it to approve or disapprove, or any arrangement or term is to be satisfactory to Lender, the decision of Lender to approve or disapprove or to decide whether arrangements or terms are satisfactory or not satisfactory shall (except as is otherwise specifically herein provided) be in the sole discretion of Lender and shall be final and conclusive.

Section 10.3 Governing Law. (a) THIS AGREEMENT SHALL BE DEEMED TO BE A CONTRACT ENTERED INTO PURSUANT TO THE LAWS OF THE STATE OF NEW YORK AND SHALL IN ALL RESPECTS BE GOVERNED, CONSTRUED, APPLIED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK (WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS), PROVIDED HOWEVER, THAT WITH RESPECT TO THE CREATION, PERFECTION, PRIORITY AND ENFORCEMENT OF THE LIENS AND SECURITY INTERESTS CREATED BY THIS AGREEMENT, THE SECURITY INSTRUMENT AND THE OTHER LOAN DOCUMENTS, AND THE DETERMINATION OF DEFICIENCY JUDGMENTS, THE LAWS OF THE STATE WHERE THE PROPERTY IS LOCATED SHALL APPLY EXCEPT AS OTHERWISE PROVIDED IN THE APPLICABLE UNIFORM COMMERCIAL CODE.

(b) WITH RESPECT TO ANY CLAIM OR ACTION ARISING HEREUNDER OR UNDER THIS AGREEMENT, THE NOTE, OR THE OTHER LOAN DOCUMENTS, BORROWER (A) IRREVOCABLY SUBMITS TO THE NONEXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK AND THE UNITED

STATES DISTRICT COURT LOCATED IN THE BOROUGH OF MANHATTAN IN NEW YORK, NEW YORK, AND APPELLATE COURTS FROM ANY THEREOF, AND (B) IRREVOCABLY WAIVES ANY OBJECTION WHICH IT MAY HAVE AT ANY TIME TO THE LAYING ON VENUE OF ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE NOTE OR THE OTHER LOAN DOCUMENTS BROUGHT IN ANY SUCH COURT, IRREVOCABLY WAIVES ANY CLAIM THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. NOTHING IN THIS AGREEMENT, THE NOTE OR THE OTHER LOAN DOCUMENTS INSTRUMENT WILL BE DEEMED TO PRECLUDE LENDER FROM BRINGING AN ACTION OR PROCEEDING WITH RESPECT HERETO IN ANY OTHER JURISDICTION.

Section 10.4 Modification, Waiver in Writing. No modification, amendment, extension, discharge, termination or waiver of any provision of this Agreement, the Note, or of any other Loan Document, nor consent to any departure by Borrower therefrom, shall in any event be effective unless the same shall be in a writing signed by the party against whom enforcement is sought, and then such waiver or consent shall be effective only in the specific instance, and for the purpose, for which given. Except as otherwise expressly provided herein, no notice to, or demand on Borrower, shall entitle Borrower to any other or future notice or demand in the same, similar or other circumstances.

Section 10.5 Delay Not a Waiver. Neither any failure nor any delay on the part of Lender in insisting upon strict performance of any term, condition, covenant or agreement, or exercising any right, power, remedy or privilege hereunder, or under the Note or under any other Loan Document, or any other instrument given as security therefor, shall operate as or constitute a waiver thereof, nor shall a single or partial exercise thereof preclude any other future exercise, or the exercise of any other right, power, remedy or privilege. In particular, and not by way of limitation, by accepting payment after the due date of any amount payable under this Agreement, the Note or any other Loan Document, Lender shall not be deemed to have waived any right either to require prompt payment when due of all other amounts due under this Agreement, the Note or the other Loan Documents, or to declare a default for failure to effect prompt payment of any such other amount.

Section 10.6 Notices. All notices or other written communications hereunder shall be deemed to have been properly given (i) upon delivery, if delivered in person or by facsimile transmission with receipt acknowledged by the recipient thereof and confirmed by telephone by sender, (ii) one (1) Business Day after having been deposited for overnight delivery with any reputable overnight courier service, or (iii) three (3) Business Days after having been deposited in any post office or mail depository regularly maintained by the U. S. Postal Service and sent by registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

If to Borrower:

Addressed to Borrower
c/o Broadway Partners
375 Park Avenue, Suite 2107
New York, New York 10152
Attention: Jason P. Semmel, Esq. (Fax No. (212) 658-9379) and
Alan Rubenstein ((Fax No. (646) 224-8145),
by separate notice to each

With a copy to:

Seyfarth Shaw LLP
1270 Avenue of the Americas
New York, New York 10020
Attention: Stephen Epstein, Esq.
Facsimile: (212) 218-5526

After July 30, 2007:

620 Eighth Avenue
New York, New York 10018

And a copy to:

Broadway Real Estate Services, LLC
One Penn Plaza, Suite 3915
New York, New York 10119
Attention: Renee Regensberg
Facsimile: (646) 514-7470

If to Lender:

Morgan Stanley Mortgage Capital Holdings, LLC
1221 Avenue of the Americas
New York, New York 10020
Attention: James Flaum & Kevin Swartz
Facsimile: (212) 507-4139/4146

With a copy to:

Cadwalader Wickersham & Taft LLP
One World Financial Center
New York, New York 10281
Attention: John M. Zizzo, Esq.
Facsimile: (212) 504-6666

or addressed as such party may from time to time designate by written notice to the other parties.

Either party by notice to the other may designate additional or different addresses for subsequent notices or communications.

Section 10.7 Trial by Jury. BORROWER AND LENDER HEREBY AGREE NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY JURY, AND WAIVE ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST WITH REGARD TO THE LOAN DOCUMENTS, OR ANY CLAIM, COUNTERCLAIM OR OTHER ACTION ARISING IN CONNECTION THEREWITH. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY BORROWER AND LENDER, AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE. LENDER AND BORROWER ARE HEREBY AUTHORIZED TO FILE A COPY OF THIS PARAGRAPH IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER BY BORROWER.

Section 10.8 Headings. The Article and/or Section headings and the Table of Contents in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

Section 10.9 Severability. Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under Applicable Law, but if any provision of this Agreement shall be prohibited by or invalid under Applicable Law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

Section 10.10 Preferences. In the event any payment by Borrower to Lender is deemed, or would be deemed, usurious, Lender shall have the continuing and exclusive right to apply or reverse and reapply any and all payments by Borrower to any portion of the obligations of Borrower hereunder. To the extent Borrower makes a payment or payments to Lender, which payment or proceeds or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, receiver or any other party under any bankruptcy law, State or federal law, common law or equitable cause, then, to the extent of such payment or proceeds received, the obligations hereunder or part thereof intended to be satisfied shall be revived and continue in full force and effect, as if such payment or proceeds had not been received by Lender.

Section 10.11 Waiver of Notice. Borrower shall not be entitled to any notices of any nature whatsoever from Lender except with respect to matters for which this Agreement or the other Loan Documents specifically and expressly provide for the giving of notice by Lender to Borrower and except with respect to matters for which Borrower is not, pursuant to applicable Legal Requirements, permitted to waive the giving of notice. Borrower hereby expressly waives the right to receive any notice from Lender with respect to any matter for which this Agreement or the other Loan Documents do not specifically and expressly provide for the giving of notice by Lender to Borrower.

Section 10.12 Remedies of Borrower. In the event that a claim or adjudication is made that Lender or its agents have acted unreasonably or unreasonably delayed acting in any case where by law or under this Agreement or the other Loan Documents, Lender or such agent, as the case may be, has an obligation to act reasonably or promptly, Borrower agrees that neither Lender nor its agents shall be liable for any monetary damages, and Borrower's sole remedies shall be limited to commencing an action seeking injunctive relief or declaratory judgment. The parties hereto agree that any action or proceeding to determine whether Lender has acted reasonably shall be determined by an action seeking declaratory judgment.

Section 10.13 Expenses; Indemnity. (a) Borrower covenants and agrees to pay or, if Borrower fails to pay, to reimburse, Lender within five (5) days of receipt of written notice from Lender for all reasonable out of pocket costs and expenses (including reasonable attorneys' fees and disbursements) actually incurred by Lender in connection with (i) the preparation, negotiation, execution and delivery of this Agreement and the other Loan Documents and the consummation of the transactions contemplated hereby and thereby and all the costs of furnishing all opinions by counsel for Borrower as more particularly set forth in the closing statement prepared in connection with the closing of the Loan; (ii) Borrower's ongoing performance of and compliance with Borrower's respective agreements and covenants contained in this Agreement and the other Loan Documents on its part to be performed or complied with after the Closing Date; (iii) intentionally deleted; (iv) the negotiation, preparation, execution, delivery and administration of any consents, amendments, waivers or other modifications to this Agreement and the other Loan Documents and any other documents or matters requested by Borrower; (v) securing Borrower's compliance with any requests made pursuant to the provisions of this Agreement; (vi) the filing and recording fees and expenses, title insurance and reasonable fees and expenses of counsel incurred in creating and perfecting the Liens in favor of Lender pursuant to this Agreement and the other Loan Documents; (vii) enforcing or preserving any rights, in response to third party claims or the prosecuting or defending of any action or proceeding or other litigation, in each case against, under or affecting Borrower, this Agreement, the other Loan Documents, the Property or any other security given for the Loan; and (viii) enforcing any obligations of or collecting any payments due from Borrower under this Agreement, the other Loan Documents or in connection with any refinancing or restructuring of the credit arrangements provided under this Agreement in the nature of a "work out" or of any insolvency or bankruptcy proceedings; provided, however, that Borrower shall not be liable for the payment of any such costs and expenses to the extent the same arise by reason of the gross negligence, illegal acts, fraud or willful misconduct of Lender. Any cost and expenses due and payable to Lender may be paid from any amounts in the Lockbox Account.

(b) Intentionally deleted.

(c) Borrower shall, at its sole cost and expense, protect, defend, indemnify, release and hold harmless Lender and the Indemnified Parties from and against any and all Losses (including, without limitation, reasonable attorneys' fees and costs incurred in the investigation, defense, and settlement of Losses incurred in correcting any prohibited transaction or in the sale of a prohibited loan, and in obtaining any individual prohibited transaction exemption under ERISA, the Code, any state statute or other similar law that may be required, in Lender's sole discretion) that Lender may incur, directly or indirectly, as a result of a default under Sections 4.1.8 or 5.2.8 hereof.

(d) Borrower covenants and agrees to pay for or, if Borrower fails to pay, to reimburse Lender for any reasonable out of pocket fees and expenses actually incurred by any Rating Agency in connection with any consent, approval, waiver or confirmation obtained from such Rating Agency pursuant to the terms and conditions of this Agreement or any other Loan Document after a Securitization has occurred, and Lender shall be entitled to require payment of such fees and expenses as a condition precedent to the obtaining of any such consent, approval, waiver or confirmation.

Section 10.14 Schedules and Exhibits Incorporated. The Schedules and Exhibits annexed hereto are hereby incorporated herein as a part of this Agreement with the same effect as if set forth in the body hereof.

Section 10.15 Offsets, Counterclaims and Defenses. Any assignee of Lender's interest in and to this Agreement, the Note and the other Loan Documents shall take the same free and clear of all offsets, counterclaims or defenses which are unrelated to such documents which Borrower may otherwise have against any assignor of such documents, and no such unrelated counterclaim or defense shall be interposed or asserted by Borrower in any action or proceeding brought by any such assignee upon such documents and any such right to interpose or assert any such unrelated offset, counterclaim or defense in any such action or proceeding is hereby expressly waived by Borrower.

Section 10.16 No Joint Venture or Partnership; No Third Party Beneficiaries. (a) Borrower and Lender intend that the relationships created hereunder and under the other Loan Documents be solely that of borrower and lender. Nothing herein or therein is intended to create a joint venture, partnership, tenancy in common, or joint tenancy relationship between Borrower and Lender nor to grant Lender any interest in the Property other than that of mortgagee, beneficiary or lender.

(b) This Agreement and the other Loan Documents are solely for the benefit of Lender and Borrower and nothing contained in this Agreement or the other Loan Documents shall be deemed to confer upon anyone other than Lender and Borrower any right to insist upon or to enforce the performance or observance of any of the obligations contained herein or therein. All conditions to the obligations of Lender to make the Loan hereunder are imposed solely and exclusively for the benefit of Lender and no other Person shall have standing to require satisfaction of such conditions in accordance with their terms or be entitled to assume that Lender will refuse to make the Loan in the absence of strict compliance with any or all thereof and no other Person shall under any circumstances be deemed to be a beneficiary of such conditions, any or all of which may be freely waived in whole or in part by Lender if, in Lender's sole discretion, Lender deems it advisable or desirable to do so.

Section 10.17 Publicity. All news releases, publicity or advertising by Borrower or their Affiliates through any media intended to reach the general public which refers to the Loan Documents or the financing evidenced by the Loan Documents, to Lender, Morgan Stanley, or any of their Affiliates shall be subject to the prior written approval of Lender, which shall not be unreasonably withheld. Notwithstanding the foregoing, disclosure required by any federal or State securities laws, rules or regulations, as determined by Borrower's counsel, shall not be subject to the prior written approval of Lender.

Section 10.18 Waiver of Marshalling of Assets. To the fullest extent permitted by Applicable Law, Borrower, for itself and its successors and assigns, waives all rights to a marshalling of the assets of Borrower, Borrower's partners and others with interests in Borrower, and of the Property, or to a sale in inverse order of alienation in the event of foreclosure of all or part of the Security Instrument, and agrees not to assert any right under any laws pertaining to the marshalling of assets, the sale in inverse order of alienation, homestead exemption, the administration of estates of decedents, or any other matters whatsoever to defeat, reduce or affect the right of Lender under the Loan Documents to a sale of the Property for the collection of the Debt without any prior or different resort for collection or of the right of Lender to the payment of the Debt out of the net proceeds of the Property in preference to every other claimant whatsoever.

Section 10.19 Waiver of Counterclaim. Borrower hereby waives the right to assert a counterclaim, other than a compulsory counterclaim, in any action or proceeding brought against it by Lender or its agents.

Section 10.20 Conflict; Construction of Documents; Reliance. In the event of any conflict between the provisions of this Agreement and any of the other Loan Documents, the provisions of this Agreement shall control. The parties hereto acknowledge that they were represented by competent counsel in connection with the negotiation, drafting and execution of the Loan Documents and that such Loan Documents shall not be subject to the principle of construing their meaning against the party which drafted same. Borrower acknowledges that, with respect to the Loan, Borrower shall rely solely on its own judgment and advisors in entering into the Loan without relying in any manner on any statements, representations or recommendations of Lender or any parent, subsidiary or Affiliate of Lender. Lender shall not be subject to any limitation whatsoever in the exercise of any rights or remedies available to it under any of the Loan Documents or any other agreements or instruments which govern the Loan by virtue of the ownership by it or any parent, subsidiary or Affiliate of Lender of any equity interest any of them may acquire in Borrower, and Borrower hereby irrevocably waives the right to raise any defense or take any action on the basis of the foregoing with respect to Lender's exercise of any such rights or remedies. Borrower acknowledges that Lender engages in the business of real estate financings and other real estate transactions and investments which may be viewed as adverse to or competitive with the business of Borrower or its Affiliates.

Section 10.21 Brokers and Financial Advisors. Borrower hereby represents that it has dealt with no financial advisors, brokers, underwriters, placement agents, agents or finders other than Eastdil Secured L.L.C. ("Eastdil") in connection with the transactions contemplated by this Agreement. Borrower hereby agrees to indemnify, defend and hold Lender harmless from and against any and all claims, liabilities, costs and expenses of any kind (including Lender's attorneys' fees and expenses) in any way relating to or arising from a claim by any Person (including, without limitation, Eastdil) that such Person acted on behalf of Borrower or Lender in connection with the transactions contemplated herein. Lender hereby represents that it has dealt with no financial advisors, brokers, underwriters, placement agents, agents or finders in connection with the transactions contemplated by this Agreement. Borrower shall be liable to pay all fees and commissions owed to Eastdil in connection with the Loan. The provisions of this Section 10.21 shall survive the expiration and termination of this Agreement and the payment of the Debt.

Section 10.22 Prior Agreements. This Agreement and the other Loan Documents contain the entire agreement of the parties hereto and thereto in respect of the transactions contemplated hereby and thereby, and all prior agreements among or between such parties, whether oral or written, between Borrower and/or its Affiliates and Lender are superseded by the terms of this Agreement and the other Loan Documents.

Section 10.23 Counterparts. Duplicate counterparts of any of the Loan Documents, other than the Note, may be executed and together will constitute a single instrument.

[NO FURTHER TEXT ON THIS PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their duly authorized representatives, all as of the day and year first above written.

BORROWER:

BROADWAY 500 WEST MONROE FEE LLC,
a Delaware limited liability company

BY: /s/ Illegible
Name:
Title:

LENDER:

MORGAN STANLEY MORTGAGE CAPITAL HOLDINGS LLC, a New York limited liability company

By: /s/ Jonathan L. Frey
Name: Jonathan L. Frey
Title: Vice President

SCHEDULE I

Rent Roll / Leases

(see attached)

500 West Monroe
Floor-by-Floor Detail Rent Roll
As of July 1, 2007

Name	Floor	Unit	Type	Sq Ft	Begin Date	Expir. Date	Current Charges: Chg Code		Monthly Amt	Annual PSF	Rent Increases: Change Date	Monthly Amt	Annual PSF	Lease ID
Vacant - R001				-					0.00	0.00				
ROOF				0			Monthly Amt:		0.00					
							Annual Amt:		0.00	0.00				
Cypress Communications, Inc.	LL02	0001	OTH	-	06/01/05	09/30/07								LCYPRCO01
LL02				0			Monthly Amt:							
							Annual Amt:							
Vacant - 0916				468					0.00	0.00				
Marsh USA Inc.	FG09	0910	OTH	291	01/01/06	12/31/09	RNS	M	315.25	13.00				LMARSUS01
							RNS	M			01/01/08	327.36	13.50	
							RNS	M			01/01/09	339.50	14.00	
Marsh USA Inc.	FG09	PM908	OTH	468	01/01/06	12/31/09	RNS	M	507.00	13.00				LMARSUS01
							RNS	M			01/01/08	526.50	13.50	
							RNS	M			01/01/09	546.00	14.00	
Marsh USA Inc.	FG09	PM910	OTH	450	01/01/06	12/31/09	RNS	M	487.50	13.00				LMARSUS01
							RNS	M			01/01/08	506.25	13.50	
							RNS	M			01/01/09	525.00	14.00	
FG09				1,677			Monthly Amt:		1,309.75					
							Annual Amt:		15,717.00	13.00				
Federal Deposit Insurance Corp	FG07	0710	OTH	284	08/01/04	MTM	RNS	M	265.83	12.50				LFEDEDE02
GATX Corporation	FG07	0716	OTH	468	11/20/03	11/15/08	RNS	M	390.00	10.00				LGATXCO01
FG07				752			Monthly Amt:		685.83					
							Annual Amt:		8,229.96	10.94				
TNS MFO WorldGroup (dba)	FG06	0600	OTH	144	05/01/02	04/30/09	RNS	M	144.00	12.00				LNFOIRE02

500 West Monroe
Floor-by-Floor Detail Rent Roll
As of July 1, 2007

Name	Floor	Unit	Type	Sq Ft	Begin Date	Expir. Date	Current Charges: Chg Code		Monthly Amt	Annual PSF	Rent Increases: Charge Date	Monthly Amt	Annual PSF	Lease ID
FG06				144			**Monthly Amt:**		144.00					
							Annual Amt:		1,728.00	12.00				
Grubb & Ellis Company	FG05	0512	OTH	310	10/15/05	MTM	RNS	O						LGRUBEL03
Grubb & Ellis Company	FG05	0512	OTH	310	10/15/05	MTM	RNS	M	310.00	12.00				LGRUBEL03
GATX Corporation	FG05	0516	OTH	468	11/20/03	11/19/08	RNS	M	390.00	10.00				LGATXCO01
Marsh USA Inc.	FG05	0510	OTH	291	01/01/06	12/31/09	RNS	M	315.25	13.00				LMARSUS01
							RNS	M			01/01/08	327.38	13.50	
							RNS	M			01/01/09	339.50	14.00	
FG05				1,069			**Monthly Amt:**		1,015.25					
							Annual Amt:		12,183.00	11.40				
Grubb & Ellis Company	FG04	0412	OTH	144	10/15/05	MTM	RNS	O						LGRUBEL02
Grubb & Ellis Company	FG04	0412	OTH	144	10/15/05	MTM	RNS	M	144.00	12.00				LGRUBEL02
GATX Corporation	FG04	0410	OTH	291	11/20/03	11/19/08	RNS	M	242.50	10.00				LGATXCO01
Marsh USA Inc.	FG04	0416	OTH	468	01/01/06	12/31/09	RNS	M	528.67	13.00				LMARSUS01
							RNS	M			01/01/08	548.00	13.50	
							RNS	M			01/01/09	569.33	14.00	
FG04				923			**Monthly Amt:**		915.17					
							Annual Amt:		10,982.04	11.90				
Vacant - 0300				240					0.00	0.00				
Vacant - 0310				291					0.00	0.00				
GATX Corporation	FG03	0316	OTH	468	11/20/03	11/19/08	RNS	M	390.00	10.00				LGATXCO01
Marsh USA Inc.	FG03	0312	OTH	324	01/01/06	12/31/09	RNS	M	351.00	13.00				LMARSUS01
							RNS	M			01/01/08	364.50	13.50	
							RNS	M			01/01/09	378.00	14.00	

500 West Monroe
Floor-by-Floor Detail Rent Roll
As of July 1, 2007

Name	Floor	Unit	Type	Sq Ft	Begin Date	Expir. Date	Current Charges: Chg Code		Current Charges: Monthly Amt	Current Charges: Annual PSF	Rent Increases: Charge Date	Rent Increases: Monthly Amt	Rent Increases: Annual PSF	Lease ID
FG03				1,323			Monthly Amt:		741.00					
							Annual Amt:		8,892.00	11.23				
Vacant - 0220				-					0.00	0.00				
Captivate Network	FG02	0200	OTH	-	09/22/04	04/13/15	RSI	M						LCAPTNE01
Marsh USA Inc.	FG02	0210	OTH	291	01/01/06	12/31/09	RNS	M	315.25	13.00				LMARSUS01
							RNS	M			01/01/08	327.38	13.50	
							RNS	M			01/01/09	339.50	14.00	
FG02				291			Monthly Amt:		315.25					
							Annual Amt:		3,783.00	12.96				
Vacant - 0101				2,363					0.00	0.00				
First American Bank	FF01	0102	OTH	-	05/29/08	MTM	RNR	M	500.00	6,000.00				LFIRSAM01
Children First Inc.	FF01	0105	RET	2,603	08/01/05	07/31/15	RNT	M	4,057.71	18.71				LCHILFI02
							RNT	M			08/01/07	4,159.14	19.17	
							RNT	M			08/01/08	4,263.11	19.65	
							RNT	M			08/01/09	4,369.68	20.14	
							RNT	M			08/01/10	4,478.94	20.65	
							RNT	M			08/01/11	4,589.96	21.16	
							RNT	M			08/01/12	4,705.68	21.69	
							RNT	M			08/01/13	4,823.32	22.24	
							RNT	M			08/01/14	4,943.90	22.79	
							EST	M	1,985.71	9.15				
							ESO	M	1,879.54	8.66				

500 West Monroe
Floor-by-Floor Detail Rent Roll
As of July 1, 2007

Name	Floor	Unit	Type	Sq Ft	Begin Date	Expir. Date	Current Charges: Chg Code		Monthly Amt	Annual PSF	Rent Increases: Charge Date	Monthly Amt	Annual PSF	Lease ID
Children First Inc.	FF01	0106	RET	2,757	08/01/05	07/31/15	RNT	M	4,297.77	18.71				LCHILF02
							RNT	M			08/01/07	4,405.20	19.17	
							RNT	M			08/01/08	4,515.32	19.65	
							RNT	M			08/01/09	4,628.20	20.14	
							RNT	M			08/01/10	4,743.92	20.65	
							RNT	M			08/01/11	4,861.51	21.16	
							RNT	M			08/01/12	4,984.08	21.69	
							RNT	M			08/01/13	5,108.67	22.24	
							RNT	M			08/01/14	5,236.39	22.79	
							EST	M	2,109.82	9.18				
							ESO	M	1,597.02	6.69				
General Electric Capital Corp	FF01	0100	OTH	2,400	04/01/06	11/30/12	RNS	M	2,531.25	12.65				LGENEEL01
Marsh USA Inc.	FF01	LL106	OTH	312	01/01/06	12/31/09	RNS	M	338.00	13.00				LMARSU501
							RNS	M			01/01/08	351.00	13.50	
							RNS	M			01/01/09	364.00	14.00	
MCImetro Access Transmission	FF01	0107	OTH	-	10/01/01	06/30/08	RNA	M	540.31	6,483.72				LMCIMAC01
Riverside Newsstand (dba)	FF01	0104	RET	728	06/01/02	05/31/12	RNR	M	2,338.70	38.55				LKANTAN01
							RNR	M			06/01/08	2,409.07	39.71	
							RNR	M			06/01/09	2,481.27	40.90	
							RNR	M			06/01/10	2,555.89	42.13	
							RNR	M			06/01/11	2,632.33	43.39	
							EST	M	282.53	4.66				
							ESO	M	262.37	4.32				
UPS	FF01	DROP	OTH	-	04/26/06	04/30/08	RNR	A		500.00				LUMTPA01
Venice Cafe	FF01	0103	RET	5,682	10/26/04	05/31/15	RNR	M	7,901.06	18.42				LBAGDC001
							RNR	M			06/01/08	7,959.32	18.79	
							RNR	M			06/01/09	8,117.58	19.17	
							RNR	M			06/01/10	8,279.70	19.55	
							RNR	M			06/01/11	8,445.68	19.94	
							RNR	M			06/01/12	8,615.52	20.34	
							RNR	M			06/01/13	8,789.22	20.75	
							RNR	M			06/01/14	8,962.82	21.16	

500 West Monroe
Floor-by-Floor Detail Rent Roll
As of July 1, 2007

Name	Floor	Unit	Type	Sq Ft	Begin Date	Expir. Date	Current Charges: Chg Code		Monthly Amt	Annual PSF	Rent Increases: Charge Date	Monthly Amt	Annual PSF	Lease ID
FF01				16,245			Monthly Amt:		33,921.79					
							Annual Amt:		371,561.48	26.75				
GATX Corporation	F044	4400	OFF	23,477	11/20/53	11/19/08	RNT	M	46,954.00	24.00				LGATXCO01
							ESO	M	14,872.57	7.60				
F044				23,477			Monthly Amt:		61,826.57					
							Annual Amt:		741,922.44	31.60				
GATX Corporation	F043	4300	OFF	23,371	11/20/53	11/19/08	RNT	M	46,742.00	24.00				LGATXCO01
							ESO	M	14,811.58	7.61				
F043				23,371			Monthly Amt:		61,553.58					
							Annual Amt:		738,642.96	31.61				
GATX Corporation	F042	4200	OFF	23,371	11/20/53	11/19/08	RNT	M	46,742.00	24.00				LGATXCO01
							ESO	M	14,811.58	7.61				
F042				23,371			Monthly Amt:		61,553.58					
							Annual Amt:		738,642.96	31.61				
GATX Corporation	F041	4100	OFF	25,923	11/20/53	11/19/08	RNT	M	51,846.00	24.00				LGATXCO01
							ESO	M	16,424.91	7.60				
F041				25,923			Monthly Amt:		68,270.91					
							Annual Amt:		819,250.92	31.60				
GATX Corporation	F040	4000	OFF	26,243	11/20/53	11/19/08	RNT	M	52,486.00	24.00				LGATXCO01
							ESO	M	16,633.79	7.61				
F040				26,243			Monthly Amt:		69,119.79					
							Annual Amt:		829,437.48	31.61				

500 West Monroe
Floor-by-Floor Detail Rent Roll
As of July 1, 2007

Name	Floor	Unit	Type	Sq Ft	Begin Date	Expir. Date	Current Charges: Chg Code		Monthly Amt	Annual PSF	Rent Increases: Change Date	Monthly Amt	Annual PSF	Lease ID
GATX Corporation	F039	3900	OFF	26,532	11/20/03	11/19/08	RNT	M	53,064.00	24.00				LGATXCO01
							ESO	M	16,805.78	7.60				
Marsh USA Inc.	F039	3900	OFF	26,532	11/20/08	12/31/09	RNT	M			11/20/08	49,747.50	22.50	LMARSUS01
							EST	M			11/20/08			
							ESO	M			11/20/08			
F039				**26,532**			**Monthly Amt:**		**69,869.78**					
							Annual Amt:		**838,437.36**	**31.60**				
GATX Corporation	F038	3800	OFF	12,981	11/20/03	11/19/08	RNT	M	25,962.00	24.00				LGATXCO01
							ESO	M	8,224.36	7.60				
GATX Corporation	F038	3810	OFF	13,470	04/25/94	11/19/08	RNT	M	18,858.00	16.80				LGATXCO01
							ESO	M	8,532.03	7.60				
Marsh USA Inc.	F038	3800	OFF	5,523	11/20/08	12/31/09	RNT	M			11/20/08	10,355.62	22.50	LMARSUS01
							EST	M			11/20/08			
							ESO	M			11/20/08			
Marsh USA Inc.	F038	3810	OFF	13,470	11/20/08	12/31/09	RNT	M			11/20/08	25,256.25	22.50	LMARSUS01
							EST	M			11/20/08			
							ESO	M			11/20/08			
F038				**26,451**			**Monthly Amt:**		**61,576.39**					
							Annual Amt:		**738,916.68**	**27.94**				
Vacant - 3710				4,124					0.00	0.00				
GATX Corporation	F037	3700	OFF	12,844	02/11/98	11/19/08	RNT	M	20,871.50	19.50				LGATXCO01
							RNT	M			05/01/08	21,406.67	20.00	
							ESO	M	8,142.23	7.61				
Lee Hecht Harrison LLC	F037	3720	OFF	7,754	01/01/94	05/30/10	RNT	M	12,349.50	19.11				LLEEAHE01
							RNT	M			06/01/07	12,726.87	19.70	
							RNT	M			06/01/08	14,308.17	22.14	
							RNT	M			06/01/09	14,729.98	22.80	
							EST	M	6,027.23	9.33				
							ESO	M	5,597.30	8.66				

500 West Monroe
Floor-by-Floor Detail Rent Roll
As of July 1, 2007

Name	Floor	Unit	Type	Sq Ft	Begin Date	Expir. Date	Current Charges: Chg Code		Monthly Amt	Annual PSF	Rent Increases: Charge Date	Monthly Amt	Annual PSF	Lease ID
Lee Hecht Harrison LLC	F037	3730	OFF	1,959	09/01/03	05/30/10	RNT	M	3,120.82	19.11				LLEEJHE01
							RNT	M			09/01/07	3,215.37	19.70	
							RNT	M			09/01/08	3,614.37	22.14	
							RNT	M			09/01/09	3,721.44	22.80	
							EST	M	1,522.87	9.33				
							ESO	M	1,414.24	8.66				
Marsh USA Inc.	F037	3700	OFF	12,844	11/29/06	12/31/09	*RNT*	*M*			11/29/06	24,062.50	22.50	LMARSUS01
							EST	*M*			11/29/06			
							ESO	*M*			11/29/06			
F037				**26,681**			**Monthly Amt:**		**59,044.69**					
							Annual Amt:		**708,536.68**	**31.41**				
Marsh USA Inc.	F036	3600	OFF	26,692	05/30/08	12/31/09	RNT	M	50,047.50	22.50				LMARSUS01
							RNT	M			05/01/08	51,159.68	23.00	
							RNT	M			05/01/09	52,271.82	23.50	
							EST	M	20,757.25	9.33				
							ESO	M	19,474.30	8.75				
F036				**26,692**			**Monthly Amt:**		**90,279.09**					
							Annual Amt:		**1,083,349.08**	**40.59**				
Federal Deposit Insurance Corp	F035	3500	OFF	25,958	03/18/94	08/31/09	RNT	M	55,245.75	25.50				LFEDEDE01
							ESO	M	2,171.61	1.00				
F035				**25,958**			**Monthly Amt:**		**57,417.36**					
							Annual Amt:		**689,008.32**	**26.50**				
UNUM Provident Corp	F034	3400	OFF	25,651	09/22/00	12/31/07	RNT	M	57,458.24	26.88				LUNUMPR01
							RNT	M			09/22/07	59,183.68	27.69	
							EST	M	19,938.91	9.33				
							ESO	M	18,889.80	8.84				

500 West Monroe
Floor-by-Floor Detail Rent Roll
As of July 1, 2007

Name	Floor	Unit	Type	Sq Ft	Begin Date	Expir. Date	Current Charges: Chg Code		Monthly Amt	Annual PSF	Rent Increases: Charge Date	Monthly Amt	Annual PSF	Lease ID
F034				**25,631**			**Monthly Amt:**		**96,286.95**					
							Annual Amt:		**1,155,443.40**	**45.04**				
Federal Deposit Insurance Corp	F033	3300	OFF	26,478	03/16/04	08/31/09	RNT	M	56,265.75	25.50				LFEDEI501
							ESO	M	2,211.63	1.00				
F033				**26,478**			**Monthly Amt:**		**58,477.38**					
							Annual Amt:		**701,728.56**	**26.50**				
Vacant - 3200				27,082					0.00	0.00				
F032				**27,082**			**Monthly Amt:**		**0.00**					
							Annual Amt:		**0.00**	**0.00**				
Vacant - 3100				26,966					0.00	0.00				
F031				**26,966**			**Monthly Amt:**		**0.00**					
							Annual Amt:		**0.00**	**0.00**				
Marsh USA Inc.	F030	3000	OFF	26,745	04/01/04	12/31/09	RNT	M	40,117.50	18.00				LMARSU501
							RNT	M			05/01/08	41,231.88	18.50	
							RNT	M			05/01/09	42,346.25	19.00	
							EST	M	20,501.77	9.20				
							ESO	M	19,234.58	8.63				
F030				**26,745**			**Monthly Amt:**		**79,853.85**					
							Annual Amt:		**958,246.20**	**35.83**				

500 West Monroe
Floor-by-Floor Detail Rent Roll
As of July 1, 2007

Name	Floor	Unit	Type	Sq Ft	Begin Date	Expir. Date	Current Charges: Chg Code		Current Charges: Monthly Amt	Current Charges: Annual PSF	Rent Increases: Charge Date	Rent Increases: Monthly Amt	Rent Increases: Annual PSF	Lease ID
Grubb & Ellis Company	F029	2900	OFF	26,638	10/01/06	01/31/17	RNT	M	37,737.17	17.00				LGRUBELD1
							RNT	M			02/01/08	38,869.28	17.51	
							RNT	M			02/01/09	40,035.36	18.04	
							RNT	M			02/01/10	41,236.42	18.58	
							RNT	M			02/01/11	42,473.51	19.13	
							RNT	M			02/01/12	43,747.72	19.71	
							RNT	M			02/01/13	45,060.15	20.30	
							RNT	M			02/01/14	46,411.96	20.91	
							RNT	M			02/01/15	47,804.31	21.54	
							RNT	M			02/01/16	49,238.44	22.18	
							EST	M	20,441.18	9.21				
							ESO	M	19,177.73	8.64				
F029				26,638			Monthly Amt:		77,356.08					
							Annual Amt:		928,272.96	34.85				
Grubb & Ellis Company	F028	2800	OFF	26,638	01/17/06	01/31/17	RNT	M	38,869.28	17.51				LGRUBELG1
							RNT	M			05/01/08	40,035.36	18.04	
							RNT	M			05/01/09	41,236.42	18.58	
							RNT	M			05/01/10	42,473.51	19.13	
							RNT	M			05/01/11	43,747.72	19.71	
							RNT	M			05/01/12	45,060.15	20.30	
							RNT	M			05/01/13	46,411.96	20.91	
							RNT	M			05/01/14	47,804.31	21.54	
							RNT	M			05/01/15	49,238.44	22.18	
							RNT	M			05/01/16	50,715.60	22.85	
							EST	M	20,441.18	9.21				
							ESO	M	19,177.73	8.64				
F028				26,638			Monthly Amt:		78,488.19					
							Annual Amt:		941,858.28	35.36				

500 West Monroe
Floor-by-Floor Detail Rent Roll
As of July 1, 2007

Name	Floor	Unit	Type	Sq Ft	Begin Date	Expir. Date	Current Charges				Rent Increases			Lease ID
							Chg Code		Monthly Amt	Annual PSF	Charge Date	Monthly Amt	Annual PSF	
Grubb & Ellis Company	F027	2700	OFF	10,212	01/23/06	01/31/17	RNT	M	14,901.01	17.51				LGRUBEL01
							RNT	M			06/01/08	15,348.04	18.04	
							RNT	M			06/01/09	15,808.48	18.58	
							RNT	M			06/01/10	16,282.74	19.13	
							RNT	M			06/01/11	16,771.22	19.71	
							RNT	M			06/01/12	17,274.35	20.30	
							RNT	M			06/01/13	17,792.59	20.91	
							RNT	M			06/01/14	18,326.36	21.54	
							RNT	M			06/01/15	18,876.15	22.18	
							RNT	M			06/01/16	19,442.44	22.85	
							EST	M	6,205.36	7.29				
							ESC	M	5,821.81	6.84				
Grubb & Ellis Company	F027	2730	OFF	3,922	11/01/06	01/31/17	RNT	M	5,556.17	17.00				LGRUBEL01
							RNT	M			02/01/08	5,722.85	17.51	
							RNT	M			02/01/09	5,895.07	18.04	
							RNT	M			02/01/10	6,072.56	18.58	
							RNT	M			02/01/11	6,252.32	19.13	
							RNT	M			02/01/12	6,441.89	19.71	
							RNT	M			02/01/13	6,634.72	20.30	
							RNT	M			02/01/14	6,834.69	20.91	
							RNT	M			02/01/15	7,039.59	21.54	
							RNT	M			02/01/16	7,249.16	22.18	
							EST	M	2,893.17	9.16				
							ESC	M	2,808.17	8.59				
TNS NFO WorldGroup (dba)	F027	2710	OFF	7,691	05/01/02	04/30/12	RNT	M	13,168.22	20.58				LNFOJRE02
							RNT	M			05/01/08	13,563.86	21.19	
							RNT	M			05/01/09	13,581.02	21.19	
							RNT	M			05/01/10	13,901.48	21.69	
							RNT	M			05/01/11	14,221.94	22.19	
							EST	M	5,695.82	9.20				
							ESC	M	5,475.36	8.54				
TNS NFO WorldGroup (dba)	F027	2720	OFF	2,159	07/26/04	04/30/12	RNT	M	2,752.73	15.30				LNFOJRE02
							RNT	M			05/01/08	2,835.49	15.76	
							RNT	M			05/01/09	2,920.05	16.23	
							RNT	M			05/01/10	3,008.21	16.72	
							RNT	M			05/01/11	3,098.17	17.22	
							EST	M	1,678.37	9.33				
							ESC	M	1,558.05	8.66				

500 West Monroe
Floor-by-Floor Detail Rent Roll
As of July 1, 2007

Name	Floor	Unit	Type	Sq Ft	Begin Date	Expir. Date	Current Charges: Chg Code		Current Charges: Monthly Amt	Current Charges: Annual PSF	Rent Increases: Charge Date	Rent Increases: Monthly Amt	Rent Increases: Annual PSF	Lease ID
TNS NFO WorldGroup (dba)	F027	2740	OFF	2,726	04/20/04	04/30/12	RNT	M	3,475.65	15.30				LNFO/RE02
							RNT	M			05/01/08	3,580.15	15.75	
							RNT	M			05/01/09	3,686.92	16.23	
							RNT	M			05/01/10	3,798.23	16.72	
							RNT	M			05/01/11	3,911.81	17.22	
							EST	M	2,119.31	9.33				
							ESO	M	1,968.14	8.66				
F027				26,710			Monthly Amt:		76,297.84					
							Annual Amt:		916,774.08	34.32				
C.V. Starr & Co.	F026	2600	OFF	16,434	05/01/06	04/30/13	RNT	M	24,651.00	18.00				LCVWST01
							RNT	M			05/01/08	25,335.75	18.50	
							RNT	M			05/01/09	26,020.50	19.00	
							RNT	M			05/01/10	26,705.25	19.50	
							RNT	M			05/01/11	27,390.00	20.00	
							RNT	M			05/01/12	28,074.75	20.50	
							EST	M	12,629.72	9.22				
							ESO	M	11,728.83	8.56				
CMT Derivatives, LLC	F026	2630	OFF	2,673	08/01/00	11/30/12	RNT	M	4,428.05	19.88				LCMT/DE01
							RNT	M			08/01/07	4,562.01	20.48	
							RNT	M			08/01/08	4,566.38	20.50	
							RNT	M			08/01/09	4,704.46	21.12	
							RNT	M			08/01/10	4,844.81	21.75	
							RNT	M			08/01/11	4,989.60	22.40	
							RNT	M			08/01/12	5,138.84	23.07	
							EST	M	2,577.70	9.33				
							ESO	M	1,964.82	8.82				
CMT Derivatives, LLC	F026	2650	OFF	2,196	06/01/03	11/30/12	RNT	M	3,637.87	19.88				LCMT/DE01
							RNT	M			08/01/07	3,747.92	20.48	
							RNT	M			08/01/08	3,751.50	20.50	
							RNT	M			08/01/09	3,864.96	21.12	
							RNT	M			08/01/10	3,980.25	21.75	
							RNT	M			08/01/11	4,099.20	22.40	
							RNT	M			08/01/12	4,221.81	23.07	
							EST	M	1,706.84	9.33				
							ESO	M	1,614.11	8.82				

500 West Monroe
Floor-by-Floor Detail Rent Roll
As of July 1, 2007

Name	Floor	Unit	Type	Sq Ft	Begin Date	Expir. Date	Current Charges: Chg Code		Monthly Amt	Annual PSF	Rent Increases: Change Date	Monthly Amt	Annual PSF	Lease ID
James J. Glasser	F026	2680	OFF	991	05/01/07	11/30/12	RNT	M	1,426.58	19.00				LJAMEJG01
							RNT	M			05/01/08	1,468.38	19.57	
							RNT	M			05/01/09	1,513.45	20.16	
							RNT	M			05/01/10	1,558.87	20.76	
							RNT	M			05/01/11	1,605.63	21.38	
							RNT	M			05/01/12	1,653.80	22.03	
							EST	M	693.15	9.23				
							ESO	M	655.49	8.73				
Shorenstein Realty Services LP	F026	2620	OFF	4,684	01/05/06	07/31/07	RNT	M	6,636.50	19.50				LSHORRE01
							EST	M	3,139.18	9.22				
							ESO	M	2,968.63	8.72				
Shorenstein Realty Services LP	F026	2626	OFF	875	05/01/06	07/31/07	RNT	M	1,421.88	19.50				LSHORRE01
							EST	M	655.89	9.00				
							ESO	M	620.26	8.51				
F026				**37,153**			**Monthly Amt:**		**82,656.51**					
							Annual Amt:		**991,878.12**	**26.52**				
Marsh USA Inc.	F024	2400	OFF	26,318	05/01/02	12/31/09	RNT	M	39,477.00	18.00				LMARSUS01
							RNT	M			05/01/08	40,573.56	18.50	
							RNT	M			05/01/09	41,670.17	19.00	
							EST	M	20,451.40	9.33				
							ESO	M	19,187.32	8.75				
F024				**26,318**			**Monthly Amt:**		**79,115.72**					
							Annual Amt:		**949,388.64**	**36.07**				
Marsh USA Inc.	F023	2360	OFF	26,318	05/01/02	12/31/09	RNT	M	39,477.00	18.00				LMARSUS01
							RNT	M			05/01/08	40,573.56	18.50	
							RNT	M			05/01/09	41,670.17	19.00	
							EST	M	20,451.40	9.33				
							ESO	M	19,187.32	8.75				
F023				**26,318**			**Monthly Amt:**		**79,115.72**					
							Annual Amt:		**949,388.64**	**36.07**				

500 West Monroe
Floor-by-Floor Detail Rent Roll
As of July 1, 2007

Name	Floor	Unit	Type	Sq Ft	Begin Date	Expir. Date	Current Charges: Chg Code		Monthly Amt	Annual PSF	Rent Increases: Charge Date	Monthly Amt	Annual PSF	Lease ID
Marsh USA Inc.	F022	2200	OFF	26,318	05/01/02	12/31/09	RNT	M	39,477.00	18.00				LMARSUS01
							RNT	M			05/01/08	40,573.58	18.50	
							RNT	M			05/01/09	41,670.17	19.00	
							EST	M	20,451.40	9.33				
							ESO	M	19,187.32	8.75				
F022				**26,318**			**Monthly Amt:**		**79,115.72**					
							Annual Amt:		**949,388.64**	**36.07**				
Marsh USA Inc.	F021	2100	OFF	26,318	05/01/02	12/31/09	RNT	M	39,477.00	18.00				LMARSUS01
							RNT	M			05/01/08	40,573.58	18.50	
							RNT	M			05/01/09	41,670.17	19.00	
							EST	M	20,451.40	9.33				
							ESO	M	19,187.32	8.75				
F021				**26,318**			**Monthly Amt:**		**79,115.72**					
							Annual Amt:		**949,388.64**	**36.07**				
Vacant - 2030				5,836					0.00	0.00				
Vacant - 2040				1,848					0.00	0.00				
Arbour Group L.L.C.	F020	2020	OFF	6,040	11/01/02	04/30/08	RNT	M	5,285.00	10.50				LARBOGR01
							EST	M	4,629.93	9.20				
							ESO	M	4,376.38	8.70				

500 West Monroe
Floor-by-Floor Detail Rent Roll
As of July 1, 2007

Name	Floor	Unit	Type	Sq Ft	Begin Date	Expir. Date	Current Charges: Chg Code		Monthly Amt	Annual PSF	Rent Increases: Change Date	Monthly Amt	Annual PSF	Lease ID
CraftMaster Manufacturing, Inc	F020	2010	OFF	3,258	06/01/02	07/31/17	RNT	M	5,434.57	19.98				LCRAFMA01
							RNT	M			06/01/08	6,152.10	22.66	
							RNT	M			06/01/09	6,336.75	23.34	
							RNT	M			06/01/10	6,526.86	24.04	
							RNT	M			06/01/11	6,722.66	24.76	
							RNT	M			06/01/12	6,924.34	25.50	
							RNT	M			06/01/13	7,132.07	26.27	
							RNT	M			06/01/14	7,346.04	27.06	
							RNT	M			06/01/15	7,566.41	27.87	
							RNT	M			06/01/16	7,793.41	28.71	
							RNF	M			06/01/07			
							EST	M	2,482.14	9.14				
							EST	M			06/01/08			
							ESO	M	2,347.28	8.65				
							ESO	M			06/01/08			
CraftMaster Manufacturing, Inc	F020	2015	OFF	1,342	12/01/02	07/31/17	RNT	M	2,178.51	19.48				LCRAFMA01
							RNT	M			06/01/08	2,534.14	22.66	
							RNT	M			06/01/09	2,610.17	23.34	
							RNT	M			06/01/10	2,688.47	24.04	
							RNT	M			06/01/11	2,769.13	24.76	
							RNT	M			06/01/12	2,852.20	25.50	
							RNT	M			06/01/13	2,937.77	26.27	
							RNT	M			06/01/14	3,025.90	27.06	
							RNT	M			06/01/15	3,116.68	27.87	
							RNT	M			06/01/16	3,210.18	28.71	
							RNF	M			06/01/07			
							EST	M	1,022.06	9.14				
							EST	M			06/01/08			
							ESO	M	966.53	8.64				
							ESO	M			06/01/08			
Informatica Corporation	F020	2000	OFF	7,413	07/15/05	10/31/12	RNT	M	8,648.50	14.00				LINFOCO01
							RNT	M			11/01/07	8,957.38	14.50	
							RNT	M			11/01/08	9,266.25	15.00	
							RNT	M			11/01/09	9,575.13	15.50	
							RNT	M			11/01/10	9,884.00	16.00	
							RNT	M			11/01/11	10,192.88	16.50	
							EST	M	5,681.82	9.20				
							ESO	M	5,373.22	8.70				

500 West Monroe
Floor-by-Floor Detail Rent Roll
As of July 1, 2007

Name	Floor	Unit	Type	Sq Ft	Begin Date	Expir. Date	Current Charges: Chg Code		Current Charges: Monthly Amt	Current Charges: Annual PSF	Rent Increases: Charge Date	Rent Increases: Monthly Amt	Rent Increases: Annual PSF	Lease ID
F020				25,737			Monthly Amt:		48,418.04					
							Annual Amt:		581,016.48	32.18				
General Electric Capital Corp	F019	1900	OFF	26,318	12/01/01	11/30/12	RNT	M	38,380.42	17.50				LGENEEL01
							RNT	M			06/01/08	40,573.58	18.50	
							RNT	M			06/01/09	42,766.75	19.50	
							RNT	M			06/01/10	43,863.33	20.00	
							RNT	M			06/01/11	44,959.92	20.50	
							ESO	M	18,650.41	8.50				
F019				26,318			Monthly Amt:		57,030.83					
							Annual Amt:		684,369.96	26.00				
Vacant - 1818				5,842					0.00	0.00				
C.V. Starr & Co.	F018	1875	OTH	500	05/01/08	04/30/13	RNS	M	541.67	13.00				LCVIIST01
							RNS	M			05/01/08	562.50	13.50	
							RNS	M			05/01/09	583.33	14.00	
							RNS	M			05/01/10	604.17	14.50	
							RNS	M			05/01/11	625.00	15.00	
							RNS	M			05/01/12	645.83	15.50	
General Electric Capital Corp	F018	1800	OFF	21,033	12/01/01	11/30/12	RNT	M	30,673.12	17.50				LGENEEL01
							RNT	M			06/01/08	32,426.87	18.50	
							RNT	M			06/01/09	34,178.62	19.50	
							RNT	M			06/01/10	35,055.00	20.00	
							RNT	M			06/01/11	35,931.37	20.50	
							ESO	M	14,834.85	8.46				
F018				27,375			Monthly Amt:		46,048.64					
							Annual Amt:		552,595.68	25.86				

500 West Monroe
Floor-by-Floor Detail Rent Roll
As of July 1, 2007

Name	Floor	Unit	Type	Sq Ft	Begin Date	Expir. Date	Current Charges				Rent Increases			Lease ID
							Chg Code		Monthly Amt	Annual PSF	Charge Date	Monthly Amt	Annual PSF	
General Electric Capital Corp	F017	1700	OFF	28,048	12/01/91	11/30/12	RNT	M	40,903.33	17.50				LGENEEL01
							RNT	M			06/01/08	43,240.67	18.50	
							RNT	M			06/01/09	45,578.00	19.50	
							RNT	M			06/01/10	46,746.67	20.00	
							RNT	M			06/01/11	47,915.33	20.50	
							ESO	M	19,782.45	8.46				
F017				**28,048**			**Monthly Amt:**		**60,685.78**					
							Annual Amt:		**728,229.36**	**25.96**				
General Electric Capital Corp	F016	1600	OFF	28,128	12/01/91	11/30/12	RNT	M	41,020.00	17.50				LGENEEL01
							RNT	M			06/01/08	43,364.00	18.50	
							RNT	M			06/01/09	45,708.00	19.50	
							RNT	M			06/01/10	46,880.00	20.00	
							RNT	M			06/01/11	48,052.00	20.50	
							ESO	M	19,838.75	8.46				
F016				**28,128**			**Monthly Amt:**		**60,858.75**					
							Annual Amt:		**730,305.00**	**25.96**				
General Electric Capital Corp	F015	1500	OFF	28,128	12/01/91	11/30/12	RNT	M	41,020.00	17.50				LGENEEL01
							RNT	M			06/01/08	43,364.00	18.50	
							RNT	M			06/01/09	45,708.00	19.50	
							RNT	M			06/01/10	46,880.00	20.00	
							RNT	M			06/01/11	48,052.00	20.50	
							ESO	M	19,838.75	8.46				
F015				**28,128**			**Monthly Amt:**		**60,858.75**					
							Annual Amt:		**730,305.00**	**25.96**				
General Electric Capital Corp	F014	1400	OFF	28,128	12/01/91	11/30/12	RNT	M	41,020.00	17.50				LGENEEL01
							RNT	M			06/01/08	43,364.00	18.50	
							RNT	M			06/01/09	45,708.00	19.50	
							RNT	M			06/01/10	46,880.00	20.00	
							RNT	M			06/01/11	48,052.00	20.50	
							ESO	M	19,838.75	8.46				

500 West Monroe
Floor-by-Floor Detail Rent Roll
As of July 1, 2007

Name	Floor	Unit	Type	Sq Ft	Begin Date	Expir. Date	Current Charges: Chg Code		Current Charges: Monthly Amt	Current Charges: Annual PSF	Rent Increases: Charge Date	Rent Increases: Monthly Amt	Rent Increases: Annual PSF	Lease ID
F014				28,128			Monthly Amt:		60,858.75					
							Annual Amt:		730,305.00	25.96				
General Electric Capital Corp	F013	1300	OFF	28,128	12/01/91	11/30/12	RNT	M	41,020.00	17.50				LGENEEL01
							RNT	M			06/01/08	43,364.00	18.50	
							RNT	M			06/01/09	45,708.00	19.50	
							RNT	M			06/01/10	46,860.00	20.00	
							RNT	M			06/01/11	48,052.00	20.50	
							ESO	M	19,838.75	8.46				
F013				28,128			Monthly Amt:		60,858.75					
							Annual Amt:		730,305.00	25.96				
General Electric Capital Corp	F012	1200	OFF	28,208	12/01/91	11/30/12	RNT	M	41,136.67	17.50				LGENEEL01
							RNT	M			06/01/08	43,487.33	18.50	
							RNT	M			06/01/09	45,838.00	19.50	
							RNT	M			06/01/10	47,013.33	20.00	
							RNT	M			06/01/11	48,188.67	20.50	
							ESO	M	19,895.72	8.46				
F012				28,208			Monthly Amt:		61,032.39					
							Annual Amt:		732,388.68	25.96				
General Electric Capital Corp	F011	1100	OFF	46,314	12/01/91	11/30/12	RNT	M	67,541.25	17.50				LGENEEL01
							RNT	M			06/01/08	71,400.75	18.50	
							RNT	M			06/01/09	75,260.25	19.50	
							RNT	M			06/01/10	77,190.00	20.00	
							RNT	M			06/01/11	79,119.75	20.50	
							ESO	M	32,665.81	8.46				
F011				46,314			Monthly Amt:		100,207.06					
							Annual Amt:		1,202,484.72	25.96				

500 West Monroe
Floor-by-Floor Detail Rent Roll
As of July 1, 2007

Name	Floor	Unit	Type	Sq Ft	Begin Date	Expir. Date	Current Charges: Chg Code		Monthly Amt	Annual PSF	Rent Increases: Charge Date	Monthly Amt	Annual PSF	Lease ID
General Electric Capital Corp	F010	1000	OFF	46,554	12/01/91	11/30/12	RNT	M	67,891.25	17.50				LGENEEL01
							RNT	M			06/01/08	71,772.75	18.50	
							RNT	M			06/01/09	75,650.25	19.50	
							RNT	M			06/01/10	77,590.00	20.00	
							RNT	M			06/01/11	79,529.75	20.50	
							ESC	M	32,835.39	8.46				
F010				46,554			Monthly Amt:		100,726.64					
							Annual Amt:		1,208,719.68	25.96				
Active Leases				888,512			Monthly Amt:		2,280,125.34					
Vacancy				75,060			Annual Amt:		27,362,004.08	30.80				
Total Sq Ft				963,572										

Charge Code Frequencies:
M - Monthly A - Annual
Q - Quarterly O - One-time
S - Semi-annual

Tenants shown in *italics* represent leased spaces with future start dates. SF is not included in totals.

SCHEDULE II

[Reserved]

(Attached)

SCHEDULE III

Required Repairs

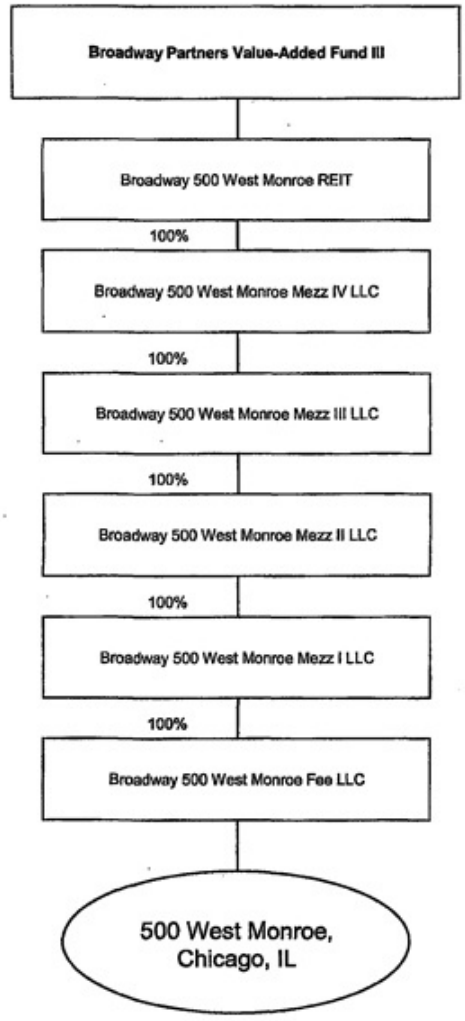
SCH. III-1

SCHEDULE IV

Organizational Chart of Borrower

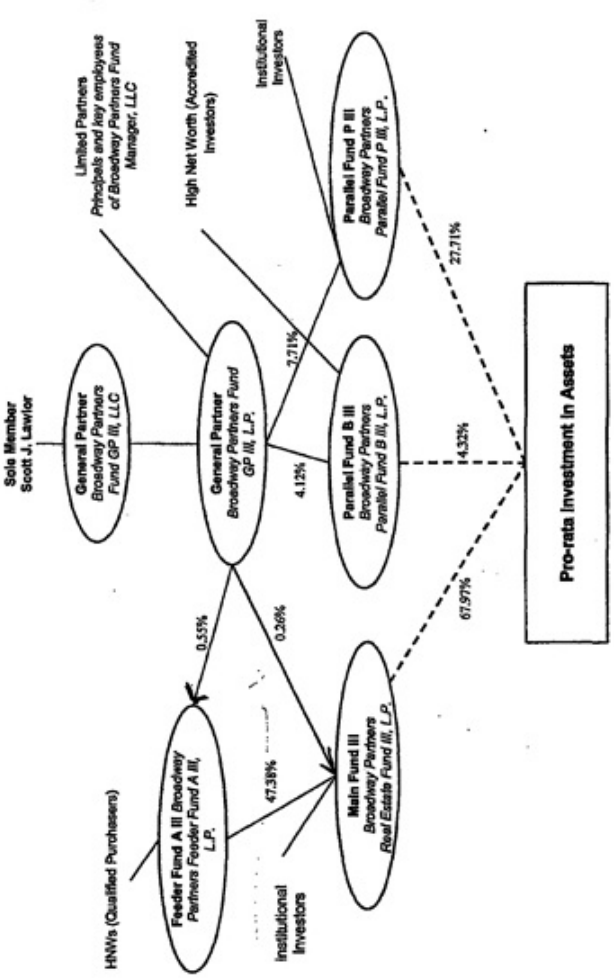
(see attached)

500 West Monroe Ownership Structure Chart
(Draft June 20, 2007)



Dated as of June 19, 2007

Broadway Partners Value-Added Fund III
Structure Chart



SCHEDULE V

Forms of Certificates for Financial Reporting

SCH. V-1

SCHEDULE V-A

Form of Certificate with respect to Annual and Quarterly Financials

SCH. V-A-l

SCHEDULE V-A

CERTIFICATE WITH RESPECT TO ANNUAL AND QUARTERLY FINANCIALS

This Certificate with Respect to Annual or Quarterly Financials (this "Certificate") dated _____, 20__ is given to Morgan Stanley Mortgage Capital Holdings LLC (together with its successors and assigns, "Lender") by Broadway 500 West Monroe Fee LLC ("Borrower") in connection with that certain Loan Agreement between Lender and Borrower dated July 11, 2007 (the "Loan Agreement"). The capitalized terms not defined in this Certificate shall have the definitions ascribed to them in the Loan Agreement.

Borrower hereby certifies to Lender as follows:

1. To the best of Borrower's knowledge:

(a) The attached financial statement presents fairly the financial condition and the results of operations of Borrower and the Property being reported upon and has been prepared in accordance with [GAAP/another accounting basis].

(b) as of the date hereof [select one of the following options]:

_____ there exists no Event of Default under the Loan Documents executed and delivered by, or applicable to, Borrower,

_____ there exists an Event of Default under the Loan Documents executed and delivered by, or applicable to, Borrower, described as follows: [Describe the nature of the Event of Default, the period of time it has existed and the action being taken as of the date hereof to remedy same.]

BORROWER:

BROADWAY 500 WEST MONROE FEE LLC,
a Delaware limited liability company

By: _____
Name:
Title: Authorized Signatory

SCHEDULE V-B

Form of Certificate with respect to Monthly Financials

SCH. V-B-l

SCHEDULE V-B

CERTIFICATE WITH RESPECT TO MONTHLY FINANCIALS

This Certificate with Respect to Monthly Financials (this "Certificate") dated _____, 20__ is given to Morgan Stanley Mortgage Capital Holdings LLC (together with its successors and assigns, "Lender") by Broadway 500 West Monroe Fee LLC ("Borrower") in connection with that certain Loan Agreement between Lender and Borrower dated July 11, 2007 (the "Loan Agreement"). The capitalized terms not defined in this Certificate shall have the definitions ascribed to them in the Loan Agreement.

Borrower hereby certifies to Lender that the information contained in (a) the rent roll attached hereto as Exhibit V-B-l and (b) to the best of Borrower's knowledge, the Net Cash Flow Schedule attached hereto as Exhibit V-B-2 is true, correct, accurate and complete and that the attached Net Cash Flow Schedule fairly presents the financial condition and results of the operations of Borrower and the Property (subject to normal year-end adjustments).

BORROWER:

BROADWAY 500 WEST MONROE FEE LLC,
a Delaware limited liability company

By: _____
Name:
Title: Authorized Signatory

SCHEDULE VI

Litigation

SCH. VI-1

SCHEDULE VII

Intentionally Deleted

SCHEDULE VIII

Intentionally Deleted

SCHEDULE IX

Standard Form of Lease

(Attached)

SCHEDULE X

Form of Draw Request

SCH. X-1

SCHEDULE X

DRAW REQUEST

The undersigned, pursuant to that certain Loan Agreement dated July 11, 2007 between Morgan Stanley Mortgage Capital Holdings LLC (together with its successors and assigns, "Lender") and Broadway 500 West Monroe Fee LLC ("Borrower") (the "Loan Agreement") hereby requests a disbursement in the amount of $_____ from the Rollover/Replacement Reserve Fund.

The capitalized terms not defined herein shall have the definitions ascribed to them in the Loan Agreement.

Date: _____, 20__

BORROWER:

BROADWAY 500 WEST MONROE FEE LLC,
a Delaware limited liability company

By: _____
Name:
Title: Authorized Signatory

OFFICER'S CERTIFICATE
WITH RESPECT TO LEASING EXPENSES
FROM THE ROLLOVER/REPLACEMENT RESERVE FUND
(to be attached)

SCHEDULE XI

Tenant Direction Letter

_____ __, 2007

_____
_____
_____

CERTIFIED MAIL,
RETURN RECEIPT REQUESTED

Re: [_____]
[_____]

Dear Tenant:

This letter shall constitute notice to you that the undersigned has granted a security interest in the captioned lease and all rents, additional rent and all other monetary obligations to landlord thereunder (collectively, **"Rent"**) in favor of Morgan Stanley Mortgage Capital Holdings LLC, as lender (**"Lender"**), to secure certain of the undersigned's obligations to Lender. The undersigned hereby irrevocably instructs and authorizes you to disregard any and all previous notices sent to you in connection with instructions for the payment of Rent and hereafter to deliver all Rent to the following address:

[_____]
Lockbox Account
[_____]
[_____]

or by wire transfer to:

Key Bank
ABA No.: [_____]
Account No.: [_____]
Account Name: [_____]

These payment instructions cannot be withdrawn or modified without the prior written consent of Lender or its agent (**"Servicer"**), or pursuant to a joint written instruction from Borrower and Lender or Servicer. Until you receive written instructions from Lender or Servicer, continue to send all rent payments due under the Lease to [_____]. All rent payments must be delivered to [_____] no later than the day on which such amounts are due under the Lease.

If you have any questions concerning this letter, please contact Bill Culkin of Borrower at (212) 319-7100 x18 or _____ of Lender at (__) _____ or _____ of Servicer at_____.

We appreciate your cooperation in this matter. We look forward to working with you in the operation of this Property.

[SEE SIGNATURES ON THE FOLLOWING PAGES]

Very truly yours,

BROADWAY 500 WEST MONROE FEE LLC,
a Delaware limited liability company

By: _____
Name:
Title:

SCHEDULE XII

[Reserved]

SCHEDULE XIII

Intentionally Deleted

SCHEDULE XIV

Form of Certificate for Required Repair
or
for Replacements from the Rollover/Replacement Reserve Funds

SCH. IV-1

SCHEDULE XIV

CERTIFICATE FOR REPAIRS OR FOR REPLACEMENTS FROM THE
ROLLOVER/REPLACEMENT RESERVE FUNDS

This Certificate for Repairs or for Replacements from the Rollover/Replacement Reserve Funds (this "Certificate") dated _____, 20__ is given to Morgan Stanley Mortgage Capital Holdings LLC (together with its successors and assigns, "Lender") by Broadway 500 West Monroe Fee LLC ("Borrower") in connection with that certain Loan Agreement between Lender and Borrower dated July 11, 2007 (the "Loan Agreement"). The capitalized terms not defined in this Certificate shall have the definitions ascribed to them in the Loan Agreement.

Borrower hereby certifies to Lender that:

1. All Replacements at the Property to be funded by the disbursement requested the date hereof in the amount of $ _____ have been or will be completed in good and workmanlike manner and, to the best of Borrower's knowledge, in accordance with all Legal Requirements and Environmental Laws. This Certificate is accompanied by a copy of any license, permit or other approval by any Governmental Authority, if required, to commence and/or complete the Replacements

2. Exhibit XIV-A attached hereto identifies each Person that supplied or will supply materials or labor in connection with the Replacements performed or to be performed at the Property with respect to the payments or reimbursement to be funded by the requested disbursement, and each such Person has been or will be paid in full (for all sums due and payable) upon such disbursement.

3. This Certificate is accompanied by lien waivers or, to the extent final payment has not been made to a Person, other evidence that all sums due and payable will be paid.

BORROWER:

BROADWAY 500 WEST MONROE FEE LLC,
a Delaware limited liability company

By: _____
Name:
Title: Authorized Signatory

SCHEDULE XV

Form of Certificate with Respect to Disposition of Cash Security Deposit

SCHEDULE XV

CERTIFICATE WITH RESPECT TO DISPOSITION OF CASH SECURITY DEPOSIT

This Certificate with Respect to Disposition of Cash Security Deposit (this "Certificate") dated _____, 20__ is given to Morgan Stanley Mortgage Capital Holdings LLC (together with its successors and assigns, "Lender") by Broadway 500 West Monroe Fee LLC ("Borrower") in connection with that certain Loan Agreement between Lender and Borrower dated July 11, 2007 (the "Loan Agreement"). The capitalized terms not defined herein shall have the definitions ascribed to them in the Loan Agreement.

Borrower hereby certifies to Lender that Borrower is herewith delivering to Lender the following (the "Cash Security") with respect to the terms of the Lease Agreement between _____, as Landlord, and _____, as Tenant ("Tenant"), dated_____:

[Recite check endorsed to the order of Lender or, if cash, state Cash] in the amount of $ _____.

Attached hereto is a written direction with respect to the Cash Security. The action requested pursuant to such written direction is [if a refund to Tenant] required or [if a transfer to the Rollover/Replacement Fund] authorized, as the case may be.

BORROWER:

BROADWAY 500 WEST MONROE FEE LLC,
a Delaware limited liability company

By:_____
Name:
Title: Authorized Signatory

Direction to Deliver Cash Security

Pursuant to that certain Loan Agreement between Lender and the undersigned dated July 11, 2007 (the "Loan Agreement"), the undersigned hereby directs Lender to take the following action:

[Deposit the Cash Security to the Rollover/Replacement/Reserve Fund]

[Cause there to be issued a check in the amount of the Cash Security to the order of [Tenant] and deliver same to the undersigned for forwarding to [Tenant].

Date: _____

BROADWAY 500 WEST MONROE FEE LLC,
a Delaware limited liability company

By: _____
Name:
Title: Authorized Signatory

SCHEDULE XVI

Form of Certificate with Respect to Disposition of Letter of Credit Security Deposit

SCH. IV-3

SCHEDULE XVI

CERTIFICATE WITH RESPECT TO DISPOSITION OF LETTER OF CREDIT SECURITY DEPOSIT

This Certificate with Respect to Disposition of Letter of Credit Security Deposit (this "Certificate") dated _____, 20__ is given to Morgan Stanley Mortgage Capital Holdings LLC (together with its successors and assigns, "Lender") by Broadway 500 West Monroe Fee LLC ("Borrower") in connection with that certain Loan Agreement between Lender and Borrower dated July 11, 2007 (the "Loan Agreement"). The capitalized terms not defined herein shall have the definitions ascribed to them in the Loan Agreement.

Borrower hereby certifies to Lender that Letter of Credit number _____, dated _____, issued by _____ for the account of _____, may be drawn upon pursuant to the terms of the Lease Agreement between _____, as Landlord, and _____, as Tenant, dated _____, in accordance with the written direction dated _____, a copy of which written direction is attached hereto.

BORROWER:

BROADWAY 500 WEST MONROE FEE LLC,
a Delaware limited liability company

By: _____
Name:
Title: Authorized Signatory

Direction to Draw Upon Letter of Credit

Pursuant to that certain Loan Agreement between Lender and the undersigned dated July 11, 2007 (the "Loan Agreement"), the undersigned hereby directs Lender to draw $_____ under Letter of Credit number ____, dated _____, issued by _____ for the account of _____, and to deposit the proceeds of such draw into the Rollover/Replacement Reserve Account.

Date: _____

BROADWAY 500 WEST MONROE FEE LLC,
a Delaware limited liability company

By: _____
Name:
Title: Authorized Signatory

SCHEDULE XVII

Form of Form of Non-disturbance Agreement

(Lender)

- and -

(Tenant)

SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT

Dated:

Location:

Section:
Block:
Lot:
County:

PREPARED BY AND UPON
RECORDATION RETURN TO:

Cadwalader, Wickersham & Taft LLP
One World Financial Center
New York, New York 10281
Attention: John M. Zizzo, Esq.

File No.:
Title No.:

SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT

THIS SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT (this **"Agreement"**) is made as of the ____ day of _____, 20__ by and between [LENDER], having an address at [LENDER'S ADDRESS] **("Lender")** and _____ _____, having an address at _____ **("Tenant")**.

RECITALS:

A. Lender has made a loan in the approximate amount of $ _____ to Landlord (defined below), which Loan is given pursuant to the terms and conditions of that certain Loan Agreement dated _____, 20__, between Lender and Landlord (the **"Loan Agreement"**). The Loan is evidenced by a certain Promissory Note dated _____, 20__, given by Landlord to Lender (the **"Note"**) and secured by a certain [Mortgage] [Deed of Trust] and Security Agreement dated _____, 20__, given by Landlord to Lender (the **"Mortgage"**), which encumbers the fee estate of Landlord in certain premises described in Exhibit A attached hereto (the **"Property"**);

B. Tenant occupies a portion of the Property under and pursuant to the provisions of a certain lease dated _____, _____, between _____, as landlord **("Landlord")** and Tenant, as tenant (the **"Lease"**); and

C. Tenant has agreed to subordinate the Lease to the Mortgage and to the lien thereof and Lender has agreed to grant non-disturbance to Tenant under the Lease on the terms and conditions hereinafter set forth.

AGREEMENT:

For good and valuable consideration, Tenant and Lender agree as follows:

1. Subordination. Tenant agrees that the Lease and all of the terms, covenants and provisions thereof and all rights, remedies and options of Tenant thereunder are and shall at all times continue to be subject and subordinate in all respects to the Mortgage and to the lien thereof and all terms, covenants and conditions set forth in the Mortgage and the Loan Agreement including without limitation all renewals, increases, modifications, spreaders, consolidations, replacements and extensions thereof and to all sums secured thereby with the same force and effect as if the Mortgage and Loan Agreement had been executed, delivered and (in the case of the Mortgage) recorded prior to the execution and delivery of the Lease.

2. Non-Disturbance. Lender agrees that if any action or proceeding is commenced by Lender for the foreclosure of the Mortgage or the sale of the Property, Tenant shall not be named as a party therein unless such joinder shall be required by law, provided, however, such joinder shall not result in the termination of the Lease or disturb the Tenant's possession or use of the premises demised thereunder, and the sale of the Property in any such action or proceeding shall be made subject to all rights of Tenant under the Lease except as set forth in Section 3 below, provided that at the time of the commencement of any such action or

proceeding or at the time of any such sale or exercise of any such other rights the following conditions (the " Conditions") exist: (a) the term of the Lease shall have commenced pursuant to the provisions thereof, (b) Tenant shall be in possession of the premises demised under the Lease, (c) the Lease shall be in full force and effect and (d) Tenant shall not be in default under any of the terms, covenants or conditions of the Lease or of this Agreement on Tenant's part to be observed or performed beyond the expiration of any applicable notice or grace periods.

3. Attornment. Lender and Tenant agree that upon the conveyance of the Property by reason of the foreclosure of the Mortgage or the acceptance of a deed or assignment in lieu of foreclosure or otherwise, the Lease shall not be terminated or affected thereby (at the option of the transferee of the Property (the **"Transferee"**) if the Conditions above have not been met at the time of such transfer) but shall continue in full force and effect as a direct lease between the Transferee and Tenant upon all of the terms, covenants and conditions set forth in the Lease and in that event, Tenant agrees to attorn to the Transferee and the Transferee shall accept such attornment, and the Transferee shall not be (a) obligated to complete any construction work required to be done by Landlord pursuant to the provisions of the Lease or to reimburse Tenant for any construction work done by Tenant, (b) liable (i) for Landlord's failure to perform any of its obligations under the Lease which have accrued prior to the date on which the Transferee shall become the owner of the Property, or (ii) for any act or omission of Landlord, whether prior to or after such foreclosure or sale, (c) required to make any repairs to the Property or to the premises demised under the Lease required as a result of fire, or other casualty or by reason of condemnation unless the Transferee shall be obligated under the Lease to make such repairs and shall have received sufficient casualty insurance proceeds or condemnation awards to finance the completion of such repairs, (d) required to make any capital improvements to the Property or to the premises demised under the Lease which Landlord may have agreed to make, but had not completed, or to perform or provide any services not related to possession or quiet enjoyment of the premises demised under the Lease, (e) subject to any offsets, defenses, abatements or counterclaims which shall have accrued to Tenant against Landlord prior to the date upon which the Transferee shall become the owner of the Property, (f) liable for the return of rental security deposits, if any, paid by Tenant to Landlord in accordance with the Lease unless such sums are actually received by the Transferee, (g) bound by any payment of rents, additional rents or other sums which Tenant may have paid more than one (1) month in advance to any prior Landlord unless (i) such sums are actually received by the Transferee or (ii) such prepayment shall have been expressly approved of by the Transferee, (h) bound to make any payment to Tenant which was required under the Lease, or otherwise, to be made prior to the time the Transferee succeeded to Landlord's interest, (i) bound by any agreement amending, modifying or terminating the Lease made without the Lender's prior written consent prior to the time the Transferee succeeded to Landlord's interest or (j) bound by any assignment of the Lease or sublease of the Property, or any portion thereof, made prior to the time the Transferee succeeded to Landlord's interest other than if pursuant to the provisions of the Lease.

4. Notice to Tenant. After notice is given to Tenant by Lender that the Landlord is in default under the Note and the Mortgage and that the rentals under the Lease should be paid to Lender pursuant to the terms of the assignment of leases and rents executed and delivered by Landlord to Lender in connection therewith, Tenant shall thereafter pay to Lender or as directed by the Lender, all rentals and all other monies due or to become due to

Landlord under the Lease and Landlord hereby expressly authorizes Tenant to make such payments to Lender and hereby releases and discharges Tenant from any liability to Landlord on account of any such payments.

5. Lender's Consent. Tenant shall not, without obtaining the prior written consent of Lender, (a) enter into any agreement amending, modifying or terminating the Lease, (b) prepay any of the rents, additional rents or other sums due under the Lease for more than one (1) month in advance of the due dates thereof, (c) voluntarily surrender the premises demised under the Lease or terminate the Lease without cause or shorten the term thereof, or (d) assign the Lease or sublet the premises demised under the Lease or any part thereof other than pursuant to the provisions of the Lease; and any such amendment, modification, termination, prepayment, voluntary surrender, assignment or subletting, without Lender's prior consent, shall not be binding upon Lender.

6. Lender to Receive Notices. Tenant shall provide Lender with copies of all written notices sent to Landlord pursuant to the Lease simultaneously with the transmission of such notices to the Landlord. Tenant shall notify Lender of any default by Landlord under the Lease which would entitle Tenant to cancel the Lease or to an abatement of the rents, additional rents or other sums payable thereunder, and agrees that, notwithstanding any provisions of the Lease to the contrary, no notice of cancellation thereof or of such an abatement shall be effective unless Lender shall have received notice of default giving rise to such cancellation or abatement and shall have failed within sixty (60) days after receipt of such notice to cure such default, or if such default cannot be cured within sixty (60) days, shall have failed within sixty (60) days after receipt of such notice to commence and thereafter diligently pursue any action necessary to cure such default.

7. Notices. All notices or other written communications hereunder shall be deemed to have been properly given (i) upon delivery, if delivered in person or by facsimile transmission with receipt acknowledged by the recipient thereof and confirmed by telephone by sender, (ii) one (1) Business Day (hereinafter defined) after having been deposited for overnight delivery with any reputable overnight courier service, or (iii) three (3) Business Days after having been deposited in any post office or mail depository regularly maintained by the U.S. Postal Service and sent by registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

If to Tenant: _____
_____
_____
Attention: _____
Facsimile No. _____

If to Lender: [Lender's Notice]

With a copy to: Cadwalader, Wickersham & Taft LLP
One World Financial Center
New York, New York 10281
Attention: John M. Zizzo, Esq.
Facsimile No. (212) 504-6666

or addressed as such party may from time to time designate by written notice to the other parties. For purposes of this Section, the term "Business Day" shall mean a day on which commercial banks are not authorized or required by law to close in New York, New York.

Either Party by notice to the other may designate additional or different addresses for subsequent notices or communications.

8. Joint and Several Liability. If Tenant consists of more than one person, the obligations and liabilities of each such person hereunder shall be joint and several. This Agreement shall be binding upon and inure to the benefit of Lender and Tenant and their respective successors and assigns.

9. Definitions. The term "Lender" as used herein shall include the successors and assigns of Lender and any person, party or entity which shall become the owner of the Property by reason of a foreclosure of the Mortgage or the acceptance of a deed or assignment in lieu of foreclosure or otherwise. The term "Landlord" as used herein shall mean and include the present landlord under the Lease and such landlord's predecessors and successors in interest under the Lease, but shall not mean or include Lender. The term "Property" as used herein shall mean the Property, the improvements now or hereafter located thereon and the estates therein encumbered by the Mortgage.

10. No Oral Modifications. This Agreement may not be modified in any manner or terminated except by an instrument in writing executed by the parties hereto.

11. Governing Law. This Agreement shall be deemed to be a contract entered into pursuant to the laws of the State where the Property is located and shall in all respects be governed, construed, applied and enforced in accordance with the laws of the State where the Property is located.

12. Inapplicable Provisions. If any term, covenant or condition of this Agreement is held to be invalid, illegal or unenforceable in any respect, this Agreement shall be construed without such provision.

13. Duplicate Originals; Counterparts. This Agreement may be executed in any number of duplicate originals and each duplicate original shall be deemed to be an original. This Agreement may be executed in several counterparts, each of which counterparts shall be deemed an original instrument and all of which together shall constitute a single Agreement. The failure of any party hereto to execute this Agreement, or any counterpart hereof, shall not relieve the other signatories from their obligations hereunder.

14. Number and Gender. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice versa.

15. Transfer of Loan. Lender may sell, transfer and deliver the Note and assign the Mortgage, this Agreement and the other documents executed in connection therewith to one or more investors in the secondary mortgage market **("Investors").** In connection with such sale, Lender may retain or assign responsibility for servicing the loan, including the Note, the Mortgage, this Agreement and the other documents executed in connection therewith, or may delegate some or all of such responsibility and/or obligations to a servicer including, but not limited to, any subservicer or master servicer, on behalf of the Investors. All references to Lender herein shall refer to and include any such servicer to the extent applicable.

16. Further Acts. Tenant will, at the cost of Tenant, and without expense to Lender, do, execute, acknowledge and deliver all and every such further acts and assurances as Lender shall, from time to time, require, for the better assuring and confirming unto Lender the property and rights hereby intended now or hereafter so to be, or for carrying out the intention or facilitating the performance of the terms of this Agreement or for filing, registering or recording this Agreement, or for complying with all applicable laws.

17. Limitations on Lender's Liability. Tenant acknowledges that Lender is obligated only to Landlord to make the Loan upon the terms and subject to the conditions set forth in the Loan Agreement. In no event shall Lender or any purchaser of the Property at foreclosure sale or any grantee of the Property named in a deed-in-lieu of foreclosure, nor any heir, legal representative, successor, or assignee of Lender or any such purchaser or grantee (collectively the Lender, such purchaser, grantee, heir, legal representative, successor or assignee, the **"Subsequent Landlord")** have any personal liability for the obligations of Landlord under the Lease and should the Subsequent Landlord succeed to the interests of the Landlord under the Lease, Tenant shall look only to the estate and property of any such Subsequent Landlord in the Property for the satisfaction of Tenant's remedies for the collection of a judgment (or other judicial process) requiring the payment of money in the event of any default by any Subsequent Landlord as landlord under the Lease, and no other property or assets of any Subsequent Landlord shall be subject to levy, execution or other enforcement procedure for the satisfaction of Tenant's remedies under or with respect to the Lease; provided, however, that the Tenant may exercise any other right or remedy provided thereby or by law in the event of any failure by Subsequent Landlord to perform any such material obligation.

IN WITNESS WHEREOF, Lender and Tenant have duly executed this Agreement as of the date first above written.

LENDER:

[Lender]

By: _____
Name:
Title:

TENANT:

_____
a _____

By: _____
Name:
Title:

The undersigned accepts and agrees to
the provisions of Section 4 hereof:

LANDLORD:

_____, a
_____

By: _____
Name:
Title:

ACKNOWLEDGMENTS

[INSERT STATE SPECIFIC ACKNOWLEDGMENT]

EXHIBIT A

LEGAL DESCRIPTION

SCH. XIV-1

SCHEDULE XVIII

Form of Officer's Certificate with respect to Leasing Expenses from the Rollover/Replacement Reserve Funds

SCH. XIV-2

SCHEDULE XIX

[Reserved]

SCHEDULE XVIII

OFFICER'S CERTIFICATE WITH RESPECT TO LEASING EXPENSES FROM THE ROLLOVER/REPLACEMENT RESERVE FUND

This Officer's Certificate with respect to Leasing Expenses from the Rollover/Replacement Reserve Funds (this "Certificate") dated _____, 20___ is given to Morgan Stanley Mortgage Capital Holdings LLC (together with its successors and assigns, "Lender") by Broadway 500 West Monroe Fee LLC ("Borrower") in connection with that certain Loan Agreement between Lender and Borrower dated July 11, 2007 (the "Loan Agreement"). The capitalized terms not defined in this Certificate shall have the definitions ascribed to them in the Loan Agreement.

1. Borrower designates the following lease as the lease ("Lease") with respect to which this certificate relates: Lease dated _____ between _____ as landlord and _____ as tenant (as amended).

2. A disbursement in the amount of $ _____ from the Rollover/Replacement Reserve Fund is hereby requested.

3. Borrower certifies that the aforesaid Leasing Expenses have been incurred by Borrower.

BORROWER:

BROADWAY 500 WEST MONROE FEE LLC,
a Delaware limited liability company

By: _____
Name:
Title: Authorized Signatory

[If disbursement relates to tenant improvement or leasing commission obligations, attach copies of paid or to be paid invoices.]

Exhibit 10.2

PROMISSORY NOTE

$150,000,000.00 New York, New York
July 11,2007

FOR VALUE RECEIVED, BROADWAY 500 WEST MONROE FEE LLC, a Delaware limited liability company, as maker, having its principal place of business at c/o Broadway Partners, 375 Park Avenue, Suite 2107, New York, New York 10152 (**"Borrower"**), hereby unconditionally promises to pay to the order of **MORGAN STANLEY MORTGAGE CAPITAL HOLDINGS LLC,** having an address at 1221 Avenue of the Americas, New York, New York 10020, as payee (together with its successors and assigns, **"Lender"),** or at such other place as the holder hereof may from time to time designate in writing, the principal sum of ONE HUNDRED FIFTY MILLION AND 00/100 DOLLARS ($150,000,000.00) or so much thereof as may be advanced by Lender to Borrower, in lawful money of the United States of America with interest thereon to be computed from the date of this Note at the Applicable Interest Rate and to be paid in accordance with the terms of this Note and that certain Loan Agreement, dated the date hereof, between Borrower and Lender (such Loan Agreement, as same maybe amended, supplemented, restated or otherwise modified from time to time, is hereinafter referred to as the " **Loan Agreement**"). All capitalized terms not defined herein shall have the respective meanings set forth in the Loan Agreement.

ARTICLE 1 - PAYMENT TERMS

Borrower agrees to pay the principal sum of this Note and interest on the unpaid principal sum of this Note from time to time outstanding at the rates and at the times specified in the Loan Agreement and the outstanding balance of the principal sum of this Note and all accrued and unpaid interest thereon shall be due and payable on the Maturity Date together with all other amounts due to Lender under the Loan Documents.

ARTICLE 2 - DEFAULT AND ACCELERATION

The Debt shall without notice become immediately due and payable at the option of Lender if any payment required in this Note is not paid on or prior to the date when due (beyond the expiration of any applicable grace periods) or if not paid on the Maturity Date or on the occurrence of any other Event of Default and in addition, during the continuance of an Event of Default, Lender shall be entitled to receive interest on the entire unpaid principal sum at the Default Rate pursuant to the terms of the Loan Agreement. This Article 2, however, shall not be construed as an agreement or privilege to extend the date of the payment of the Debt, nor as a waiver of any other right or remedy accruing to Lender by reason of the occurrence of any Event of Default.

ARTICLE 3 - LOAN DOCUMENTS

This Note is secured by the Security Instrument and the other Loan Documents. All of the terms, covenants and conditions contained in the Loan Agreement, the Security Instrument and the other Loan Documents are hereby made part of this Note to the same extent and with the same force as if they were fully set forth herein. In the event of a conflict or inconsistency between the terms of this Note and the Loan Agreement, the terms and provisions of the Loan Agreement shall govern.

ARTICLE 4 - SAVINGS CLAUSE

This Note and the Loan Agreement are subject to the express condition that at no time shall Borrower be obligated or required to pay interest on the principal balance of the Loan at a rate which could subject Lender to either civil or criminal liability as a result of being in excess of the Maximum Legal Rate. If, by the terms of this Note, the Loan Agreement or the other Loan Documents, Borrower is at any time required or obligated to pay interest on the principal balance due hereunder at a rate in excess of the Maximum Legal Rate, the Applicable Interest Rate or the Default Rate, as the case may be, shall be deemed to be immediately reduced to the Maximum Legal Rate and all previous payments in excess of the Maximum Legal Rate shall be deemed to have been payments in reduction of principal and not on account of the interest due hereunder. All sums paid or agreed to be paid to Lender for the use, forbearance, or detention of the sums due under the Loan, shall, to the extent permitted by applicable law, be amortized, prorated, allocated, and spread throughout the full stated term of the Loan until payment in full so that the rate or amount of interest on account of the Loan does not exceed the Maximum Legal Rate of interest from time to time in effect and applicable to the Loan for so long as the Loan is outstanding.

ARTICLE 5 - NO ORAL CHANGE

This Note may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Borrower or Lender, but only by an agreement in writing signed by the party against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

ARTICLE 6 - WAIVERS

Borrower and all others who may become liable for the payment of all or any part of the Debt do hereby severally waive (i) all exemptions, whether homestead or otherwise, as to obligations evidenced by this Note and (ii) presentment and demand for payment, notice of dishonor, notice of intention to accelerate, notice of acceleration, protest and notice of protest and non-payment and all other notices of any kind. No release of any security for the Debt or extension of time for payment of this Note or any installment hereof, and no alteration, amendment or waiver of any provision of this Note, the Loan Agreement or the other Loan Documents made by agreement between Lender or any other Person shall release, modify, amend, waive, extend, change, discharge, terminate or affect the liability of Borrower, and any

other Person who may become liable for the payment of all or any part of the Debt, under this Note, the Loan Agreement or the other Loan Documents. No notice to or demand on Borrower shall be deemed to be a waiver of the obligation of Borrower or of the right of Lender to take further action without further notice or demand as provided for in this Note, the Loan Agreement or the other Loan Documents. If Borrower is a partnership, the agreements herein contained shall remain in force and be applicable, notwithstanding any changes in the individuals or entities comprising the partnership, and the term "Borrower," as used herein, shall include any alternate or successor partnership, but any predecessor partnership and their partners shall not thereby be released from any liability. If Borrower is a corporation, the agreements contained herein shall remain in full force and be applicable notwithstanding any changes in the shareholders comprising, or the officers and directors relating to, the corporation, and the term "Borrower" as used herein, shall include any alternate or successor corporation, but any predecessor corporation shall not be relieved of liability hereunder. If Borrower is a limited liability company, the agreements herein contained shall remain in force and be applicable, notwithstanding any changes in the members comprising the limited liability company, and the term "Borrower" as used herein, shall include any alternate or successor limited liability company, but any predecessor limited liability company and their members shall not thereby be released from any liability. (Nothing in the foregoing sentence shall be construed as a consent to, or a waiver of, any prohibition or restriction on transfers of interests in such partnership, corporation or limited liability company which may be set forth in the Loan Agreement, the Security Instrument or any other Loan Document.) If Borrower consists of more than one person or party, the obligations and liabilities of each such person or party shall be joint and several.

ARTICLE 7 - TRANSFER

Upon the transfer of this Note, Borrower hereby waiving notice of any such transfer (except to the extent provided for in the Loan Agreement), Lender may deliver all the collateral mortgaged, granted, pledged or assigned pursuant to the Loan Documents, or any part thereof, to the transferee who shall thereupon become vested with all the rights herein or under applicable law given to Lender with respect thereto, and Lender shall thereafter forever be relieved and fully discharged from any liability or responsibility in the matter; but Lender shall retain all rights hereby given to it with respect to any liabilities and the collateral not so transferred; provided, however, Borrower shall continue making payments due under this Note to the Lender named herein until Borrower has received notice of such transferee and upon receipt of such notice, Borrower shall commence making payments due under this Note to such transferee.

ARTICLE 8 - EXCULPATION

Notwithstanding anything to the contrary contained in this Note, the liability of Borrower to pay the Debt and for the performance of the other agreements, covenants and obligations contained herein and in the Security Instrument, the Loan Agreement and the other Loan Documents shall be limited as set forth in Section 9.4 of the Loan Agreement. The provisions of Section 9.4 of the Loan Agreement are hereby incorporated by reference as if the text of such Section were set forth in its entirety herein.

ARTICLE 9 - GOVERNING LAW

This Note shall be governed in accordance with the terms and provisions of Section 10.3 of the Loan Agreement.

ARTICLE 10 - NOTICES

All notices or other written communications hereunder shall be delivered in accordance with Section 10.6 of the Loan Agreement.

ARTICLE 11 - WAIVER OF RIGHT TO JURY TRIAL

BORROWER HEREBY WAIVES TRIAL BY JURY IN REGARD TO ANY CLAUSES OF ACTION, CLAIMS, OBLIGATIONS, DAMAGES OR ANY COMPLAINTS WHICH BORROWER MAY HAVE ARISING OUT OF THIS NOTE, OR ANY OF THE DOCUMENTS RELATING TO, EVIDENCING AND/OR SECURING THIS NOTE (LOAN DOCUMENTS), OR IN ANY ACTION OR PROCEEDING WHICH THE HOLDER HEREOF MAY BRING TO ENFORCE ANY PROVISION OF THE LOAN DOCUMENTS. BY EXECUTION OF THIS NOTE, BORROWER HEREBY REPRESENTS THAT BORROWER IS REPRESENTED BY COMPETENT COUNSEL WHO HAS FULLY AND COMPLETELY ADVISED BORROWER OF THE MEANING AND RAMIFICATIONS OF THE WAIVER OF THE RIGHT TO A TRIAL BY JURY.

[NO FURTHER TEXT ON THIS PAGE]

IN WITNESS WHEREOF, Borrower has duly executed this Note as of the day and year first above written.

BORROWER:

BROADWAY 500 WEST MONROE FEE LLC,
a Delaware limited liability company

BY: /s/ Illegible
Name:
Title:

Exhibit 10.3

FIRST OMNIBUS AMENDMENT TO LOAN AGREEMENT
AND OTHER LOAN DOCUMENTS
(MORTGAGE LOAN)

THIS FIRST OMNIBUS AMENDMENT TO LOAN AGREEMENT AND OTHER LOAN DOCUMENTS, effective as of August 15, 2007 (this "Amendment"), between BROADWAY 500 WEST MONROE FEE LLC, a Delaware limited liability company (**"Borrower"**), and MORGAN STANLEY MORTGAGE CAPITAL HOLDINGS LLC, a New York limited liability company (**"Lender"**).

W I T N E S S E T H:

WHEREAS, Lender and Borrower are parties to that certain Loan Agreement dated as of July 11, 2007 (the **"Loan Agreement"**), pursuant to which Lender made a loan to Borrower (the **"Loan"**) in the original principal amount of $150,000,000.00;

WHEREAS, the Loan is evidenced by that certain Promissory Note dated July 11, 2007, from Borrower to Lender in the principal amount of $150,000,000.00 (the **"Original Note"**);

WHEREAS, Morgan Stanley Mortgage Capital Holdings LLC, a New York limited liability company Lender, as mezzanine lender (**"Mezzanine Lender"**), and Broadway 500 West Monroe Mezz I LLC, a Delaware limited liability company, as mezzanine borrower (**"Mezzanine Borrower"**), are parties to that certain Mezzanine A Loan Agreement dated as of July 11, 2007 (the **"Mezzanine Loan Agreement"**), pursuant to which Mezzanine Lender advanced to Mezzanine Borrower an Initial Advance (as defined in the Mezzanine Loan Agreement) in the principal amount of $49,100,000.00 and pursuant to which Mezzanine Lender agreed to make Future Advances (as defined in the Mezzanine Loan Agreement) to Mezzanine Borrower pursuant to the terms of the Mezzanine Loan Agreement in the principal amount of up to $16,500,000.00 (the Initial Advance and any Future Advances are collectively referred to herein as the **"Mezzanine Loan"**);

WHEREAS, the Mezzanine Loan is evidenced by that certain Promissory Note dated July 11, 2007, from Mezzanine Borrower to Mezzanine Lender in the principal amount of up to $65,600,000.00 (the **"Original Mezzanine Note"**);

WHEREAS, Lender and Borrower have agree to "resize" the Loan pursuant to Section 9.5 of the Loan Agreement and, in order to effectuate such "resizing", Borrower has partially prepaid the Loan in the amount of $10,000,000.00 (the **"Partial Prepayment"**) such that the outstanding principal amount of the Loan as of the date hereof is $140,000,000.00;

WHEREAS, in connection with the "resizing" of the Loan, Mezzanine Lender and Mezzanine Borrower have agreed to "resize" the Mezzanine Loan pursuant to Section 9.5 of the Mezzanine Loan Agreement and, in order to effectuate such "resizing", Mezzanine Lender has advanced to Mezzanine Borrower on the date hereof additional Mezzanine Loan proceeds in the amount of $10,000,000.00 (the **"Loan Increase")** such that the outstanding principal amount of the Mezzanine Loan as of the date hereof is $59,100,000.00, and such Loan Increase has been

contributed from Mezzanine Borrower to Borrower in order to make the Partial Prepayment to Lender;

WHEREAS, in order to reflect the Partial Prepayment, Lender and Borrower have entered into that certain Amended and Restated Promissory Note affective as of August 15, 2007, in the principal amount of $140,000,000.00 (as the same may be amended, restated, replaced, extended, renewed, supplemented, severed, split, or otherwise modified from time to time, the **"Amended and Restated Note"**);

WHEREAS, in order to, among other things, reflect the Loan Increase, Mezzanine Lender and Mezzanine Borrower have entered into (i) that certain Amended and Restated Promissory Note (Mezzanine A Loan) to be effective as of August 15, 2007, in the principal amount of up to $75,600,000.00, and (ii) that certain First Omnibus Amendment to Loan Agreement and Other Loan Documents (Mezzanine A Loan) effective as of August 15, 2007; and

WHEREAS, in order to, among other things, reflect the Partial Prepayment and the Amended and Restated Note, Borrower and Lender have agreed to amend the Loan Agreement in the manner hereinafter set forth.

NOW, THEREFORE, in pursuance of such agreement and for good and valuable consideration, Borrower and Lender hereby agree as follows:

1. Unless otherwise defined in this Amendment, capitalized terms used herein shall have their defined meanings set forth in the Loan Agreement.

2. The definition of Eurodollar Spread is hereby deleted in its entirety and the following substituted therefor:

"Eurodollar Spread" shall mean 100.753571 basis points (1.00753571%).

3. The definition of Note is hereby deleted in its entirety and the following substituted therefor:

"Note" shall mean that certain Amended and Restated Promissory Note effective as of August 15, 2007 in the principal amount of One Hundred Forty Million and No/100 Dollars ($140,000,000.00), made by Borrower in favor of Lender, as the same may be further amended, restated, replaced, extended, renewed, supplemented, severed, split, or otherwise modified from time to time.

4. All references in each of the Loan Documents to the Loan Agreement shall be deemed to be a reference to the Loan Agreement as amended by this Amendment. All references in each of the Loan Documents to the Note shall be deemed to be a reference to the "Note" as defined in Section 3 above.

5. The Lender hereby recognizes and accepts the Partial Prepayment and waives any applicable Spread Maintenance Premium, any Breakage Costs and/or any other fees and charges in connection therewith.

6. Borrower and Lender hereby acknowledge and agree that the outstanding principal amount of the Loan as of the date hereof is $140,000,000.00.

7. As amended by this Amendment and the Amended and Restated Note, all terms, covenants and provisions of the Loan Documents are ratified and confirmed and shall remain in full force and effect. The obligations of Broadway Partners Parallel Fund B III, L.P., Broadway Partners Parallel Fund P III, L.P., and Broadway Partners Real Estate Fund III, L.P. (collectively, **"Guarantor"**), under that certain Guaranty of Recourse Obligations of Borrower dated as of July 11, 2007 (the **"Guaranty"**), shall not be released, diminished, impaired, reduced or adversely affected by this Amendment or the Amended and Restated Note, and all obligations of Guarantor thereunder shall remain in full force and effect, and Guarantor hereby waives any common law, equitable, statutory or other rights which such party might otherwise have as a result of or in connection with this Amendment and the Amended and Restated Note.

8. Unless otherwise defined in this Amendment, capitalized terms used herein shall have their defined meanings set forth in the Loan Agreement.

9. This Amendment may be executed by one or more of the parties hereto on any number of separate counterparts, each of which shall be an original and all of which taken together shall constitute one and the same instrument.

10. This Amendment shall inure to the benefit of and be binding upon Borrower and Lender, and their respective successors and assigns.

11. This Amendment shall be governed by, and construed in accordance with, the law of the State of New York.

12. Lender represents and warrants that this Amendment and the Amended and Restated Note are entered into, as permitted under Section 9.5 of the Loan Agreement, due to the fact that a portion of the Loan will not receive an "investment grade" rating in connection with a proposed Securitization.

13. The provisions of Section 9.4 of the Loan Agreement are hereby incorporated by reference herein as if the text of such Section were set forth in its entirety herein.

[NO FURTHER TEXT ON THIS PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their duly authorized representatives, all as of the day and year first above written.

LENDER:

MORGAN STANLEY MORTGAGE HOLDINGS LLC, a New York limited liability company

By: /s/ Gary P. Curwin
Name: Gary P. Curwin
Title: Vice President

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their duly authorized representatives, all as of the day and year first above written.

LENDER:

MORGAN STANLEY MORTGAGE HOLDINGS LLC, a New York limited liability company

By: _____
Name:
Title:

BORROWER:

BROADWAY 500 WEST MONROE FEE LLC, a Delaware limited liability company

By: /s/ Illegible
Name:
Title:

The undersigned (on behalf of itself and its successors and assigns) hereby acknowledge and agree to this Amendment and the provisions set forth in Section 6 of this Amendment, and reaffirm their obligations under the Guaranty and agree that such Guaranty and their obligations thereunder shall continue and remain in full force and affect, as such obligations have been expressly modified by this Amendment.

GUARANTOR:

BROADWAY PARTNERS PARALLEL FUND B III, L.P., a Delaware limited partnership

By: Broadway Partners Fund GP III, L.P., a Delaware limited partnership, its general partner

By: Broadway Partners Fund GP III, LLC, a Delaware limited liability company, its general partner

By: /s/ Illegible
Name:
Title:

BROADWAY PARTNERS REAL ESTATE FUND III, L.P., a Delaware limited partnership

By: Broadway Partners Fund GP III, L.P., a Delaware limited partnership, its general partner

By: Broadway Partners Fund GP III, LLC, a Delaware limited liability company, its general partner

By: /s/ Illegible
Name:
Title:

BROADWAY PARTNERS PARALLEL FUND P III, L.P., a Delaware limited partnership

By: Broadway Partners Fund GP III, L.P., a Delaware limited partnership, its general partner

By: Broadway Partners Fund GP III, LLC, a Delaware limited liability company, its general partner

By: /s/ Illegible
Name:
Title:

Exhibit 10.4

AMENDED AND RESTATED PROMISSORY NOTE

$140,000,000.00 New York, New York
Effective as of August 15, 2007

THIS AMENDED AND RESTATED PROMISSORY NOTE (this **"Note"**) is effective as of this 15th day of August, 2007, by and between **BROADWAY 500 WEST MONROE FEE LLC,** a Delaware limited liability company, having its principal place of business at c/o Broadway Partners, 375 Park Avenue, Suite 2107, New York, New York 10152, as borrower **("Borrower"),** and **MORGAN STANLEY MORTGAGE CAPITAL HOLDINGS LLC,** a New York limited liability company, having an address at 1221 Avenue of the Americas, New York, New York 10020, as lender (together with its successors and assigns, **"Lender"**).

RECITALS

WHEREAS, on July 11, 2007, Lender made a loan (the **"Loan"**) to Borrower in the original principal amount of $150,000,000.00, which Loan is evidenced by that certain Promissory Note dated July 11, 2007, in the principal amount of One Hundred Fifty Million and No/1000 Dollars ($150,000,000.00) made by Borrower to Lender (the **"Original Note"**);

WHEREAS, as of the date hereof Borrower has made a partial prepayment of the principal amount of the Loan in the amount of $10,000,000.00 (the **"Partial Prepayment"**) such that the outstanding principal amount of the Loan on the date hereof is $140,000,000.00;

WHEREAS, Borrower and Lender desire to amend and restate the Original Note in order to reflect the Partial Prepayment, and, accordingly, Borrower and Lender have agreed to execute and deliver this Note; and

NOW, THEREFORE, in consideration of the premises, the agreements hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby covenant and agree as follows, effective as of the date first above written:

A. Borrower's indebtedness as evidenced by this Note is One Hundred Forty Million and No/100 Dollars ($140,000,000.00), together with interest thereon as hereinafter provided.

B. Except with respect to the principal amount of the Partial Prepayment, this Note does not extinguish the outstanding indebtedness evidenced by Original Note and is not intended to be a substitution or novation of the original indebtedness or instruments evidencing the same, all of which shall continue in full force and effect except as specifically amended and restated hereby.

C. Borrower and Lender hereby agree that the Original Note is hereby amended, restated and replaced in its entirety with respect to the principal indebtedness evidenced by this Note to read as follows:

FOR VALUE RECEIVED, Borrower hereby unconditionally promises to pay to the order of Lender at 1221 Avenue of the Americas, New York, New York 10020, as payee, or at such other place as the holder hereof may from time to time designate in writing, the principal sum of ONE HUNDRED FORTY MILLION AND 00/100 DOLLARS ($140,000,000.00) or so much thereof as may be advanced by Lender to Borrower, in lawful money of the United States of America with interest thereon to be computed from the date of this Note at the Applicable Interest Rate and to be paid in accordance with the terms of this Note and that certain Loan Agreement, dated as of July 11, 2007, between Borrower and Lender, as amended by that certain First Omnibus Amendment to Loan Agreement and Other Loan Documents (Mortgage Loan) dated as of the date hereof (as same may be further amended, supplemented, restated or otherwise modified from time to time, is hereinafter referred to as the **"Loan Agreement"**). All capitalized terms not defined herein shall have the respective meanings set forth in the Loan Agreement.

ARTICLE 1 - PAYMENT TERMS

Borrower agrees to pay the principal sum of this Note and interest on the unpaid principal sum of this Note from time to time outstanding at the rates and at the times specified in the Loan Agreement and the outstanding balance of the principal sum of this Note and all accrued and unpaid interest thereon shall be due and payable on the Maturity Date together with all other amounts due to Lender under the Loan Documents.

ARTICLE 2 - DEFAULT AND ACCELERATION

The Debt shall without notice become immediately due and payable at the option of Lender if any payment required in this Note is not paid on or prior to the date when due (beyond the expiration of any applicable grace periods) or if not paid on the Maturity Date or on the occurrence of any other Event of Default and in addition, during the continuance of an Event of Default, Lender shall be entitled to receive interest on the entire unpaid principal sum at the Default Rate pursuant to the terms of the Loan Agreement. This Article 2, however, shall not be construed as an agreement or privilege to extend the date of the payment of the Debt, nor as a waiver of any other right or remedy accruing to Lender by reason of the occurrence of any Event of Default.

ARTICLE 3 - LOAN DOCUMENTS

This Note is secured by the Security Instrument and the other Loan Documents. All of the terms, covenants and conditions contained in the Loan Agreement, the Security Instrument and the other Loan Documents are hereby made part of this Note to the same extent and with the same force as if they were fully set forth herein. In the event of a conflict or inconsistency between the terms of this Note and the Loan Agreement, the terms and provisions of the Loan Agreement shall govern.

ARTICLE 4 - SAVINGS CLAUSE

This Note and the Loan Agreement are subject to the express condition that at no time shall Borrower be obligated or required to pay interest on the principal balance of the Loan at a rate which could subject Lender to either civil or criminal liability as a result of being in excess of the Maximum Legal Rate. If, by the terms of this Note, the Loan Agreement or the other Loan Documents, Borrower is at any time required or obligated to pay interest on the principal balance due hereunder at a rate in excess of the Maximum Legal Rate, the Applicable Interest Rate or the Default Rate, as the case may be, shall be deemed to be immediately reduced to the Maximum Legal Rate and all previous payments in excess of the Maximum Legal Rate shall be deemed to have been payments in reduction of principal and not on account of the interest due hereunder. All sums paid or agreed to be paid to Lender for the use, forbearance, or detention of the sums due under the Loan, shall, to the extent permitted by applicable law, be amortized, prorated, allocated, and spread throughout the full stated term of the Loan until payment in full so that the rate or amount of interest on account of the Loan does not exceed the Maximum Legal Rate of interest from time to time in effect and applicable to the Loan for so long as the Loan is outstanding.

ARTICLE 5 - NO ORAL CHANGE

This Note may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Borrower or Lender, but only by an agreement in writing signed by the party against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

ARTICLE 6 - WAIVERS

Borrower and all others who may become liable for the payment of all or any part of the Debt do hereby severally waive (i) all exemptions, whether homestead or otherwise, as to obligations evidenced by this Note and (ii) presentment and demand for payment, notice of dishonor, notice of intention to accelerate, notice of acceleration, protest and notice of protest and non-payment and all other notices of any kind. No release of any security for the Debt or extension of time for payment of this Note or any installment hereof, and no alteration, amendment or waiver of any provision of this Note, the Loan Agreement or the other Loan Documents made by agreement between Lender or any other Person shall release, modify, amend, waive, extend, change, discharge, terminate or affect the liability of Borrower, and any

other Person who may become liable for the payment of all or any part of the Debt, under this Note, the Loan Agreement or the other Loan Documents. No notice to or demand on Borrower shall be deemed to be a waiver of the obligation of Borrower or of the right of Lender to take further action without further notice or demand as provided for in this Note, the Loan Agreement or the other Loan Documents. If Borrower is a partnership, the agreements herein contained shall remain in force and be applicable, notwithstanding any changes in the individuals or entities comprising the partnership, and the term "Borrower," as used herein, shall include any alternate or successor partnership, but any predecessor partnership and their partners shall not thereby be released from any liability. If Borrower is a corporation, the agreements contained herein shall remain in full force and be applicable notwithstanding any changes in the shareholders comprising, or the officers and directors relating to, the corporation, and the term "Borrower" as used herein, shall include any alternate or successor corporation, but any predecessor corporation shall not be relieved of liability hereunder. If Borrower is a limited liability company, the agreements herein contained shall remain in force and be applicable, notwithstanding any changes in the members comprising the limited liability company, and the term "Borrower" as used herein, shall include any alternate or successor limited liability company, but any predecessor limited liability company and their members shall not thereby be released from any liability. (Nothing in the foregoing sentence shall be construed as a consent to, or a waiver of, any prohibition or restriction on transfers of interests in such partnership, corporation or limited liability company which may be set forth in the Loan Agreement, the Security Instrument or any other Loan Document.) If Borrower consists of more than one person or party, the obligations and liabilities of each such person or party shall be joint and several.

ARTICLE 7 - TRANSFER

Upon the transfer of this Note, Borrower hereby waiving notice of any such transfer (except to the extent provided for in the Loan Agreement), Lender may deliver all the collateral mortgaged, granted, pledged or assigned pursuant to the Loan Documents, or any part thereof, to the transferee who shall thereupon become vested with all the rights herein or under applicable law given to Lender with respect thereto, and Lender shall thereafter forever be relieved and fully discharged from any liability or responsibility in the matter; but Lender shall retain all rights hereby given to it with respect to any liabilities and the collateral not so transferred; provided, however, Borrower shall continue making payments due under this Note to the Lender named herein until Borrower has received notice of such transferee and upon receipt of such notice, Borrower shall commence making payments due under this Note to such transferee.

ARTICLE 8 - EXCULPATION

Notwithstanding anything to the contrary contained in this Note, the liability of Borrower to pay the Debt and for the performance of the other agreements, covenants and obligations contained herein and in the Security Instrument, the Loan Agreement and the other Loan Documents shall be limited as set forth in Section 9.4 of the Loan Agreement. The

provisions of Section 9.4 of the Loan Agreement are hereby incorporated by reference as if the text of such Section were set forth in its entirety herein.

ARTICLE 9 - GOVERNING LAW

This Note shall be governed in accordance with the terms and provisions of Section 10.3 of the Loan Agreement.

ARTICLE 10 - NOTICES

All notices or other written communications hereunder shall be delivered in accordance with Section 10.6 of the Loan Agreement.

ARTICLE 11 - WAIVER OF RIGHT TO JURY TRIAL

BORROWER HEREBY WAIVES TRIAL BY JURY IN REGARD TO ANY CLAUSES OF ACTION, CLAIMS, OBLIGATIONS, DAMAGES OR ANY COMPLAINTS WHICH BORROWER MAY HAVE ARISING OUT OF THIS NOTE, OR ANY OF THE DOCUMENTS RELATING TO, EVIDENCING AND/OR SECURING THIS NOTE (LOAN DOCUMENTS), OR IN ANY ACTION OR PROCEEDING WHICH THE HOLDER HEREOF MAY BRING TO ENFORCE ANY PROVISION OF THE LOAN DOCUMENTS. BY EXECUTION OF THIS NOTE, BORROWER HEREBY REPRESENTS THAT BORROWER IS REPRESENTED BY COMPETENT COUNSEL WHO HAS FULLY AND COMPLETELY ADVISED BORROWER OF THE MEANING AND RAMIFICATIONS OF THE WAIVER OF THE RIGHT TO A TRIAL BY JURY.

[NO FURTHER TEXT ON THIS PAGE]

IN WITNESS WHEREOF, Borrower and Lender have duly executed this Note as of the day and year first above written.

BORROWER:

BROADWAY 500 WEST MONROE FEE LLC,
a Delaware limited liability company

BY: /s/ Illegible
Name:
Title:

LENDER:

MORGAN STANLEY MORTGAGE CAPITAL HOLDINGS LLC, a New York limited liability company

BY: _____
Name:
Title:

LENDER:

MORGAN STANLEY MORTGAGE CAPITAL HOLDINGS LLC, a New York limited liability company

By: /s/ Gary P. Curwin
Name: Gary P. Curwin
Title: Vice President

MEZZANINE A LOAN AGREEMENT

between

BROADWAY 500 WEST MONROE MEZZ I LLC,
as Borrower

and

MORGAN STANLEY MORTGAGE CAPITAL HOLDINGS LLC,
as Lender

Dated as of July 11, 2007

TABLE OF CONTENTS

MEZZANINE A LOAN AGREEMENT

THIS MEZZANINE A LOAN AGREEMENT, dated as of July 11, 2007 (as amended, restated, replaced, supplemented or otherwise modified from time to time, this **"Agreement"),** between MORGAN STANLEY MORTGAGE CAPITAL HOLDINGS LLC, a New York limited liability company, having an address at 1221 Avenue of the Americas, New York, New York 10020**("Lender")** and BROADWAY 500 WEST MONROE MEZZ I LLC, a Delaware limited liability company, having its principal place of business at c/o Broadway Partners, 375 Park Avenue, Suite 2107, New York, New York 10152 **("Borrower")**.

W I T N E S S E T H:

WHEREAS, Borrower desires to obtain the Loan (as hereinafter defined) from Lender; and

WHEREAS, Lender is willing to make the Loan to Borrower, subject to and in accordance with the terms of this Agreement and the other Loan Documents (as hereinafter defined); and

NOW THEREFORE, in consideration of the making of the Loan by Lender and the covenants, agreements, representations and warranties set forth in this Agreement, the parties hereto hereby covenant, agree, represent and warrant as follows:

ARTICLE I

DEFINITIONS; PRINCIPLES OF CONSTRUCTION

Section 1.1 Definitions. For all purposes of this Agreement, except as otherwise expressly required or unless the context clearly indicates a contrary intent:

"Acceptable Counterparty" means any Counterparty to the Interest Rate Cap Agreement that has and shall maintain, until the expiration of the applicable Interest Rate Cap Agreement, a Minimum Counterparty Rating.

"Acceptable Guarantor" means a Person which (A) owns a direct or indirect equity interest in Borrower and (B) is a creditworthy entity in Lender's reasonable determination (including sufficient net worth and liquidity).

"Account Collateral" shall mean: (i) the Accounts, and all Cash, checks, drafts, certificates and instruments, if any, from time to time deposited or held in the Accounts from time to time; (ii) any and all amounts invested in Permitted Investments; (iii) all interest, dividends, Cash, instruments, investment property and other property from time to time received, receivable or otherwise payable in respect of, or in exchange for, any or all of the foregoing; and (iv) to the extent not covered by clauses (i) through (iii) above, all "proceeds" (as defined under the UCC as in effect in the State of New York) of any or all of the foregoing.

"Accounts" shall have the meaning set forth in the Cash Management Agreement.

"Accrual Period" shall mean, in connection with the calculation of interest accrued with respect to any specified Payment Date, the period commencing on the fifteenth (15th) day of the prior calendar month and ending on the fourteenth (14th) day of the calendar month in which such Payment Date occurs; provided, however, the initial Accrual Period shall be the period commencing on the Closing Date, and ending on July 14, 2007. Each Accrual Period shall be a full month and shall not be shortened by reason of any payment of the Loan prior to the expiration of such Accrual Period.

"Act" shall have the meaning set forth in Section 4.1.35(ii) hereof.

"Actual Required Payment" shall have the meaning specified in Section 2.3.1.

"Affiliate" shall mean, as to any Person, any other Person that, directly or indirectly, owns more than forty percent (40%) of, is in control of, is controlled by or is under common ownership or control with such Person or is a controlling director or controlling officer of such Person or of an Affiliate of such Person. Such term shall include Guarantor unless otherwise specified or if the context may otherwise require.

"Affiliated Manager" shall mean any property manager which is an Affiliate of, or in which Borrower, Principal, or Guarantor has, directly or indirectly, any legal, beneficial or economic interest.

"Agent" shall have the meaning set forth in Section 9.7.2(d) hereof.

"Agent Bank" shall mean KeyCorp Real Estate Capital Markets, Inc., and any successor Eligible Institution thereto.

"Alteration Security Threshold" shall have the meaning set forth in Section 5.1.20 hereof.

"Alteration Threshold Amount" shall mean an amount equal to $6,500,000; provided, however, that for so long as the Mezzanine Loan D is outstanding, the Alteration Threshold Amount shall equal $2,500,000.

"Annual Budget" shall mean the operating budget, including Mortgage Borrower's good faith estimate of all planned capital expenditures, for the Property prepared by Mortgage Borrower for the applicable calendar year or other period.

"Applicable Interest Rate" shall mean (A) from and including the Closing Date through and including July 14, 2007, an interest rate per annum for the Initial Advance equal to 6.57%; and (B) for the Accrual Period commencing on July 15, 2007 and for each successive Accrual Period through and including the date on which the Debt is paid in full, an interest rate per annum equal to (I) the Eurodollar Rate or (II) the Substitute Rate plus the Substitute Spread, if the Loan is a Substitute Rate Loan in accordance with the provisions of Section 2.2.3 hereof.

"Applicable Laws" shall mean all existing and future federal, state and local laws, orders, ordinances, governmental rules and regulations and court orders.

"Approved Accountant" shall mean a "Big Four" accounting firm, The Schonbraun McCann Group LLP, Anchin, Block & Anchin LLP or other independent certified public accountant reasonably acceptable to Lender.

"Approved Annual Budget" shall have the meaning set forth in Section 5.1.10(d) hereof.

"Approved Bank" shall mean (i) a bank or other financial institution with a long term debt obligation rating of "A" or better by S&P and Fitch (if rated by Fitch) and "A2" or better by Moody's (or a comparable long term debt obligation rating) as determined by the Rating Agencies and (ii) WestLB AG, provided that (A) WestLB AG has and maintains as long as the applicable Letter of Credit is in effect a long term unsecured debt rating of not less than "A-" by S&P and Fitch (if rated by Fitch) and "A3" by Moody's and (B) Lender reasonably determines that delivery of a Letter of Credit by WestLB AG would not, in and of itself, result in a downgrade, qualification or withdrawal of the initial, or, if higher, then current ratings assigned to the Securities.

"Assignment and Assumption" shall have the meaning set forth in Section 9.7.2(a).

"Assignment of Interest Rate Cap" shall mean that certain Collateral Assignment of Interest Rate Cap Agreement to be made by Borrower to Lender as required by this Agreement as security for the Loan, consented to by the Counterparty, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time

"Assignment of Management Agreement" shall mean that certain Subordination of Management Agreement (Mezzanine A Loan) dated as of the date hereof, among Lender, Mortgage Borrower, Borrower and Manager, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

"Award" shall mean any compensation paid by any Governmental Authority in connection with a Condemnation in respect of all or any part of the Property.

"Bankruptcy Code" shall mean Title 11 U.S.C. § 101 et seq., and the regulations adopted and promulgated pursuant thereto (as the same may be amended from time to time).

"Borrower" shall have the meaning set forth in the introductory paragraph hereto, together with its permitted successors and permitted assigns.

"Breakage Costs" shall have the meaning set forth in Section 2.2.3(d) hereof.

"Business Day" shall mean any day other than a Saturday, Sunday or any other day on which national banks in New York, New York are not open for business.

"Capital Expenditures" shall mean, for any period, the amount expended for items capitalized under GAAP (or such other accounting basis reasonably acceptable to Lender).

"Cash" shall mean coin or currency of the United States of America or immediately available funds, including such funds delivered by wire transfer.

"Cash Equivalents" shall mean any of the following, to the extent owned by a Person free and clear of all Liens: (a) readily marketable direct obligations of the Government of the United States or any agency or instrumentality thereof or obligations unconditionally guaranteed by the full faith and credit of the Government of the United States, (b) certificates of deposit of or time deposits with any federally insured commercial bank that is a member of the Federal Reserve System, which issues (or the parent of which issues) commercial paper rated as described in clause (c) below, is organized under the laws of the United States or any State thereof and has combined capital and surplus of at least $1 billion (c) commercial paper issued by any corporation organized under the laws of any State of the United States and rated at least "Prime-1" (or the then equivalent grade) by Moody's or "A-1" (or the then equivalent grade) by S&P, or (d) a Letter of Credit.

"Cash Management Agreement" shall mean that certain Mezzanine A Cash Management Agreement dated as of the date hereof among Lender, Borrower and Agent Bank, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Casualty" shall have the meaning set forth in the Mortgage Loan Agreement.

"Closing Date" shall mean the date of the funding of the Loan.

"Code" shall mean the Internal Revenue Code of 1986, as amended, as it maybe further amended from time to time, and any successor statutes thereto, and all applicable U.S. Department of Treasury regulations issued pursuant thereto in temporary or final form.

"Co-Lender" shall have the meaning set forth in Section 9.7.2(a) hereof.

"Co-Lending Agreement" shall mean the Co-Lending Agreement entered into between Lender, individually as a Co-Lender and as Agent and the other Co-Lenders in the event of a Syndication, as the same may be further supplemented modified, amended or restated.

"Collateral" shall have the meaning set forth in the Pledge Agreement.

"Condemnation" shall mean a temporary or permanent taking by any Governmental Authority as the result or in lieu or in anticipation of the exercise of the right of condemnation or eminent domain, of all or any part of the Property, or any interest therein or right accruing thereto, including any right of access thereto or any change of grade affecting the Property or any part thereof.

"control" (and the correlative terms "controlled by" and "controlling") shall mean the possession, directly or indirectly, of the power to direct or cause the direction of management and policies of the business and affairs of the entity in question by reason of the ownership of beneficial interests, by contract or otherwise.

"Counterparty" shall mean (a) the counterparty under the Interest Rate Cap Agreement that is the issuer of the Interest Rate Cap Agreement or (b) a Person that guarantees such counterparty's obligations under the Interest Rate Cap Agreement or otherwise provides to such counterparty credit support acceptable to Lender or, after a Securitization, the Rating Agencies, provided, however, that such guarantor shall be deemed the "Counterparty" for so long as the long term credit rating issued by the Rating Agencies to such guarantor is better than the long term credit rating of the actual counterparty under the Interest Rate Cap Agreement.

"Creditors Rights Laws" shall mean with respect to any Person, any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization, conservatorship, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to its debts or debtors.

"Debt" shall mean the outstanding principal amount set forth in, and evidenced by, this Agreement and the Note together with all interest accrued and unpaid thereon (including, without limitation, any interest that would accrue on the outstanding principal amount of the Loan through and including the end of any applicable Accrual Period, even if such Accrual Period extends beyond any applicable Payment Date or the Maturity Date) and all other sums due to Lender in respect of the Loan under the Note, this Agreement, the Pledge Agreement or any other Loan Document.

"Debt Service" shall mean, with respect to any particular period of time, interest payments due under the Note for such period.

"Debt Service Shortfall Reserve Fund" shall have the meaning set forth in Section 7.7.1 hereof.

"Default" shall mean the occurrence of any event hereunder or under any other Loan Document which, but for the giving of notice or passage of time, or both, would constitute an Event of Default.

"Default Rate" shall mean, with respect to the Loan, a rate per annum equal to the lesser of (a) the Maximum Legal Rate, or (b) five percent (5%) above the Applicable Interest Rate.

"Disclosure Document" shall have the meaning set forth in Section 9.2(a) hereof.

"Distributions" shall have the meaning set forth in Section 5.2.13(a) hereof.

"Eligible Account" shall mean a separate and identifiable account from all other funds held by the holding institution that is either (a) an account or accounts maintained with a federal or State chartered depository institution or trust company which complies with the definition of Eligible Institution or (b) a segregated trust account or accounts maintained with a federal or State chartered depository institution or trust company acting in its fiduciary capacity which, in the case of a State chartered depository institution or trust company, is subject to regulations substantially similar to 12 C.F.R. § 9.10(b), having in either case a combined capital and surplus of at least $50,000,000 and subject to supervision or examination by federal and

State authority. An Eligible Account will not be evidenced by a certificate of deposit, passbook or other instrument.

"Eligible Institution" shall mean a depository institution or trust company, insured by the Federal Deposit Insurance Corporation, (a) the short term unsecured debt obligations or commercial paper of which are rated at least A 1+ by S&P, P 1 by Moody's and F 1+ by Fitch in the case of accounts in which funds are held for thirty (30) days or less, or (b) the long term unsecured debt obligations of which are rated at least "AA" by Fitch and S&P and "Aa2" by Moody's in the case of accounts in which funds are held for more than thirty (30) days.

"Embargoed Person" shall have the meaning set forth in Section 4.1.44 hereof.

"Environmental Indemnity" shall mean that certain Environmental Indemnity Agreement (Mezzanine A Loan) dated as of the date hereof executed by Borrower and Guarantor in connection with the Loan for the benefit of Lender, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

"Environmental Law" shall mean any federal, State and local laws, statutes, ordinances, rules, regulations, standards, policies and other government directives or requirements, that, at any time, apply to Mortgage Borrower and Guarantor or the Property and relate to Hazardous Materials, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act and the Resource Conservation and Recovery Act.

"Environmental Liens" shall have the meaning set forth in Section 5.1.19(a) hereof.

"Environmental Report" shall have the meaning set forth in the Mortgage Loan Agreement.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as the same may be amended from time to time.

"Estimated Interest Payment" shall have the meaning specified in Section 2.3.1.

"Eurodollar Rate" shall mean, with respect to any Accrual Period, an interest rate per annum equal to the sum of (a) LIBOR applicable to the Accrual Period, plus (b) the Eurodollar Spread per annum.

"Eurodollar Spread" shall mean (i) with respect to the Initial Advance, the Initial Advance Eurodollar Spread, and (ii) with respect to Future Advances, the Future Advance Eurodollar Spread.

"Event of Default" shall have the meaning set forth in Section 8.1(a) hereof.

"Exchange Act" shall have the meaning set forth in Section 9.2(a) hereof.

"Exchange Act Filing" shall have the meaning set forth in Section 9.2(a) hereof.

"Executive Order" shall have the meaning set forth in the definition of Prohibited Person.

"Extended Maturity Date" shall have the meaning set forth in Section 2.2.1(c) hereof.

"Extension Fee" shall mean one-fourth of one percent (0.25%) of the then-outstanding principal amount of the Loan.

"Extension Maturity Date" Shall have the meaning set forth in Section 2.2.1.

"Extension Option" shall have the meaning set forth in Section 2.2.1.

"Extension Period" shall have the meaning set forth in Section 2.2.1.

"FIRREA" means the Financial Institutions Reform, Recovery and Enforcement Act of 1989, as the same may be amended from time to time.

"Fiscal Year" shall mean each twelve (12) month period commencing on January 1 and ending on December 31 during the term of the Loan.

"Fitch" shall mean Fitch, Inc.

"Force Maieure" shall mean the failure of Borrower to perform any obligation hereunder by reason of any act of God, enemy or hostile government action, terrorist attacks, civil commotion, insurrection, sabotage, strikes or lockouts or any other reason primarily due to cause or causes beyond the reasonable control of Borrower or any Affiliate of Borrower.

"Future Advance" and **"Future Advances"** shall have the meaning specified in Section 2.1.1.

"Future Advance Eurodollar Spread" shall mean one hundred seventy-five (175) basis points (1.75%).

"Future Advance Substitute Rate Spread" shall have the same meaning specified in Section 2.2.3(a).

"GAAP" shall mean generally accepted accounting principles as of the date of the applicable financial report set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board (or agencies with similar functions of comparable stature and authority within the accounting profession), or in such other statements by such entity as may be in general use by significant segments of the U.S. accounting profession.

"Governmental Authority" shall mean any court, board, agency, commission, office, central bank or other authority of any nature whatsoever for any governmental unit

(federal, State, county, district, municipal, city, country or otherwise) or quasi-governmental unit whether now or hereafter in existence.

"Gross Income from Operations" shall have the meaning set forth in the Mortgage Loan Agreement.

"Guarantor" shall mean each of (i) Broadway Partners Parallel Fund B III, L.P., (ii) Broadway Partners Real Estate Fund III, L.P. and (iii) Broadway Partners Parallel Fund P III, L.P., jointly and severally, and any other entity guaranteeing any payment or performance obligation of Borrower, including, without limitation, any Replacement Guarantor.

"Guaranty" shall mean that certain Guaranty of Recourse Obligations (Mezzanine A Loan) of Borrower, dated as of the date hereof, from Guarantor to Lender.

"Hazardous Materials" shall mean petroleum and petroleum products and compounds containing them, including gasoline, diesel fuel and oil; explosives; flammable materials; radioactive materials; polychiorinated biphenyls and compounds containing them; lead and lead-based paint; asbestos or asbestos-containing materials in any form that is or could become friable; toxic mold; any substance the presence of which on the Property is prohibited by any federal, State or local authority; any substance that requires special handling; and any other material or substance now or in the future defined as a "hazardous substance," "hazardous material," "hazardous waste," "toxic substance," "toxic pollutant," "contaminant," "pollutant" or other words of similar import within the meaning of any Environmental Law.

"Immediate Family Member" shall mean a parent, spouse, sibling, child or grandchild of a natural person.

"Impositions" shall mean any present or future income, stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority.

"Improvements" shall have the meaning set forth in Article 1 of the Security Instrument with respect to the Property.

"Indebtedness" of a Person, at a particular date, means the sum (without duplication) at such date of (a) all indebtedness of such Person (including, without limitation, amounts for borrowed money); (b) obligations evidenced by bonds, debentures, notes, or other similar instruments; (c) obligations for the deferred purchase price of property or services (including trade obligations); (d) obligations under letters of credit; (e) all guaranties, endorsements (other than for collection or deposit in the ordinary course of business) and other contingent obligations to purchase, to provide funds for payment, to supply funds, to invest in any Person or entity, or otherwise to assure a creditor against loss; (f) obligations secured by any Liens, whether or not the obligations have been assumed; (g) all amounts required to be paid by such Person as a guaranteed payment to partners or a preferred or special dividend, including any mandatory redemption of shares or interests; (h) all obligations under leases that constitute capital leases for which such Person is liable; and (i) all obligations of such Person under interest rate swaps, caps, floors, collars and other interest hedge agreements, in each case whether such Person is liable contingently or otherwise, as obligor, guarantor or otherwise.

"Indemnified Parties" shall mean Lender, persons and entities who may hold or acquire or will have held a full or partial interest in the Loan (including, but not limited to, Investors or prospective Investors in the Securities, as well as custodians, trustees and other fiduciaries who hold or have held a full or partial interest in the Loan for the benefit of third parties) as well as the respective directors, officers, shareholders, partners, members, employees, agents, Affiliates, subsidiaries, participants, successors and assigns of any and all of the foregoing (including but not limited to any other Person who holds or acquires or will have held a participation or other full or partial interest in the Loan or the Collateral, whether during the term of the Loan or as a part of or following a foreclosure of the Loan and including, but not limited to, any successors by merger, consolidation or acquisition of all or a substantial portion of Lender's assets and business).

"Indemnified Taxes" shall mean Impositions, excluding, in the case of Lender or any Co-Lender (or any successor and/or assign of Lender or any Co-Lender), (a) Impositions imposed on or measured by its net income or franchise taxes on it by the jurisdiction (or any political subdivision or taxing authority thereof) under the laws of which such Lender or such Co-Lender, as applicable, is incorporated or otherwise organized or in which its principal office is located or in which its applicable lending office is located, (b) any branch profits taxes imposed by the United States or any similar tax imposed by any other jurisdiction in which such Lender or such Co-Lender, as applicable, is located, (c) any Impositions imposed, deducted or withheld by reason of any present or former connection between such Lender or such Co-Lender, as applicable, and the jurisdiction imposing the Imposition (other than on account of the execution, delivery, performance, filing, recording, and enforcement of, and the other activities contemplated in, this Agreement and the other Loan Documents, and such Lender's or such Co-Lender's participation in the transactions contemplated by this Agreement and the other Loan Documents) and (d) any Impositions imposed, deducted or withheld with respect to amounts payable to such Lender or such Co-Lender, as applicable, at the time such Lender or such Co-Lender, as applicable, becomes a party hereto or designates a new lending office, except to the extent that such Lender or such Co-Lender, as applicable, is an assignee and its assignor was entitled at the time of such assignment to receive additional amounts from Borrower with respect to such Impositions pursuant to Section 2.2.8.

"Indemnitor" shall mean each of (i) Broadway Partners Parallel Fund B III, L.P., (ii) Broadway Partners Parallel Fund P III, L.P. and (iii) Broadway Partners Real Estate Fund III, L.P., jointly and severally.

"Independent Manager" shall mean a natural Person who is not at the time of initial appointment, or at any time while serving as a member of Borrower and has not been at any time during the preceding five (5) years: (a) a stockholder, director (with the exception of serving as the Independent Manager of Borrower), officer, employee, partner, member, attorney or counsel of Borrower or any Affiliate of Borrower; (b) a creditor, customer, supplier or other Person who derives any of its purchases or revenues from its activities with Borrower or any Affiliate of Borrower; (c) a Person controlling, controlled by or under common control with Borrower or any Affiliate of Borrower or any such stockholder, partner, member, creditor, customer, supplier or other Person; or (d) an Immediate Family Member of any such stockholder, director, officer, employee, partner, manager, creditor, customer, supplier or other Person.

A natural Person who satisfies the foregoing definition other than subparagraph (b) shall not be disqualified from serving as an Independent Manager of Borrower if such individual is an independent director or manager provided by a nationally-recognized company that provides professional independent directors or managers and that also provides other corporate services in the ordinary course of its business to Borrower and/or its Affiliates or if such individual receives customary director's fees for so serving, subject to the limitation on fees set forth below.

A natural Person who otherwise satisfies the foregoing shall not be disqualified from serving as an Independent Manager of Borrower if such individual is at the time of initial appointment, or at any time while serving as an Independent Manager of Borrower, an "Independent Manager" of a "Single Purpose Entity" affiliated with Borrower (other than any entity that owns a direct or indirect equity interest in Borrower) if such natural Person is an independent director or manager provided by a nationally-recognized company that provides professional independent directors or managers or such individual does not derive more than 5% of his or her annual income from serving as a director of Borrower or any Affiliate of Borrower.

"Initial Advance" shall mean the initial advance of the Loan in the principal amount of Sixty-Four Million One Hundred Thousand and 00/100 Dollars ($64,100,000.00) made by Lender to Borrower pursuant to this Agreement.

"Initial Advance Eurodollar Spread" shall mean one hundred twenty-five (125) basis points (1.25%).

"Initial Advance Substitute Rate Spread" shall have the meaning specified in Section 2.2.3(a).

"Insolvency Opinion" shall mean, that certain bankruptcy non-consolidation opinion letter delivered by counsel for Borrower in connection with the Loan and approved by Lender.

"Insurance Premiums" shall have the meaning set forth in the Mortgage Loan Agreement.

"Insurance Proceeds" shall have the meaning set forth in the Mortgage Loan Agreement.

"Intercreditor Agreement" shall have the meaning set forth in Section 9.8 hereof.

"Interest Rate Cap Agreement" shall mean the Interest Rate Cap Agreement (together with a confirmation from the Counterparty in the form attached hereto as Schedule XIV and the schedules relating thereto), between an Acceptable Counterparty and Borrower obtained by Borrower. The Interest Rate Cap Agreement shall otherwise be written on the then current standard ISDA documentation with such changes thereto as are required by Lender, and shall provide for interest periods and calculations consistent with the payment terms of this Agreement, together with all amendments, restatements, replacements, supplements and modifications thereto. After delivery of a Replacement Interest Rate Cap Agreement to Lender,

the term "Interest Rate Cap Agreement" shall be deemed to mean such Replacement Interest Rate Cap Agreement.

"Investment Grade" shall mean a rating of "BBB-" or its equivalent (or higher) by Fitch and S&P and "Baa3" by Moody's.

"Investor" shall have the meaning set forth in Section 5.1.10(f) hereof.

"Lease Termination Payments" shall mean all payments made to Mortgage Borrower in connection with any termination, cancellation, surrender, sale or other disposition of any Lease; provided, however, the first $150,000 in payments (in the aggregate) made to Mortgage Borrower in connection with any termination, cancellation, surrender, sale or other disposition of any Lease after the date hereof shall not be considered Lease Termination Payments for purposes of this Agreement.

"Leases" shall have the meaning set forth in Article 1 of the Security Instrument.

"Leasing Approval Period" shall have the meaning set forth in Section 5.1.17(h) hereof.

"Leasing Expenses" shall mean the tenant improvements (including base building improvements required pursuant to a Lease) and leasing commission obligations incurred by Mortgage Borrower in connection with any new Major Leases that have been approved by Lender or, so long as such obligations are on market rates and terms, any other Leases or Renewal Leases entered into by Mortgage Borrower in accordance with the terms hereof.

"Legal Requirements" shall mean, with respect to the Property, Mortgage Borrower or Borrower, all federal, State, county, municipal and other governmental statutes, laws, rules, orders, regulations, ordinances, judgments, decrees and injunctions of Governmental Authorities affecting the Property or any part thereof, or the zoning, construction, use, alteration, occupancy or operation thereof, or any part thereof, whether now or hereafter enacted and in force, including, without limitation, the Americans with Disabilities Act of 1990, and all permits, licenses and authorizations and regulations relating thereto, and all covenants, agreements and restrictions contained in any instruments, either of record or known to Borrower or Mortgage Borrower at any time in force affecting the Property or any part thereof, including, without limitation, any which may (a) require repairs, modifications or alterations in or to the Property or any part thereof, or (b) in any way limit the use and enjoyment thereof.

"Lender" shall have the meaning set forth in the introductory paragraph hereto, together with its successors and assigns.

"Letter of Credit" shall mean a transferable, irrevocable, unconditional, clean sight draft standby letter of credit in form reasonably satisfactory to Lender issued by an Approved Bank. The Letter of Credit shall be payable upon presentation of a sight draft only to the order of Lender and a statement executed by an officer or authorized signatory or Lender stating that it has the right to draw thereon at a New York City bank. The Letter of Credit shall have an initial expiration date of not less than one (1) year and shall be automatically renewed

for successive twelve (12) month periods (unless such Letter of Credit provides that the issuing bank may elect not to renew the Letter of Credit upon written notice to the beneficiary at least thirty (30) days prior to its expiration date) and shall provide for multiple draws. The Letter of Credit shall be transferable by Lender and its successors and assigns at a New York City bank.

"Liabilities" shall have the meaning set forth in Section 9.2(b) hereof.

"LIBOR" shall mean, for the first Accrual Period 5.32% per annum. For each Accrual Period thereafter LIBOR shall mean the rate (expressed as a percentage per annum and rounded upward, if necessary, to the next nearest 1/1000 of 1%) for deposits in U.S. dollars, for a one-month period, that appears on Telerate Page 3750 as of 11:00 a.m., London time, on the related LIBOR Determination Date. If such rate does not appear on Telerate Page 3750 as of 11:00 a.m., London time, on such LIBOR Determination Date, LIBOR shall be the arithmetic mean of the offered rates (expressed as a percentage per annum) for deposits in U.S. dollars for a one-month period that appear on the Reuters Screen Libor Page as of 11:00 a.m., London time, on such LIBOR Determination Date, if at least two such offered rates so appear. If fewer than two such offered rates appear on the Reuters Screen Libor Page as of 11:00 a.m., London time, on such LIBOR Determination Date, Lender shall request (he principal London Office of any four major reference banks in the London interbank market selected by Lender to provide such bank's offered quotation (expressed as a percentage per annum) to prime banks in the London interbank market for deposits in U.S. dollars for a one-month period as of 11:00 a.m., London time, on such LIBOR Determination Date for the then outstanding principal amount of the Loan. If at least two such offered quotations are so provided, LIBOR shall be the arithmetic mean of such quotations. If fewer than two such quotations are so provided, Lender shall request any three major banks in New York City selected by Lender to provide such bank's rate (expressed as a percentage per annum) for loans in U.S. dollars to leading European banks for a one-month period as of approximately 11:00 a.m., New York City time on the applicable LIBOR Determination Date for the then outstanding principal amount of the Loan. If at least two such rates are so provided, LIBOR shall be the arithmetic mean of such rates. LIBOR shall be determined by Lender or its agent and at Borrower's request, Lender shall provide Borrower with the basis for its determination.

"LIBOR Business Day" shall mean any day other than a Saturday, Sunday or any other day on which commercial banks in London, England or New York, New York are not open for business.

"LIBOR Determination Date" shall mean, with respect to each Accrual Period, the date that is two (2) LIBOR Business Days prior to the fifteenth (15th) day of the calendar month in which such Accrual Period commences; provided, however, that Lender shall have the right to change the LIBOR Determination Date to any other day upon notice to Borrower (in which event such change shall then be deemed effective) and, if requested by Lender, Borrower shall promptly execute an amendment to this Agreement to evidence such change.

"Licenses" shall have the meaning set forth in Section 4.1.21 hereof.

"Lien" shall mean, with respect to the Property or the Collateral, any mortgage, deed of trust, lien, pledge, hypothecation, assignment, security interest, or any other

encumbrance, charge or transfer of, on or affecting Borrower, Mortgage Borrower, the Property or the Collateral any portion thereof or any interest therein, including, without limitation, any conditional sale or other title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing, the filing of any financing statement, and mechanic's, materialmen's and other similar liens and encumbrances.

"Lien Charges" shall mean charges for labor or materials or other charges that can create liens on the Property.

"Liquid Assets" shall mean, with respect to any Person, the available credit lines, undrawn and unencumbered capital commitments, and unencumbered cash or Cash Equivalents of such Person and its wholly owned subsidiaries.

"Liquidation Event" shall have the meaning set forth in Section 2.3.2 hereof.

"LLC Agreement" shall have the meaning set forth in Section 4.1.35(hh) hereof.

"Loan" shall mean the loan made by Lender to Borrower pursuant to this Agreement and the other Loan Documents, which shall include the Initial Advance and all Future Advances made hereunder.

"Loan Documents" shall mean, collectively, this Agreement, the Note, the Pledge Agreement, the Environmental Indemnity, the Assignment of Management Agreement, the Guaranty, the Cash Management Agreement and all other documents executed and/or delivered in connection with the Loan, each as may be modified, amended, supplemented and/or replaced from time to time.

"Lockbox Account" shall have the meaning set forth in the Mortgage Loan Agreement.

"Lockbox Bank" shall have the meaning set forth in the Mortgage Loan Agreement.

"Losses" shall mean any and all claims, suits, liabilities (including, without limitation, strict liabilities), actions, proceedings, obligations, debts, actual out-of-pocket damages (excluding consequential, punitive and/or special damages), actual out-of-pocket losses, actual out-of-pocket costs, actual out-of-pocket expenses, fines, penalties, charges, fees, judgments, awards, amounts paid in settlement of whatever kind or nature (including but not limited to reasonable attorneys' fees and other costs of defense), but excluding punitive and unforeseeable damages.

"Major Lease" shall mean (i) any Lease which together with all other Leases to the same tenant and to all Affiliates of such tenant, (1) provides for rental income representing ten percent (10%) or more of the total rental income for the Property, in the aggregate, or (2) covers at least one (1) full floor, in the aggregate, (ii) any Lease with an Affiliate of Borrower or Mortgage Borrower other than for a management office of no more than 2500 square feet, and (iii) any instrument guaranteeing or providing credit support for any Major Lease.

"Management Agreement" shall mean, with respect to the Property, the management agreement dated as of the date hereof entered into by and between Mortgage Borrower and Manager, pursuant to which the Manager is to provide management and other services with respect to the Property, or, if the context requires, the Replacement Management Agreement executed in accordance with the terms and provisions of this Agreement.

"Manager" shall mean Broadway Real Estate Services, LLC or, if the context requires, a Qualified Manager who is managing the Property in accordance with the terms and provisions of this Agreement.

"Market Rent" shall have the meaning set forth in Section 2.1.5 hereof.

"Material Adverse Effect" shall mean any event or condition that has a material adverse effect on (a) the value or possession of the Property or the Collateral taken as a whole (including the Net Operating Income), (b) the business, operations or financial condition of Borrower, including but not limited to the ability of Borrower to repay the principal and interest of the Loan as it becomes due or (c) the business, operations or financial condition of Mortgage Borrower, including but not limited to the ability of Mortgage Borrower to repay the Mortgage Loan as it becomes due.

"Material Agreements" means each contract and agreement relating to the ownership, management, development, use, operation, leasing, maintenance, repair or improvement of the Property under which there is an obligation of Borrower to pay more than (a) $650,000 per annum or (b) for so long as the Mezzanine Loan D is outstanding, $150,000 per annum. Notwithstanding the foregoing, the following shall be excluded from the definition of "Material Agreements": (i) the Management Agreement, (ii) Leases and (iii) any contract or agreement that is terminable by Borrower upon thirty (30) days notice without penalty or a termination fee.

"Maturity Date" shall mean the Payment Date occurring in August, 2009, as such date may be extended pursuant to the terms hereof, or such other date on which the final payment of the principal of the Note becomes due and payable as therein or herein provided, whether at such stated maturity date, by declaration of acceleration, or otherwise.

"Maximum Legal Rate" shall mean the maximum nonusurious interest rate, if any, that at any time or from time to time may be contracted for, taken, reserved, charged or received on the indebtedness evidenced by the Note and as provided for herein or in the other Loan Documents, under the laws of such State or States whose laws are held by any court of competent jurisdiction to govern the interest rate provisions of the Loan.

"Member" shall mean Broadway 500 West Monroe Mezz II LLC, a Delaware limited liability company.

"Member Cessation Event" shall have the meaning specified in Section 4.1.3 5(hh).

"Mezzanine A Deposit Account" shall have the meaning set forth in the Cash Management Agreement.

"Mezzanine B Loan Agreement" shall mean the Mezzanine B Loan Agreement, dated as of the date hereof, between Mezzanine Lender B and Mezzanine Borrower B, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

"Mezzanine Borrower B" shall mean Broadway 500 West Monroe Mezz II LLC, a Delaware limited liability company, together with its permitted successors and permitted assigns.

"Mezzanine Borrower C" shall mean, Broadway 500 West Monroe Mezz III LLC, a Delaware limited liability company, together with its permitted successors and permitted assigns.

"Mezzanine Borrower D" shall mean Broadway 500 West Monroe Mezz IV LLC, a Delaware limited liability company, together with its permitted successors and permitted assigns.

"Mezzanine C Loan Agreement" shall mean the Mezzanine C Loan Agreement, dated as of the date hereof, between Mezzanine Lender C and Mezzanine Borrower C, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

"Mezzanine D Loan Agreement" shall mean the Mezzanine D Loan Agreement, dated as of the date hereof, between Mezzanine Lender D and Mezzanine Borrower D, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

"Mezzanine Lender B" shall mean Morgan Stanley Mortgage Capital Holdings LLC, the lender of the Mezzanine Loan B to Mezzanine Borrower B, together with its successors and assigns.

"Mezzanine Lender C" shall mean Morgan Stanley Mortgage Capital Holdings LLC, the lender of the Mezzanine Loan C to Mezzanine Borrower C, together with its successors and assigns.

"Mezzanine Lender D" shall mean Transwestern Mezzanine Realty Partners II, LLC, the lender of the Mezzanine Loan D to Mezzanine Borrower D, together with its successors and assigns.

"Mezzanine Loan B" shall mean the mezzanine loan made by Mezzanine Lender B to Mezzanine Borrower B.

"Mezzanine Loan C" shall mean the mezzanine loan made by Mezzanine Lender C to Mezzanine Borrower C.

"Mezzanine Loan D" shall mean the mezzanine loan made by Mezzanine Lender D to Mezzanine Borrower D.

"Minimum Counterparty Rating" shall mean (a) either a short term credit rating from S&P (and if Fitch rates the entity, from Fitch) of at least "A-1" or a long term credit rating from S&P (and if Fitch rates the entity, from Fitch) of at least "A+" and (b) either (i) a long term credit rating from Moody's of at least "Aa3" or (ii) a long term credit rating from Moody's of at least "Al" and a short term credit rating from Moody's of "P-1". After a Securitization of the Loan, only the ratings of those Rating Agencies rating the Securities shall apply.

"Minimum Replacement Disbursement Amount" shall mean $25,000.00.

"Monthly Debt Service Payment Amount" shall mean the amount of interest due and payable on each Payment Date pursuant to the Note and Section 2.2 hereof.

"Monthly Insurance Premium Deposit" shall have the meaning set forth in Section 7.2(c) hereof.

"Monthly Tax Deposit" shall have the meaning set forth in Section 7.2(b) hereof.

"Moody's" shall mean Moody's Investors Service, Inc.

"Morgan Stanley" shall have the meaning set forth in Section 9.2(b) hereof.

"Morgan Stanley Group" shall have the meaning set forth in Section 9.2(b) hereof.

"Mortgage Borrower" shall mean Broadway 500 West Monroe Fee LLC, a Delaware limited liability company, together with its permitted successors and permitted assigns.

"Mortgage Cash Management Agreement" shall mean that certain Cash Management Agreement dated as of the date hereof among Mortgage Lender, Mortgage Borrower, Manager and Agent Bank, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Mortgage Lender" shall mean Morgan Stanley Mortgage Capital Holdings LLC, together with its successors and assigns.

"Mortgage Loan" shall mean the mortgage loan in the original principal amount of $150,000,000.00, made by Mortgage Lender to Mortgage Borrower pursuant to the Mortgage Loan Agreement and the other Mortgage Loan Documents.

"Mortgage Loan Agreement" shall mean that certain Loan Agreement between Mortgage Borrower and Mortgage Lender dated as of the date hereof, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

"Mortgage Loan Event of Default" shall mean an "Event of Default" under the Mortgage Loan Documents.

"Mortgage Loan Documents" shall mean all documents or instruments evidencing, securing or guaranteeing the Mortgage Loan, including without limitation, the Mortgage Loan Agreement.

"Mortgage Note" shall mean the Promissory Note in the original principal amount of the Mortgage Loan made by Mortgage Borrower to Mortgage Lender dated the date hereof, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

"Net Cash Flow" for any period shall mean the amount obtained by subtracting Operating Expenses and Capital Expenditures for such period from Gross Income from Operations for such period.

"Net Cash Flow Schedule" shall have the meaning set forth in Section 5.1.10(b) hereof.

"Net Liquidation Proceeds After Debt Service" shall mean, with respect to any Liquidation Event, all amounts paid to or received by or on behalf of Mortgage Borrower in connection with such Liquidation Event, including, without limitation, proceeds of any sale, refinancing or other disposition or liquidation, less (a) Lender's and/or Mortgage Lender's reasonable costs incurred in connection with the recovery thereof, (b) the costs incurred by Mortgage Borrower in connection with a Restoration of all or any portion of the Property made in accordance with the Mortgage Loan Documents, (c) amounts required or permitted to be deducted therefrom and amounts paid pursuant to the Mortgage Loan Documents to Mortgage Lender, (d) in the case of a foreclosure sale, disposition or Transfer of the Property in connection with realization thereon following a Mortgage Loan Event of Default, such reasonable and customary costs and expenses of sale or other disposition (including without limitation attorneys' fees and brokerage commissions), (e) in the case of **a** foreclosure sale, such costs and expenses incurred by Mortgage Lender under the Mortgage Loan Documents as Mortgage Lender shall be entitled to receive reimbursement for under the terms of the Mortgage Loan Documents, (f) in the case of a refinancing of the Mortgage Loan, such costs and expenses (including without limitation attorneys' fees) of such refinancing as shall be reasonably approved by Lender, and (g) the amount of any prepayments required pursuant to the Mortgage Loan Documents and/or the Loan Documents, in connection with any such Liquidation Event.

"Net Operating Income" means the amount obtained by subtracting Operating Expenses from Gross Income from Operations.

"Net Proceeds" shall have the meaning set forth in the Mortgage Loan Agreement.

"Net Worth" of a Person means, as of any date of determination, the excess of total assets of such Person over total liabilities of such Person (in each case on a consolidated basis), total assets and total liabilities each to be determined in accordance with GAAP (or such other accounting basis reasonably acceptable to Lender).

"New Borrower" shall have the meaning set forth in Section 5.2.11 hereof.

"New Lease" shall have the meaning set forth in Section 2.1.5 hereof.

"New Mortgage Borrower" shall have the meaning set forth in Section 5.2.11 hereof.

"Note" shall mean that certain Promissory Note (Mezzanine A Loan) of even date herewith in the principal amount of Sixty-Five Million Six Hundred Thousand and 00/100 Dollars ($65,600,000.00), or so much thereof as may be advanced to Borrower pursuant to the terms of this Agreement, made by Borrower in favor of Lender, as the same may be amended, restated, replaced, extended, renewed, supplemented, severed, split, or otherwise modified from time to time.

"Obligations" shall mean Borrower's obligation to pay the Debt and perform its obligations under the Note, this Agreement and the other Loan Documents.

"Officer's Certificate" shall mean a certificate delivered to Lender by Borrower which is signed by a Responsible Officer of Borrower.

"Operating Expenses" shall have the meaning set forth in the Mortgage Loan Agreement.

"Organizational Documents" shall mean (i) with respect to a corporation, such Person's certificate of incorporation and by laws, and any shareholder agreement, voting trusts or similar arrangements, if any, applicable to any of such Person's authorized shares of capital stock, (ii) with respect to a partnership, such Person's certificate of limited partnership and partnership agreement, and voting trusts or similar arrangements, if any, applicable to any of its partnership interests, (iii) with respect to a limited liability company, such Person's certificate of formation and limited liability company agreement, and voting trusts or similar arrangements, if any, applicable to any of its limited liability company interests, and (iv) any and all agreements, if any, between any constituent member, partner or shareholder of the Person in question applicable to such Person, including any contribution agreement or indemnification agreements.

"Other Charges" shall have the meaning set forth in the Mortgage Loan Agreement.

"Other Mezzanine Borrower" shall mean, collectively, Mezzanine Borrower B, Mezzanine Borrower C and Mezzanine Borrower D.

"Other Mezzanine Lender" shall mean, collectively, Mezzanine Lender B, Mezzanine Lender C and Mezzanine Lender D.

"Other Mezzanine Loan" shall mean, collectively, Mezzanine Loan B, Mezzanine Loan C and Mezzanine Loan D.

"Other Mezzanine Loan Agreement" shall mean, collectively, Mezzanine B Loan Agreement, Mezzanine C Loan Agreement and Mezzanine D Loan Agreement.

"Other Mezzanine Loan Documents" shall mean, collectively, the Other Mezzanine Note, the Other Mezzanine Loan Agreement and any and all other documents defined as "Loan Documents" in any Other Mezzanine Loan Agreement.

"Other Mezzanine Note" shall mean, collectively, (a) that certain Mezzanine B Promissory Note dated the date hereof, made by Mezzanine Borrower B and payable to Mezzanine Lender B in the principal amount of $36,200,000.00, (b) that certain Mezzanine C Promissory Note dated the date hereof, made by Mezzanine Borrower C and payable to Mezzanine Lender C in the principal amount of $40,200,000.00 and (c) that certain Mezzanine D Promissory Note dated the date hereof, made by Mezzanine Borrower D and payable to Mezzanine Lender D in the principal amount of $48,500,000.00, as each of the foregoing may be amended, restated, extended, increased, consolidated, supplemented or severed from time to time.

"Participant" shall have the meaning set forth in Section 9.7.2(i).

"Payment Date" shall mean August 9, 2007, and the ninth (9th) day of each calendar month thereafter during the term of the Loan or, if such day is not a Business Day, the immediately preceding Business Day.

"Permitted Encumbrances" shall mean, collectively, (a) the Liens and security interests created (or otherwise expressly permitted) by the Mortgage Loan Documents, (b) all Liens, encumbrances and other matters disclosed in the Title Insurance Policy relating to the Property or any part thereof, (c) Liens, if any, for Taxes imposed by any Governmental Authority not yet delinquent, (d) existing Leases and subsequent Leases entered into in accordance with the terms of the Loan Documents and (e) such other title and survey exceptions (including, without limitation, Leases, special taxes and assessments, zoning and development restrictions, and historic or landmark restrictions) as Lender has approved or may approve in writing in Lender's sole discretion.

"Permitted Investments" shall have the meaning set forth in the Cash Management Agreement.

"Permitted Prepayment Date" shall have the meaning set forth in Section 2.3.1 hereof.

"Person" shall mean any individual, corporation, partnership, joint venture, limited liability company, estate, trust, unincorporated association, any other entity, any federal, State, county or municipal government or any bureau, department or agency thereof and any fiduciary acting in such capacity on behalf of any of the foregoing.

"Personal Property" shall have the meaning set forth in Article 1 of the Security Instrument with respect to the Property.

"Physical Conditions Report" shall mean the report dated June 27, 2007 prepared by EMG and delivered to Lender in connection with the Loan.

"Plan" shall mean an employee benefit plan (as defined in Section 3(3) of ERISA) subject to Title I of ERISA or a plan or other arrangement subject to Section 4975 of the Code.

"Plan Assets" shall mean assets of a Plan within the meaning of 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA.

"Pledge Agreement" shall mean that certain Pledge and Security Agreement (Mezz A Loan) of even date herewith made by Borrower in favor of Lender as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

"Pledged Interests" shall have the meaning set forth in the Pledge Agreement.

"Policies" shall have the meaning set forth in the Mortgage Loan Agreement.

"Principal" shall have the meaning set forth in Section 4.1.35 hereof, together with its successors and assigns. Lender and Borrower agree that, based on Borrower's organizational structure as of the date hereof, no Principal exists on the date hereof.

"Prohibited Person" shall mean any Person:

(a) listed in the Annex to, or otherwise subject to the provisions of, the Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001, and relating to Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (the **"Executive Order"**);

(b) that is owned or controlled by, or acting for or on behalf of, any person or entity that is listed to the Annex to, or is otherwise an object of any of the restrictions, limitations or prohibitions set forth in the provisions of the Executive Order;

(c) with whom Lender is prohibited from dealing or otherwise engaging in any transaction by any terrorism or money laundering law, including the Executive Order;

(d) who commits, threatens or conspires to commit or supports 'terrorism" as defined in the Executive Order;

(e) that is named as a "specially designated national and blocked person" on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control at its official website, http://www.treas.gov.ofac/t11sdn.pdf or at any replacement website or other replacement official publication of such list; or

(f) who is an Affiliate of or affiliated with a Person listed above.

"Property" shall mean the real property, the Improvements thereon and all Personal Property owned and/or leased by Mortgage Borrower and encumbered by the Security Instrument, together with all rights pertaining to the Property and the Improvements, as more

particularly described in Article 1 of the Security Instrument and referred to therein as the "Property".

"Provided Information" shall have the meaning set forth in Section 9.1(a) hereof.

"Qualified Fund Transferee" shall mean either:

(A) any Person that in Lender's reasonable determination meets the criteria set forth in any of the following clauses:

(i) a pension fund, pension trust or pension account that (a) has total real estate assets of at least $2 Billion and (b) is managed by a Person who controls or manages at least $2 Billion of real estate equity assets; or

(ii) a pension fund advisor who (a) immediately prior to such transfer, controls at least $2 Billion (exclusive of the Property) of real estate equity assets and (b) is acting on behalf of one or more pension funds that, in the aggregate, satisfy the requirements of clause (i) of this definition; or

(iii) an insurance company which is subject to supervision by the insurance commissioner, or a similar official or agency, of a state or territory of the United States (including the District of Columbia) (a) with a Net Worth, as of a date no more than six (6) months prior to the date of the transfer, of at least $800 Million and (b) who, immediately prior to such transfer, controls real estate equity assets of at least $2 Billion (exclusive of the Property); or

(iv) a corporation organized under the banking laws of the United States or any state or territory of the United States (including the District of Columbia) (a) with a combined capital and surplus of at least $800 Million and (b) who, immediately prior to such transfer, controls real estate equity assets of at least $2 Billion (exclusive of the Property); or

(v) any Person who (a) owns or operates at least 15,000,000 square feet of gross leaseable area of commercial real estate, of which not less than 5,000,000 square feet (excluding the Property) is "Class A" office space in major metropolitan areas, (b) has a Net Worth, as of a date no more than six (6) months prior to the date of such transfer, of at least $800 Million and (c) immediately prior to such transfer, controls real estate equity assets of at least $2 Billion or non-real estate equity assets of $4 Billion; or

(vi) any Person controlled directly or indirectly by Morgan Stanley Mortgage Capital Holdings LLC or any Affiliate of Morgan Stanley Mortgage Capital Holdings LLC; or

(vii) any Person controlled directly or indirectly by Transwestem Mezzanine Realty Partners II, LLC or any Affiliate of Transwestern Mezzanine Realty Partners II, LLC.

or

(B) any other Person (a) approved by Lender or, (b) if a Securitization shall have occurred, regarding which Lender shall have received written confirmation by the Rating Agencies that the transfer to such Person will not, in and of itself, cause a downgrade, withdrawal or qualification of the ratings then assigned to the Securities.

"Qualified Insurer" shall have the meaning set forth in Section 6.1(b) hereof.

"Qualified Manager" shall mean either (1) Broadway Real Estate Services, LLC or any property manager which is an Affiliate of Broadway Partners Fund Manager LLC, (2) Cushman & Wakefield, (3) CB Richard Ellis, or (4) a reputable and experienced professional management organization (a) which manages, together with its Affiliates, seven (7) or more properties of a type, quality and size similar to the Property, totaling in the aggregate no less than 3,500,000 square feet of gross leaseable area of space (in each case of (2), (3) or (4), excluding the Property) and (b) prior to whose employment as manager of the Property (i) prior to the occurrence of a Securitization, such employment shall have been approved by Lender, and (ii) after the occurrence of a Securitization, Lender shall have received written confirmation from the Rating Agencies that the employment of such manager will not result in a downgrade, withdrawal or qualification of the initial, or if higher, then current ratings of the Securities.

"Qualified Transferee" shall mean either:

(A) any Person that in Lender's reasonable determination meets the criteria set forth in any of the following clauses:

(i) a pension fund, pension trust or pension account that (a) has total real estate assets of at least $800 Million and (b) is managed by a Person who controls or manages at least $800 Million of real estate equity assets; or

(ii) a pension fund advisor who (a) immediately prior to such transfer, controls at least $800 Million of real estate equity assets and (b) is acting on behalf of one or more pension funds that, in the aggregate, satisfy the requirements of clause (i) of this definition; or

(iii) an insurance company which is subject to supervision by the insurance commissioner, or a similar official or agency, of a state or territory of the United States (including the District of Columbia) (a) with a Net Worth, as of a date no more than six (6) months prior to the date of the transfer, of at least $400 Million and (b) who, immediately prior to such transfer, controls real estate equity assets of at least $800 Million; or

(iv) a corporation organized under the banking laws of the United States or any state or territory of the United States (including the District of Columbia) (a) with a combined capital and surplus of at least $400 Million and (b) who, immediately prior to such transfer, controls real estate equity assets of at least $800 Million; or

(v) any Person who (a) owns or operates at least 2,000,000 square feet (excluding the Property) of gross leaseable area of "Class A" office space in major metropolitan areas, (b) has a Net Worth, as of a date no more than six (6) months prior to the date of such transfer, of at least $400 Million and (c) immediately prior to such transfer, controls real estate equity assets of at least $800 Million.

or

(B) any other Person (a) approved by Lender or, (b) if a Securitization shall have occurred, regarding which Lender shall have received written confirmation by the Rating Agencies that the transfer to such Person will not, in and of itself, cause a downgrade, withdrawal or qualification of the ratings then assigned to the Securities.

"Rating Agencies" shall mean each of S&P, Moody's, and Fitch, and any other nationally recognized statistical rating agency which has been approved by Lender.

"Register" shall have the meaning set forth in Section 9.7.2(h) hereof.

"Registration Statement" shall have the meaning set forth in Section 9.2(b) hereof.

"Regulation D" shall mean Regulation D of the Board of Governors of the Federal Reserve System from time to time in effect, including any successor or other Regulation or official interpretation of said Board of Governors relating to reserve requirements applicable to member banks of the Federal Reserve System.

"Release" of any Hazardous Materials shall mean any release, deposit, discharge, emission, leaking, spilling, seeping, migrating, injecting, pumping, pouring, emptying, escaping, dumping, disposing or other movement of Hazardous Materials (other than for purposes of remediation of such Hazardous Materials) in violation of any Environmental Law.

"Remaining Funding Obligation" shall have the meaning specified in Section 2.1.5.(b).

"Renewal Lease" shall have the meaning set forth in Section 5.1.17(a) hereof.

"Rents" shall have the meaning set forth in Article 1 of the Security Instrument.

"Replacement Guarantor" shall mean any Acceptable Guarantor.

"Replacement Interest Rate Cap Agreement" means an interest rate cap agreement from an Acceptable Counterparty in form and substance substantially similar to the Interest Rate Cap Agreement in all material respects.

"Replacement Lease" shall have the meaning set forth in Section 2.1.5 hereof.

"Replacement Management Agreement" shall mean, collectively, (a) either (i) a management agreement with a Qualified Manager substantially in the same form and substance as the Management Agreement, or (ii) a management agreement with a Qualified Manager, which management agreement shall be reasonably acceptable to Mortgage Lender and Lender in form and substance, provided, with respect to this subclause (ii), Mortgage Lender, at its option after the occurrence of a Securitization, may require that Mortgage Borrower obtain confirmation from the applicable Rating Agencies that such management agreement will not result in a downgrade, withdrawal or qualification of the initial, or if higher, then current rating of the Securities or any class thereof; and (b) a conditional assignment of management agreement substantially in the form of the Assignment of Management Agreement (or such other form acceptable to Lender), executed and delivered to Lender by Mortgage Borrower, Borrower and such Qualified Manager at Borrower's expense.

"Replacements" shall mean replacements and repairs required to be made to the Property during the calendar year.

"Required Leasing Reserve Deposits" shall have the meaning set forth in Section 7.4.1 hereof.

"Required Repairs" shall have the meaning set forth in Section 7.1.1.

"Reserve Account" shall mean any account for the Reserve Funds established pursuant to the Loan Documents.

"Reserve Fund Deposits" shall mean the amounts to be deposited into the Reserve Funds for any given month.

"Reserve Funds" shall mean the Tax and Insurance Escrow Fund, the Rollover/Replacement Reserve Fund, the Debt Service Shortfall Reserve Fund or any other escrow or reserve fund established by the Loan Documents.

"Resizing Mezzanine Borrower" shall have the meaning set forth in Section 9.5 hereof.

"Resizing Mezzanine Loan" shall have the meaning set forth in Section 9.5 hereof.

"Responsible Officer" means with respect to a Person, the chairman of the board, president, chief operating officer, chief financial officer, treasurer, vice president-finance or other authorized representative of such Person.

"Restoration" shall mean have the meaning set forth in the Mortgage Loan Agreement.

"Restricted Party" shall mean Mortgage Borrower or Borrower or any direct shareholder, partner, member (springing or otherwise) or non member manager thereof, or any direct or indirect legal or beneficial owner of, Mortgage Borrower or Borrower or any non member manager or springing member thereof.

"Rollover/Replacement Reserve Fund" shall have the meaning set forth in Section 7.4.1 hereof.

"S&P" shall mean Standard & Poor's Ratings Services, a division of McGraw Hill, Inc.

"Sale or Pledge" shall mean a voluntary or involuntary sale, conveyance, transfer or pledge of a direct or indirect legal or beneficial interest (other than in connection with a Condemnation).

"Secondary Market Transaction" shall have the meaning set forth in Section 9.1 hereof.

"Securities" shall have the meaning set forth in Section 9.1 hereof.

"Securities Act" shall have the meaning set forth in Section 9.2(a) hereof.

"Securitization" shall have the meaning set forth in Section 9.1 hereof.

"Security Deposits" shall have the meaning set forth in Section 5.1.17(e) hereof.

"Security Instrument" shall have the meaning in the Mortgage Loan Agreement.

"Servicer" shall have the meaning set forth in Section 9.3 hereof.

"Servicing Agreement" shall have the meaning set forth in Section 9.3 hereof.

"Severed Loan Documents" shall have the meaning set forth in Section 8.2(c) hereof.

"Spread Maintenance Premium" shall mean, with respect to any repayment of the outstanding principal amount of the Loan on or prior to the Permitted Prepayment Date, a payment to Lender in an amount equal to the present value discounted at LIBOR on the most recent LIBOR Determination Date with respect to any period when the Loan bears interest at the Eurodollar Rate (or, with respect to any period when the Loan is a Substitute Rate Loan, discounted at an interest rate that Lender believes, in its judgment, would equal LIBOR on such LIBOR Determination Date if LIBOR was then available), of all future installments of interest which would have been due hereunder through and including the last calendar day of the Accrual Period in which the Permitted Prepayment Date occurs, on the portion of the outstanding principal balance of the Loan being prepaid as if interest accrued on such portion of the principal balance being prepaid at an interest rate per annum equal to the Eurodollar Spread. The Spread Maintenance Premium shall be calculated by Lender and shall be final absent manifest error.

"Standard Statement" shall have the meaning set forth in Section 5.1.10(g)(i) hereof.

"State" shall mean any State of the United States of America or the District of Columbia.

"Substitute Rate" shall have the meaning set forth in Section 2.2.3(a).

"Substitute Rate Loan" shall mean the Loan at any time in which the Applicable Interest Rate is calculated at the Substitute Rate plus (i) with respect to the Initial Advance, the Initial Advance Substitute Spread, and (ii) with respect to Future Advances, the Future Advance Substitute Spread, in accordance with the provisions of Article II hereof.

"Survey" shall mean a survey of the Property prepared by a surveyor licensed in the State where the Property is located and satisfactory to Mortgage Lender and Lender and the company or companies issuing the Title Insurance Policies, and containing a certification of such surveyor satisfactory to Mortgage Lender and Lender.

"Syndication" shall have the meaning set forth in Section 9.7.2(a).

"Tax and Insurance Escrow Fund" shall have the meaning set forth in Section 7.2(c) hereof.

"Taxes" shall mean all real estate and personal property taxes, assessments, water rates or sewer rents, now or hereafter levied or assessed or imposed against the Property or part thereof, together with interest and penalties thereon.

"Telerate Page 3750" means the display designated as "Reuters Screen LIBOROI Page" (formerly Telerate page 3750), or such other page or display as may replace such page or display, or such other service as may be nominated by the British Bankers-Association as the information vendor for the purposes of displaying British Bankers-Association Interest Settlement Rates for U.S. dollar deposits.

"Third Party Reports" shall have the meaning set forth in Section 4.1.32 hereof.

"Title Insurance Policy" shall have the meaning set forth in the Mortgage Loan Agreement.

"Transfer" shall have the meaning set forth in Section 5.2.10(a) hereof.

"UCC" or **"Uniform Commercial Code"** shall mean the Uniform Commercial Code as in effect in the State of New York.

"UCC Financing Statement" shall mean the UCC Financing Statement executed in connection with the Pledge Agreement and the other Loan Documents and filed in the applicable filing offices.

"Underwriter Group" shall have the meaning set forth in Section 9.2(b) hereof.

Section 1.2 Principles of Construction. All references to sections and schedules are to sections and schedules in or to this Agreement unless otherwise specified. All uses of the word "including" shall mean "including, without limitation" unless the context shall indicate otherwise. Unless otherwise specified, the words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a

whole and not to any particular provision of this Agreement. Unless otherwise specified, all meanings attributed to defined terms herein shall be equally applicable to both the singular and plural forms of the terms so defined. Terms used herein and not otherwise defined herein (but defined in the Mortgage Loan Agreement) shall have the meaning set forth in the Mortgage Loan Agreement, as of the Closing Date, notwithstanding any subsequent amendment of the Mortgage Loan Agreement, to such defined terms unless Lender shall have consented to such amendment. With respect to any provisions incorporated by reference herein from the Mortgage Loan Agreement, such provisions shall be deemed a part of this Agreement notwithstanding the fact that the Mortgage Loan shall no longer be effective for any reason.

ARTICLE II

GENERAL TERMS

Section 2.1 Loan Commitment; Disbursement to Borrower.

2.1.1 Agreement to Lend and Borrow. Subject to and upon the terms and conditions set forth herein, Lender hereby agrees to make and Borrower hereby agrees to accept the Initial Advance on the Closing Date. In addition, subject to and upon the terms and conditions set forth herein, Lender agrees to make Future Advances of the Loan to Borrower from time to time, in accordance with the provisions of Section 2.1.5, during the period from the date hereof to January 8, 2009, and Borrower shall accept the Future Advances of the Loan from Lender, in an aggregate principal amount not to exceed $16,500,000.00.

2.1.2 Single Disbursement to Borrower. Borrower may request and receive only one borrowing hereunder in respect of the Initial Advance and each Future Advance. Any amount borrowed and repaid hereunder in respect of the Loan may not be reborrowed.

2.1.3 The Note, Pledge Agreement and Loan Documents. The Loan shall be evidenced by the Note and secured by the Pledge Agreement and the other Loan Documents.

2.1.4 Use of Proceeds. Borrower shall use the proceeds (a) the Initial Advance to (i) finance the Collateral, (ii) pay costs and expenses incurred in connection with the closing of the Loan, as approved by Lender, (iii) pay costs and expenses incurred in connection with the financing of the Collateral and (iv) make an equity contribution to Mortgage Borrower in order to cause the Mortgage Borrower to use such amounts for any use permitted pursuant to Section 2.1.4 of the Mortgage Loan Agreement to the extent necessary, and (b) the Future Advances in accordance with Section 2.1.5.

2.1.5 Future Advances.

(a) Lender agrees to fund future advances (each a **"Future Advance"** and collectively the **"Future Advances")** for certain tenant improvements and leasing commissions incurred by Mortgage Borrower after the Closing Date, subject to the satisfaction by Borrower of each of the following conditions:

(i) Borrower shall submit a written request for such Future Advance to Lender at least ten (10) Business Days prior to the date on which Borrower requests such Future Advance to be made, and such request shall specify the tenant improvement costs and leasing commissions to be paid by such Future Advance and the Lease or Renewal Lease to which such tenant improvements costs and leasing commissions relate;

(ii) On the date such request is received by Lender and on the date such Future Advance is to be made, no Event of Default shall exist and remain uncured;

(iii) Such Future Advance (or disbursement from the Rollover/Replacement Reserve Fund if funds are deposited therein pursuant to subsection (b) below) shall be used solely for tenant improvement costs and leasing commissions with respect to (x) Leases covering space that was vacant as of the Closing Date (each, a "New Lease"), and (y) Leases covering space that was, as of the Closing Date, subject to a Lease which thereafter expired or otherwise terminated (each, a "Replacement Lease"), and which satisfy the following conditions: (A) the New Lease or Replacement Lease for which such tenant improvement costs and/or leasing commissions are being paid (1) shall be fully executed, (2) shall satisfy the requirements of Section 5.1.17, (3) if such New Lease or Replacement Lease requires the consent of Lender under Section 5.1.17, such consent shall have been given or deemed given by Lender in accordance with the terms of this Agreement and (4) shall be for a term of not less than five (5) years (excluding any renewal or extension term), and (B)(l) if the Lease in question is a New Lease, the rent payable thereunder shall be equal to or greater than Market Rent, and (2) if the Lease in question is a Replacement Lease, then both (I) the rent payable thereunder shall be equal to or greater than Market Rent, and (II) the rent payable thereunder shall be greater than the rent payable under the expired or terminated Lease that covered the space in question, as reasonably determined by Lender, after taking into account all relevant factors, including, without limitation, any free rent periods and all amounts payable by Mortgage Borrower on account of tenant improvement work and leasing commissions in connection therewith. For purposes of this Section 2.1.5(a)(iii), the rent payable under a New Lease or a Replacement Lease shall constitute "Market Rent" if and only if either (a)(i) the Base Rent payable thereunder equals or exceeds the applicable amount specified on Schedule XV, (ii) the tenant improvement costs and leasing commissions payable by Mortgage Borrower thereunder do not exceed the amount specified on Schedule XV irrespective of whether such amounts are payable directly by Mortgage Borrower or as reimbursements or rent credits to the tenant or otherwise, (iii) any free rent period thereunder does not exceed the period specified on Schedule XV, and (iv) such Lease contains no other tenant inducements or required expenditures on the part of Mortgage Borrower or other terms which, in Lender's reasonable judgment, has the effect of reducing the rent net of expenses thereunder, or (b) Lender otherwise determines in the exercise of its reasonable discretion that the rent payable thereunder constitutes market rent. For purposes of Schedule XV, any Lease having a term of less than ten (10) years (without taking into account any renewal or extension term) shall be deemed to have a term of five (5) years.

(iv) Lender shall have received an Officer's Certificate (A) stating that all tenant improvements at the Property to be funded by the requested Future Advance have

been completed in good and workmanlike manner and in accordance with all applicable federal, state and local laws, rules and regulations, such certificate to be accompanied by a copy of any license, permit or other approval by any Governmental Authority required in connection with the tenant improvements, (B) identifying each Person that supplied materials or labor in connection with the tenant improvements to be funded by the requested Future Advance, and (C) stating that each such Person has been paid in full or will be paid in full upon such Future Advance, such certificate to be accompanied by lien waivers or other evidence of payment satisfactory to Lender;

(v) At Lender's option, Borrower shall deliver a title search of the Property to the date of the funding of the Future Advance and showing that the Property is free from all Liens, claims and other encumbrances not previously approved by Lender;

(vi) Lender shall have received such other evidence as Lender shall reasonably request that the tenant improvements at the Property to be funded by the requested Future Advance have been completed and are paid for or will be paid upon such disbursement to Borrower;

(vii) Lender shall not be required to fund Future Advances more frequently than once each calendar month.

(b) The aggregate amount of all Future Advances hereunder shall not exceed $16,500,000.00. In addition, Lender's obligation to fund Future Advances shall terminate on January 8, 2009. If the full $16,500,000.00 has not been funded to Borrower on or prior to January 8, 2009, then, on January 8, 2009, Lender shall fund into the Rollover/Replacement Reserve Fund the difference between (i) $16,500,000.00 and (ii) the aggregate amount of all Future Advances disbursed from Lender to Borrower (the **"Remaining Funding Obligation"**), to be disbursed in accordance with the terms of this Section 2.1.5; provided, however, that Borrower shall be permitted to deliver written notice to Lender at least ten (10) Business Days prior to January 8, 2009 electing to terminate Lender's remaining funding obligations, provided that prior to January 8, 2009 Borrower delivers to Lender cash to be deposited in the Rollover/Replacement Reserve Fund or a Letter of Credit in an amount equal to the Remaining Funding Obligation (which shall be held for the benefit of Lender as additional security for the Debt) and disbursed in accordance with subsection (iii) hereof and Section 7.4 hereof. Any amounts advanced by Lender into the Rollover/Replacement Reserve Fund pursuant to this subsection (b) shall be added to the Debt and shall bear interest from the date funded into the Rollover/Replacement Reserve Fund at the same interest rate as a Future Advance. Borrower agrees to pay Lender within ten (10) Business Days after written demand from Lender any and all reasonable expenses incurred by Lender in connection with such Future Advance or disbursement (including, without limitation, reasonable attorneys' fees and expenses).

Section 2.2 Interest; Loan Payments; Late Payment Charge.

2.2.1 Payments.

(a) Payments Generally. Interest on the outstanding principal balance of the Loan shall accrue from and including the Closing Date to and including the last day of the

Accrual Period in which the Maturity Date occurs at the Applicable Interest Rate (even if such period extends beyond the Maturity Date). The Monthly Debt Service Payment Amount shall be paid on each Payment Date commencing with the Payment Date occurring in August, 2007 and on each subsequent Payment Date thereafter up to and including the Payment Date preceding the Maturity Date. Provided no Event of Default shall have occurred and be continuing, each such payment shall be applied to the payment of interest that has accrued and will accrue during the Accrual Period in which the Payment Date occurs (calculated in accordance with Section 2.2.2 below).

(b) No Offsets, etc. All payments and other amounts due under the Note, this Agreement and the other Loan Documents shall be made without any setoff, defense or irrespective of, and without deduction for, counterclaims.

(c) Extension of the Maturity Date. Borrower shall have the option to extend the term of the Loan beyond the initial Maturity Date for three (3) successive terms (the **"Extension Option"**) of one (1) year each (each, an **"Extension Period"**) to (x) the Payment Date occurring in August, 2010 if the first Extension Option is exercised, (y) the Payment Date occurring in August, 2011 if the second Extension Option is exercised and (z) the Payment Date occurring in August, 2012 if the last Extension Option is exercised (each such date, the **"Extended Maturity Date"**) upon satisfaction of the following terms and conditions:

(i) no Event of Default shall have occurred and be continuing at the time an Extension Option is exercised and on the date that the applicable Extension Period is commenced;

(ii) Borrower shall notify Lender of its irrevocable election to extend the Maturity Date as aforesaid not earlier than sixty (60) days and no later than thirty (30) days prior to the Maturity Date; provided, however, that Borrower shall be permitted to revoke such notice at any time up to five (5) days before the Maturity Date provided that Borrower pays to Lender all actual out-of-pocket costs incurred by Lender in connection with such notice, including, without limitation, any Breakage Costs;

(iii) Borrower shall obtain and deliver to Lender prior to exercise of such Extension Option, one or more Replacement Interest Rate Cap Agreements having a LIBOR strike price not greater than 6.25%, which Replacement Interest Rate Cap Agreements shall be effective commencing on the first day of such Extension Option and shall have a maturity date not earlier than the then current Extended Maturity Date;

(iv) Borrower shall have paid to Lender the Extension Fee on or prior to the commencement of each Extension Period;

(v) Borrower shall have paid to Lender funds for deposit into the Rollover/Replacement Reserve Account if such reserves are required to be maintained under this Agreement, in each case, to the extent necessary based on the then anticipated Leasing Expenses calculated at a rate of $1.25 per square foot with respect to Leasing Expenses (and such funds shall be disbursed to Borrower in accordance with Section 7.4 to be used solely for Leasing Expenses), and $0.25 per square foot with respect to

Replacements (and such funds shall be disbursed to Borrower in accordance with Section 7.4 to be used solely for Replacements) during the Extension Period for which an Extension Option is being exercised;

(vi) Mortgage Borrower shall have duly exercised the correlating extension option for the Mortgage Loan (and satisfied all the conditions set forth in the Mortgage Loan Agreement in order to exercise such right) pursuant to the Mortgage Loan Documents so that both the Loan and the Mortgage Loan shall have the same scheduled Maturity Date; and

(vii) All references in this Agreement and in the other Loan Documents to the Maturity Date shall mean the Extended Maturity Date in the event the applicable Extension Option is exercised.

(d) All payments and other amounts due under the Note, this Agreement and the other Loan Documents shall be made without any setoff or defense and irrespective of, and without deduction for, counterclaims.

2.2.2 Interest Calculation. Interest on the outstanding principal balance of the Loan shall be calculated by multiplying (a) the actual number of days elapsed in the Accrual Period for which the calculation is being made by (b) a daily rate equal to the Applicable Interest Rate divided by three hundred sixty (360) by (c) the outstanding principal balance of the Loan.

2.2.3 Eurodollar Rate or Substitute Rate Unascertainable; Illegality; Increased Costs . (a) In the event that Lender shall have determined (which determination shall be conclusive and binding upon Borrower absent manifest error) that by reason of circumstances affecting the interbank eurodollar market, adequate and reasonable means do not exist for ascertaining LIBOR, then Lender shall, by notice to Borrower (**"Lender's Notice"**), which notice shall set forth in reasonable detail such circumstances, establish the Applicable Interest Rate at a spread for the Initial Advance (the **"Initial Advance Substitute Spread"**) and the Future Advances (the **"Future Advance Substitute Spread"**) above a published index used for other variable rate loans and chosen by Lender (the **"Substitute Rate"**) such that such Substitute Rate shall yield to Lender a rate of return substantially the same as (but no less than) the rate of return Lender would have realized had the Applicable Interest Rate been the Eurodollar Rate, all as reasonably determined by Lender. If, pursuant to the terms of this Agreement, the Loan has been converted to a Substitute Rate Loan and Lender shall determine (which determination shall be conclusive and binding upon Borrower absent manifest error) that the event(s) or circumstance(s) which resulted in such conversion shall no longer be applicable, Lender shall give notice thereof to Borrower, and the Substitute Rate Loan shall automatically convert to a LIBOR Loan on the effective date set forth in such notice. Notwithstanding any provision of this Agreement to the contrary, in no event shall Borrower have the right to elect to convert a LIBOR Loan to a Substitute Rate Loan. If any requirement of law or any change therein or in the interpretation or application thereof, shall hereafter make it unlawful for Lender to make or maintain a LIBOR Loan as contemplated hereunder, (i) the obligation of Lender hereunder to make a LIBOR Loan shall be cancelled forthwith and (ii) Lender may give Borrower a Lender's Notice, establishing the Applicable Interest Rate at the Substitute Rate plus the Substitute Spread, in which case the Applicable Interest Rate shall be a rate equal to the Substitute Rate in

effect from time to time plus the Substitute Spread. In the event the condition necessitating the cancellation of Lender's obligation to make a LIBOR Loan hereunder shall cease, Lender shall promptly notify Borrower of such cessation and the Loan shall resume its characteristics as a LIBOR Loan in accordance with the terms herein from and after the first day of the Interest Period next following such cessation. Borrower hereby agrees promptly to pay Lender, upon demand, any additional amounts necessary to compensate Lender for any reasonable out-of-pocket costs actually incurred by Lender in making any conversion in accordance with this Agreement, including, without limitation, any interest or fees payable by Lender to lenders of funds obtained by it in order to make or maintain the LIBOR Loan hereunder. Lender's notice of such costs, as certified to Borrower, shall be set forth in reasonable detail and Lender's calculation shall be conclusive absent manifest error.

(b) In the event that any change in any requirement of any Applicable Law or in the interpretation or application thereof, or compliance in good faith by Lender or any Co-Lender with any request or directive hereafter issued from any Governmental Authority which is generally applicable to all lenders subject to such Governmental Authority's jurisdiction:

(i) shall hereafter impose, modify, increase or hold applicable any reserve, special deposit, compulsory loan or similar requirement against assets held by, or deposits or other liabilities in or for the account of, advances or loans by, or other credit extended by, or any other acquisition of funds by, any office of Lender or any Co-Lender which is not otherwise included in the determination of LIBOR hereunder;

(ii) shall, if the Loan is then bearing interest at the Eurodollar Rate, hereafter have the effect of reducing the rate of return on Lender's or any Co-Lender's capital as a consequence of its obligations hereunder to a level below that which Lender or any Co-Lender could have achieved but for such adoption, change or compliance (taking into consideration Lender's or any Co-Lender's policies with respect to capital adequacy) by any amount deemed by Lender or any Co-Lender to be material; or

(iii) shall, if the Loan is then bearing interest at the Eurodollar Rate, hereafter impose on Lender or any Co-Lender any other condition, the result of which is to increase the cost to Lender or such Co-Lender of making, renewing or maintaining loans or extensions of credit or to reduce any amount receivable hereunder;

then, in any such case, Borrower shall promptly pay Lender or such Co-Lender (within ten (10) Business Days of Lender's or such Co-Lender's written demand therefor), any additional amounts necessary to compensate Lender or such Co-Lender for such additional cost or reduced amount receivable which Lender or such Co-Lender deems to be material in its reasonable discretion. If Lender or any Co-Lender becomes entitled to claim any additional amounts pursuant to this Section 2.2.3(c), Lender and such Co-Lender shall provide Borrower with not less than ten (10) Business Days written notice specifying in reasonable detail the event or circumstance by reason of which it has become so entitled and the additional amount required to fully compensate Lender and such Co-Lender for such additional cost or reduced amount. A certificate as to any additional costs or amounts payable pursuant to the foregoing sentence submitted by Lender or such Co-Lender to Borrower shall be conclusive absent manifest error.

Subject to Section 2.2.3(e) hereof, this provision shall survive payment of the Note and the satisfaction of all other obligations of Borrower under the Note, this Agreement and the other Loan Documents.

(c) Subject to Section 9.4 hereof, after the occurrence of a Syndication of all or any portion of the Loan Borrower agrees to indemnify Lender and the Co-Lenders and to hold Lender and the Co-Lenders harmless from any actual, out of pocket loss or expense which Lender or any Co-Lender sustains or incurs as a consequence of (I) any default by Borrower in payment of the principal of or interest on the Loan while bearing interest at the Eurodollar Rate, including, without limitation, any such loss or expense arising from interest or fees payable by Lender or any Co-Lenders to lenders of funds obtained by it in order to maintain the Eurodollar Rate, (II) any prepayment (whether voluntary or mandatory of the Loan on a day that (A) is not the Payment Date occurring on the last day of an Accrual Period with respect thereto or (B) is the Payment Date occurring on the last day of an Accrual Period with respect thereto if Borrower did not give the prior written notice of such prepayment required pursuant to the terms of this Agreement, including, without limitation, such loss or expense arising from interest or fees payable by Lender or any Co-Lender to lenders of funds obtained by it in order to maintain the Eurodollar Rate hereunder and (III) the conversion of the Applicable Interest Rate from the Eurodollar Rate to the Substitute Rate with respect to any portion of the outstanding principal amount of the Loan then bearing interest at the Eurodollar Rate on a date other than the Payment Date immediately following the last day of an Accrual Period, including, without limitation, such loss or expenses arising from interest or fees payable by Lender or any Co-Lender to lenders of funds obtained by it in order to maintain the Eurodollar Rate hereunder (the amounts referred to in clauses (I), (II) and (III) are herein referred to collectively as the **"Breakage Costs"**). Subject to Section 2.2.3 hereof, this provision shall survive payment of the Note and the satisfaction of all other obligations of Borrower under this Agreement and the other Loan Documents. Notwithstanding anything to the contrary contained in this Agreement, there shall be no Breakage Costs applicable to any portion of the Loan after the occurrence of a Securitization (other than a Syndication) of the entire Loan

(d) Neither Lender nor the applicable Co-Lender shall be entitled to claim compensation pursuant to this Section 2.2.3 or Section 2.2.8 for any increased cost or reduction in amounts received or receivable hereunder, or any reduced rate of return, which was incurred or which accrued more than the earlier of (i) ninety (90) days before the date Lender or the applicable Co-Lender notified Borrower of the change in law or other circumstance on which such claim of compensation is based and delivered to Borrower a written statement setting forth in reasonable detail the basis for calculating the additional amounts owed to Lender or the applicable Co-Lender under this Section 2.2.3 or Section 2.2.8, which statement shall be conclusive and binding upon all parties hereto absent manifest error or (ii) any earlier date (but not earlier than the effective date of such change in law or circumstance) provided that Lender notified Borrower of such change in law or circumstance and delivered the written statement referenced in clause (i) within ninety (90) days after Lender received written notice of such change in law or circumstance. Each Lender or Co-Lender must use reasonable efforts to avoid or reduce any other increased costs.

(e) This Section shall not apply to increased costs with respect to Indemnified Taxes, which shall be governed solely by Section 2.2.8.

2.2.4 Intentionally Deleted.

2.2.5 Payment on Maturity Date. Borrower shall pay to Lender on the Maturity Date the outstanding principal balance of the Loan, all accrued and unpaid interest and all other amounts due hereunder and under the Note, the Pledge Agreement and the other Loan Documents, including, without limitation, all interest that would accrue on the outstanding principal balance of the Loan through and including the end of the Accrual Period in which the Maturity Date occurs (even if such Accrual Period extends beyond the Maturity Date).

2.2.6 Payments after Default. Upon the occurrence and during the continuance of an Event of Default, interest on the outstanding principal balance of the Loan and, to the extent permitted by Applicable Law, overdue interest and other amounts due in respect of the Loan, shall accrue at the Default Rate, calculated from the date such payment was due without regard to any grace or cure periods contained herein. Interest at the Default Rate shall be computed from the occurrence and continuance of an Event of Default until the actual receipt and collection of the Debt (or that portion thereof that is then due). To the extent permitted by Applicable Law, unpaid interest at the Default Rate shall be added to the Debt, shall itself accrue interest at the same rate as the Loan and shall be secured by the Pledge Agreement. This paragraph shall not be construed as an agreement or privilege to extend the date of the payment of the Debt, nor as a waiver of any other right or remedy accruing to Lender by reason of the occurrence of any Event of Default.

2.2.7 Late Payment Charge. If any Monthly Debt Service Payment Amount is not paid by Borrower on or prior to the date on which it is due or any other sums due under the Loan Documents (other than the payment of the balance of the principal sum of the Note due on the Maturity Date) are not paid by Borrower within five (5) days of written demand therefor, Borrower shall pay to Lender upon demand an amount equal to the lesser of five percent (5%) of such unpaid sum or the maximum amount permitted by Applicable Law in order to defray the expense incurred by Lender in handling and processing such delinquent payment and to compensate Lender for the loss of the use of such delinquent payment. Any such amount shall be secured by the Pledge Agreement and the other Loan Documents to the extent permitted by Applicable Law.

2.2.8 Indemnified Taxes. All payments made by Borrower hereunder shall be made free and clear of, and without reduction for or on account of, indemnified Taxes. If any Indemnified Taxes are required by Applicable Law to be withheld from any amounts payable to Lender or any Co-Lender hereunder, the amounts so payable to Lender or such Co-Lender shall be increased to the extent necessary to yield to Lender or such Co-Lender (after payment of all Indemnified Taxes and all taxes with respect to such increased amounts) interest or any such other amounts payable hereunder at the rate or in the amounts specified hereunder and due at that time. Whenever any Indemnified Tax is payable pursuant to Applicable Law by Borrower, Borrower shall send to Lender or the applicable Co-Lender an original official receipt if available, showing payment of such Indemnified Tax or other evidence of payment reasonably satisfactory to Lender or the applicable Co-Lender. Borrower hereby indemnifies Lender and each Co-Lender for any incremental taxes, interest or penalties that may become payable by Lender or any Co-Lender which may result from any failure by Borrower to pay any such Indemnified Tax when due to the appropriate taxing authority or any failure by Borrower to

remit to Lender or any Co-Lender the required receipts or other required documentary evidence. Each Lender and each Co-Lender (and any successor and/or assign of such Lender or such Co-Lender, as applicable) shall deliver to Borrower on or prior to the date on which such Lender or such Co-Lender, as applicable, becomes a party to this Agreement (i) two duly completed copies of United States Internal Revenue Service Form W-8BEN, W-8IMY (with all the requisite attachments) or Form W-8ECI or successor applicable form, as the case may be, certifying in each case that such entity is entitled to receive payments under the Note, without deduction or withholding of any United States federal income taxes, (ii) two duly completed copies of an Internal Revenue Service Form W-9 or successor applicable form, as the case may be, to establish an exemption from United States backup withholding tax or (iii) in the case of a Lender or Co-Lender that is a foreign corporation claiming such an exemption under Section 881(c) of the Code, a duly completed certificate to the effect that such Lender or Co-Lender is not (A) a "bank" within the meaning of Section 881(c)(3)(A) of the Code, (B) a "10 percent shareholder" of such Borrower within the meaning of Section 881(c)(3)(B) of the Code, or (C) a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code. Each entity required to deliver to Borrower a Form W-8BEN, W-8MY or W-8ECI or Form W-9 pursuant to the preceding sentence further undertakes to deliver to Borrower two further copies of Form W-8BEN, W-8IMY or Form W-8ECI or Form W-9, or successor applicable forms, as the case may be, on or before the date that any such form expires or becomes obsolete or after the occurrence of any event requiring a change in the most recent form previously delivered by it to Borrower, or upon request by Borrower, certifying in the case of a Form W-8BEN or Form W-8ECI that such entity is entitled to receive payments under the Note without deduction or withholding of any United States federal income taxes, unless in any such case an event (including, without limitation, any change in treaty, law or regulation) has occurred prior to the date on which any such delivery would otherwise be required which renders all such forms inapplicable or which would prevent such entity from duly completing and delivering any such form with respect to it, and such entity notifies Borrower; it being understood that in the case of any such event that prevents a Lender or Co-Lender from continuing to provide a Form W-8IMY establishing an exemption from withholding by the Borrower, the Borrower shall not be required to increase amounts payable pursuant to this Section 2.2.8 by an amount greater than would have been required had such Lender or Co-Lender or an affiliate thereof not been acting as an intermediary with respect to such amounts. Notwithstanding the foregoing, if such entity fails to provide a duly completed Form W-8BEN or Form W-8ECI or other applicable form and such entity is otherwise entitled under Applicable Law to receive payments under the Note without deduction or withholding of any United States federal income taxes and, under Applicable Law, in order to avoid liability for Indemnified Taxes, Borrower is required to withhold on payments made to such entity that has failed to provide the applicable form, Borrower shall be entitled to withhold the appropriate amount of Indemnified Taxes without grossing up such entity, provided, that Borrower will make commercially reasonable efforts to obtain the applicable certification. In such event, Borrower shall promptly provide to such entity evidence of payment of such Indemnified Taxes to the appropriate taxing authority and shall promptly forward to such entity any official tax receipts or other documentation with respect to the payment of the Indemnified Taxes as may be issued by the taxing authority.

2.2.9 Treatment of Certain Refunds or Credits. If Lender or Co-Lender (or any successor and/or assign of such Lender or such Co-Lender, as applicable) determines, in its reasonable discretion, that it has received a refund of any Indemnified Taxes as to which it has

been indemnified by Borrower or with respect to which Borrower has paid additional amounts pursuant to Section 2.2.8, it shall pay to Borrower an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by or on behalf of Borrower under Section 2.2.8 with respect to Indemnified Taxes giving rise to such recovery), net of all out-of-pocket expenses (including taxes) of such Lender or such Co-Lender, as the case may be, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided that Borrower, upon the request of such Lender or such Co-Lender, agrees to repay to such Lender or such Co-Lender, as the case may be, the amount paid over to Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event such Lender or such Co-Lender is required to repay such refund to such Governmental Authority. This Section shall not be construed to require such Lender or such Co-Lender to make any claim for refund of Taxes or make available its tax returns (or any other information relating to its taxes which it deems confidential) to Borrower or any other Person.

2.2.10 Usury Savings. This Agreement and the Note are subject to the express condition that at no time shall Borrower be obligated or required to pay interest on the principal balance of the Loan at a rate which could subject Lender to either civil or criminal liability as a result of being in excess of the Maximum Legal Rate. If, by the terms of this Agreement or the other Loan Documents, Borrower is at any time required or obligated to pay interest on the principal balance due hereunder at a rate in excess of the Maximum Legal Rate, the Applicable Interest Rate or the Default Rate, as the case may be, shall be deemed to be immediately reduced to the Maximum Legal Rate and all previous payments in excess of the Maximum Legal Rate shall be deemed to have been payments in reduction of principal and not on account of the interest due hereunder. All sums paid or agreed to be paid to Lender for the use, forbearance, or detention of the sums due under the Loan, shall, to the extent permitted by Applicable Law, be amortized, prorated, allocated, and spread throughout the full stated term of the Loan until payment in full so that the rate or amount of interest on account of the Loan does not exceed the Maximum Legal Rate of interest from time to time in effect and applicable to the Loan for so long as the Loan is outstanding.

Section 2.3 Prepayments.

2.3.1 Voluntary Prepayments. Except as otherwise provided in this Section 2.3.1 and in Section 2.3.2, Borrower shall not have the right to prepay the Loan, in whole or in part, prior to the Maturity Date. Borrower shall have no right to prepay the Loan, in whole or in part, prior to the Payment Date occurring in February 2008. Thereafter Borrower may, upon at least ten (10) days prior written notice to Lender, prepay the Loan in whole but not in part at anytime, provided however if such prepayment occurs prior to the Payment Date occurring in August, 2008 (the **"Permitted Prepayment Date"**), Borrower shall also pay Lender the applicable Spread Maintenance Premium. On the Permitted Prepayment Date or on any date thereafter, Borrower may, at its option and upon at least ten (10) days prior written notice to Lender, prepay the entire Debt without payment of the Spread Maintenance Premium. Borrower may revoke any notice of prepayment at any time prior to the date of such prepayment. Borrower shall promptly reimburse Lender for any reasonable out-of-pocket costs and expenses associated with any such revocation. In addition, Borrower agrees that (a) in the event that a prepayment shall be made during the period commencing on the first calendar day immediately

following a Payment Date to, but not including, the LIBOR Determination Date in such calendar month, such payment shall be accompanied by a payment of interest on the amount of principal being prepaid that Lender determines would be payable by Borrower if such prepayment had been made on or after such LIBOR Determination Date but prior to the succeeding Payment Date calculated using a per annum interest rate equal to 6.25% plus the Spread (such amount, the **"Estimated Interest Payment"**). In the event that the Estimated Interest Payment paid by Borrower to Lender exceeds the amount that otherwise would have been payable by Borrower if the final interest payment amount was calculated based on the interest rate determined on the applicable LIBOR Determination Date (the **"Actual Required Payment"**), Lender shall refund to Borrower an amount equal to the Estimated Interest Payment minus the Actual Required Payment. In the event the Estimated Interest Payment paid by Borrower is less than the Actual Required Payment, Borrower shall, promptly upon demand by Lender, pay to Lender an amount equal to the Actual Required Payment minus the Estimated Interest Payment; (b) if such prepayment is made on a Payment Date, then in connection with such prepayment Borrower shall pay to Lender, simultaneously with such prepayment, all interest on the principal balance of the Note then being prepaid which would have accrued through the end of the Accrual Period then in effect notwithstanding that such Accrual Period extends beyond the date of such prepayment; and (c) subject to subsection (a) above, if such prepayment is made on a day other than a Payment Date, then in connection with such prepayment Borrower shall pay to Lender, simultaneously with such prepayment, all interest on the principal balance of the Note then being prepaid which would have accrued through the end of the Accrual Period then in effect notwithstanding that such Accrual Period extends beyond the date of such prepayment; provided, however, that if such date is a date on or after the LIBOR Determination Date in such calendar month and prior to the first day of the Accrual Period that commences in such calendar month, Borrower shall also pay to Lender in connection with such prepayment all interest on the principal balance of this Note then being prepaid which would have accrued through the end of the next succeeding Accrual Period. Any prepayment received by Lender on a date other than a Payment Date shall be held by Lender as collateral security for the Loan and shall be applied to the Debt on the next Payment Date.

2.3.2 Liquidation Event. (a) In the event of (i) any Casualty to all or any portion of the Property, (ii) any Condemnation of all or any portion of the Property, (iii) any claims made by Mortgage Borrower under the owner's Title Policy, (iv) a Transfer of the Property in connection with realization thereon by Mortgage Lender following an Event of Default under the Mortgage Loan, (v) any refinancing of the Property or the Mortgage Loan (each, a **"Liquidation Event"**), Borrower shall cause the related Net Liquidation Proceeds After Debt Service to be deposited directly into the Mezzanine Deposit Account. On each date on which Lender actually receives a distribution of Net Liquidation Proceeds After Debt Service, Borrower shall prepay the outstanding principal balance of the Note in an amount equal to one hundred percent (100%) of such Net Liquidation Proceeds After Debt Service together with (i) in the event that such Net Liquidation Proceeds After Debt Service are received on or before a Payment Date, interest accruing on such amount calculated through and including the end of the Accrual Period in which such Monthly Payment Date occurs, or (ii) in the event that such Net Liquidation Proceeds After Debt Service are received on a date after a Payment Date, interest accruing on such amount calculated through and including the end of Interest Period in which the next Payment Date occurs. Such Net Liquidation Proceeds After Debt Service shall be applied first to the repayment of Initial Advance and any remaining portion thereof shall be applied to

the repayment of any Future Advances. Subject to the rights of the Other Mezzanine Lender, any amounts of Net Liquidation Proceeds After Debt Service in excess of the Debt shall be paid to Borrower. Any prepayment received by Lender pursuant to this Section 2.3.2 on a date other than a monthly Payment Date shall be held by Lender as collateral security for the Loan and shall be applied by Lender on the next monthly Payment Date. Other than during the continuance of an Event of Default, no Spread Maintenance Premium shall be due in connection with any prepayment made pursuant to this Section 2.3.2(a)(i) or (ii).

(b) Borrower shall immediately notify Lender of any Liquidation Event once Borrower has knowledge of such event. Borrower shall be deemed to have knowledge of (i) a sale (other than a foreclosure sale or UCC sale) of the Property on the date on which a contract of sale for such sale is entered into, and a foreclosure sale or UCC sale, on the date notice of such foreclosure sale or UCC sale is given, and (ii) a refinancing of the Property, on the date on which a commitment for such refinancing has been entered into. The provisions of this Section 2.3.2 shall not be construed to contravene in any manner the restrictions and other provisions regarding refinancing of the Mortgage Loan or Transfer of the Property set forth in this Agreement, the other Loan Documents and the Mortgage Loan Documents.

2.3.3 Prepayments After Default. If, following the occurrence and during the continuance of an Event of Default, payment of all or any part of the Debt is tendered by Borrower or otherwise recovered by Lender, such tender or recovery shall be deemed a voluntary prepayment by Borrower in violation of the prohibition against prepayment set forth in Section 2.3.1 and Borrower shall pay, in addition to the Debt, (i) an amount equal to the greater of (a) one percent (1%) of the outstanding principal amount of the Loan to be prepaid or satisfied, or (b) the Spread Maintenance Premium, and (ii) all accrued and unpaid interest on the amount of principal being prepaid (including, without limitation, (x) in the event that such prepayment is received on or before a Payment Date, interest accruing on such amount calculated through and including the end of the Accrual Period in which such Payment Date occurs, or (y) in the event that such prepayment is received on a date after a Payment Date, interest accruing on such amount calculated through and including the end of Accrual Period in which the next Payment Date occurs), (iii) to the extent applicable, Breakage Costs and (iv) other amounts payable under the Loan Documents. Notwithstanding anything contained herein to the contrary, the amounts set forth in clause (i) above shall not be payable if the related payment is tendered on or after the Permitted Prepayment Date.

2.3.4 Making of Payments. Each payment by Borrower hereunder or under the Note shall be made in funds settled through the New York Clearing House Interbank Payments System or other funds immediately available to Lender by 12:00 noon, New York City time, on or prior to the date such payment is due, to Lender by deposit to such account as Lender may designate by written notice to Borrower. Whenever any payment hereunder or under the Note shall be stated to be due on a day which is not a Business Day, such payment shall be made on the Business Day immediately preceding such day.

2.3.5 Application of Principal Prepayments. All prepayments received pursuant to this Section 2.3 shall be applied to the payments of principal due under the Loan in the inverse order of maturity.

Section 2.4 Interest Rate Cap Agreement. (a) Borrower shall purchase one or more Interest Rate Cap Agreements (i) for a period to expire on the initial Maturity Date, (ii) in a notional amount not less than the outstanding principal balance of the Loan, (iii) having a strike price not greater than 6.25% and (iv) which otherwise comply with the requirements of this Section 2.4. Thereafter, Borrower shall purchase prior to each Extension Period, and shall maintain throughout the remaining term of the Loan, an Interest Rate Cap Agreement or Interest Rate Cap Agreements, or replacements, increases or amendments thereto, in a notional amount not less than the then outstanding principal balance of the Loan, for a period beginning on the first day of the applicable Extension Period and ending on the last calendar day of the Accrual Period in which the applicable Extended Maturity Date occurs and otherwise complying with the requirements of this Section 2.4. Each Interest Rate Cap Agreement delivered after the initial Maturity Date shall provide for a LIBOR strike price not greater than 6.25%. The Counterparty shall be obligated under the Interest Rate Cap Agreement to make monthly payments equal to the excess of one (1) month LIBOR over the applicable strike rate required pursuant to this subsection (a) calculated on the notional amount. The notional amount of the Interest Rate Cap Agreement may be reduced from time to time in amounts equal to any prepayment of the principal of the Loan in accordance with Section 2.3 hereof and Borrower may sell any such excess notional amount.

(b) Borrower shall collaterally assign to Lender pursuant to a Collateral Assignment of Interest Rate Cap Agreement, all of its right, title and interest to receive any and all payments under the Interest Rate Cap Agreement (and any related guarantee, if any) and shall deliver to Lender an executed counterpart of such Interest Rate Cap Agreement and notify the Counterparty of such collateral assignment (either in such Interest Rate Cap Agreement or by separate instrument). The Counterparty shall agree in writing to make all payments it is required to make under the Interest Rate Cap Agreement directly to the Mezzanine Deposit Account where such payments shall be applied in accordance with the terms of Section 3.3 of the Cash Management Agreement. At such time as the Loan is repaid in full, all of Lender's right, title and interest in the Interest Rate Cap Agreement shall terminate and Lender shall promptly execute and deliver at Borrower's sole cost and expense, such documents as may be required to evidence Lender's release of the Interest Rate Cap Agreement and to notify the Counterparty of such release.

(c) Borrower shall comply with all of its obligations under the terms and provisions of the Interest Rate Cap Agreement. Borrower shall take all actions reasonably requested by Lender to enforce Lender's rights under the Interest Rate Cap Agreement in the event of a default by the Counterparty and shall not waive, amend or otherwise modify in any material respect any of its rights thereunder, without Lender's consent, not to be unreasonably withheld.

(d) In the event of any downgrade or withdrawal of the rating of such Counterparty by any Rating Agency below the Minimum Counterparty Rating, Borrower shall replace the Interest Rate Cap Agreement not later than thirty (30) days following receipt of notice of such downgrade or withdrawal with an Interest Rate Cap Agreement from an Acceptable Counterparty having a Minimum Counterparty Rating; provided, however, that if any Rating Agency withdraws or downgrades the credit rating of the Counterparty below the Minimum Counterparty Rating, Borrower shall not be required to replace the Counterparty under

the Interest Rate Cap Agreement provided that within thirty (30) days following notice to Borrower of such downgrade or withdrawal (y) such Counterparty or an Affiliate thereof posts additional collateral acceptable to the Rating Agencies from time to time securing its obligations under the Interest Rate Cap Agreement or (z) an Affiliate of such Counterparty with a Minimum Counterparty Rating delivers a guaranty acceptable to the Rating Agencies guaranteeing such Counterparty's obligations under the Interest Rate Cap Agreement; provided that, notwithstanding any such downgrade or withdrawal, unless and until the Counterparty transfers the Interest Rate Cap Agreement to a replacement Acceptable Counterparty pursuant to the foregoing clause (z), the Counterparty will continue to perform its obligations under the Interest Rate Cap Agreement. Notwithstanding the foregoing, if S&P or Fitch withdraws or downgrades the long-term credit rating of such Counterparty below "BBB-" or short term credit rating below "A-3", or Moody's withdraws or downgrades the credit rating of such Counterparty below "A2" (if the Counterparty has only a long term rating from Moody's) or below "A3" or "P-2" (if the Counterparty has both long term and short term ratings from Moody's), Borrower shall replace the Interest Rate Cap Agreement not later than thirty (30) days following receipt of notice of such downgrade or withdrawal with an Interest Rate Cap Agreement from an Approved Counterparty having a Minimum Counterparty Rating. Failure to satisfy any of the foregoing shall constitute an "Additional Termination Event" as defined by Section 5(b)(v) of the ISDA Master Agreement, with the Counterparty as the "Affected Party."

(e) In the event that Borrower fails to purchase and deliver to Lender the Interest Rate Cap Agreement or any Replacement Interest Cap Agreement as and when required hereunder, Lender may purchase such Interest Rate Cap Agreement and the cost incurred by Lender in purchasing such Interest Rate Cap Agreement shall be paid by Borrower to Lender with interest thereon at the Default Rate from the date such cost was incurred by Lender until such cost is paid by Borrower to Lender.

(f) In connection with an Interest Rate Cap Agreement, Borrower shall obtain and deliver to Lender an opinion of counsel from counsel (which may be in house counsel) for the Counterparty (upon which Lender and its successors and assigns may rely) which shall provide, in relevant part, that:

(1) the Counterparty is duly organized, validly existing, and in good standing under the laws of its jurisdiction of incorporation and has the organizational power and authority to execute and deliver, and to perform its obligations under, the Interest Rate Cap Agreement;

(2) the execution and delivery of the Interest Rate Cap Agreement by the Counterparty, and any other agreement which the Counterparty has executed and delivered pursuant thereto, and the performance of its obligations thereunder have been and remain duly authorized by all necessary action and do not contravene any provision of its certificate of incorporation or by-laws (or equivalent Organizational Documents) or any law, regulation or contractual restriction binding on or affecting it or its property;

(3) all consents, authorizations and approvals required for the execution and delivery by the Counterparty of the Interest Rate Cap Agreement, and any other agreement which the Counterparty has executed and delivered pursuant thereto, and the performance of its obligations thereunder have been obtained and remain in full force and effect, all conditions thereof have been duly complied with, and no other action by, and no notice to or filing with any governmental authority or regulatory body is required for such execution, delivery or performance; and

(4) the Interest Rate Cap Agreement, and any other agreement which the Counterparty has executed and delivered pursuant thereto, has been duly executed and delivered by the Counterparty and constitutes the legal, valid and binding obligation of the Counterparty, enforceable against the Counterparty in accordance with its terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law); or

(5) be in form and scope reasonably acceptable to Lender and otherwise satisfy then current market standards the holder of the Note customarily adheres with respect to Interest Rate Cap Agreement opinions.

Section 2.5 Release of Property. Except as set forth in this Section 2.5, no repayment, or prepayment of all or any portion of the Loan shall cause, give rise to a right to require, or otherwise result in, the release of any Lien of the Pledge Agreement on the Collateral.

2.5.1 Intentionally Deleted.

2.5.2 Release on Payment in Full. Lender shall, upon the written request and at the expense of Borrower, upon payment in full of all principal and interest due on the Loan (including by way of prepayment pursuant to Section 2.3 hereof) and all other amounts due and payable under the Loan Documents in accordance with the terms and provisions of the Note and this Agreement, release the Lien of the Pledge Agreement on the Collateral and the other Loan Documents if not theretofor released and remit any remaining Reserve Funds to Borrower. Any release or assignment delivered by Lender pursuant to this Section 2.5 shall be at Borrower's sole cost and expense.

ARTICLE III

INTENTIONALLY OMITTED

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

Section 4.1 Borrower Representations. Borrower represents and warrants as of the Closing Date that:

4.1.1 Organization. Borrower is duly organized and is validly existing and in good standing in the jurisdiction in which it is organized, with requisite power and authority to own the Collateral and to transact the businesses in which it is now engaged. Borrower is duly qualified to do business and is in good standing in each jurisdiction where it is required to be so qualified in connection with the Collateral, businesses and operations. Borrower possesses all rights, licenses, permits and authorizations, governmental or otherwise, necessary to entitle it to own the Collateral and to transact the businesses in which it is now engaged. The organizational chart of Borrower attached hereto as Schedule IV is true, correct and complete as of the Closing Date.

4.1.2 Proceedings. Borrower has taken all necessary action to authorize the execution, delivery and performance of this Agreement and the other Loan Documents. This Agreement and the other Loan Documents have been duly executed and delivered by or on behalf of Borrower and constitute legal, valid and binding obligations of Borrower enforceable against Borrower in accordance with their respective terms, subject only to applicable bankruptcy, insolvency and similar laws affecting rights of creditors generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

4.1.3 No Conflicts. The execution, delivery and performance of this Agreement and the other Loan Documents by Borrower will not conflict with or result in a breach of any of the terms or provisions of, or constitute a default under, or result in the creation or imposition of any Lien, charge or encumbrance (other than pursuant to the Loan Documents) upon any of the property or assets of Borrower pursuant to the terms of any indenture, mortgage, deed of trust, loan agreement, partnership agreement, management agreement, or other agreement or instrument to which Borrower is a party or by which any of Borrower's property or assets is subject, nor will such action result in any violation of the provisions of any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over Borrower or the Collateral or any of Borrower's other assets, or any license or other approval required to operate the Collateral, and any consent, approval, authorization, order, registration or qualification of or with any Governmental Authority required for the execution, delivery and performance by Borrower of this Agreement or any other Loan Documents have been obtained and is in full force and effect.

4.1.4 Litigation. Except as disclosed on Schedule VI attached hereto, there are no actions, suits or proceedings at law or in equity by or before any Governmental Authority or

other agency now pending or, to Borrower's knowledge, threatened against or affecting Borrower, Mortgage Borrower, the Property or the Collateral, which actions, suits or proceedings, if determined against Borrower, Mortgage Borrower, the Property or the Collateral, are reasonably likely to have a Material Adverse Effect.

4.1.5 Agreements. Neither Borrower nor Mortgage Borrower is a party to any agreement or instrument or subject to any restriction which is reasonably likely to have a Material Adverse Effect. To Borrower's knowledge, neither Borrower nor Mortgage Borrower is in default in any material respect in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any agreement or instrument to which it is a party or by which Borrower, Mortgage Borrower, the Collateral or the Property is bound. To Borrower's knowledge, neither Borrower nor Mortgage Borrower has any material financial obligation under any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which Borrower or Mortgage Borrower is a party or by which Borrower, Mortgage Borrower, the Collateral or the Property is otherwise bound, other than (a) obligations incurred in the ordinary course of the business relating to Borrower's operation of the Collateral, (b) obligations incurred in the ordinary course of Mortgage Borrower's operation of the Property and (c) obligations under the Loan Documents and the Mortgage Loan Documents, as applicable.

4.1.6 Solvency. Borrower (a) has not entered into the transaction or executed the Note, this Agreement or any other Loan Documents with the actual intent to hinder, delay or defraud any creditor and (b) has received reasonably equivalent value in exchange for its obligations under the Loan Documents. Giving effect to the Loan, the fair saleable value of Borrower's assets exceeds and will, immediately following the making of the Loan, exceed Borrower's total liabilities, including, without limitation, subordinated, unliquidated, disputed and contingent liabilities. The fair saleable value of Borrower's assets is and will, immediately following the making of the Loan, be greater than Borrower's probable liabilities, including the maximum amount of its contingent liabilities on its debts as such debts become absolute and matured. Borrower's assets do not and, immediately following the making of the Loan will not, constitute unreasonably small capital to carry out its business as conducted or as proposed to be conducted. Borrower does not intend to incur debt and liabilities (including contingent liabilities and other commitments) beyond its ability to pay such debt and liabilities as they mature (taking into account the timing and amounts of Cash to be received by Borrower and the amounts to be payable on or in respect of obligations of Borrower). No petition under the Bankruptcy Code or similar state bankruptcy or insolvency law has been filed against Borrower, Mortgage Borrower or, to Borrower's knowledge, any constituent Person in the last seven (7) years, and neither Borrower, Mortgage Borrower nor, to Borrower's knowledge, any constituent Person in the last seven (7) years has ever made an assignment for the benefit of creditors or taken advantage of any insolvency act for the benefit of debtors. Neither Borrower, Mortgage Borrower nor to Borrower's or Mortgage Borrower's knowledge any of its respective constituent Persons are contemplating either the filing of a petition by it under the Bankruptcy Code or similar state bankruptcy or insolvency laws or the liquidation of all or a major portion of Borrower's or Mortgage Borrower's assets or property, and Borrower has no knowledge of any Person contemplating the filing of any such petition against it or Mortgage Borrower or such constituent Persons of Borrower or Mortgage Borrower.

4.1.7 Full and Accurate Disclosure. To the best of Borrower's knowledge, no statement of fact made by Borrower in this Agreement or in any of the other Loan Documents contains any untrue statement of a material fact or omits to state any material fact necessary to make statements contained herein or therein not misleading. There is no fact presently known to Borrower which has not been disclosed to Lender which has a Material Adverse Effect, or is reasonably likely to have a Material Adverse Effect.

4.1.8 No Plan Assets. As of the date hereof and during the term of the Loan, Borrower is not and will not be a Plan, and none of the assets of Borrower constitute or will constitute "Plan Assets" of one or more Plans. In addition, (a) Borrower is not a "governmental plan" within the meaning of Section 3(32) of ERISA and (b) transactions by or with Borrower are not subject to State statutes regulating investment of, and fiduciary obligations with respect to, governmental plans that are similar to the provisions of Section 406 of ERISA or Section 4975 of the Code, which prohibit or otherwise restrict the transactions contemplated by this Agreement.

4.1.9 Compliance. Except as expressly disclosed to Lender in writing, to the best of Borrower's knowledge, Borrower, Mortgage Borrower, the Property and the use thereof, comply in all material respects with all applicable Legal Requirements, including, without limitation, all Environmental Laws, building and zoning ordinances and codes. Except as previously disclosed to Lender in writing, neither Borrower nor Mortgage Borrower is in default or violation of any order, writ, injunction, decree or demand of any Governmental Authority. To the best of Borrower's knowledge, there has not been committed by Borrower, Mortgage Borrower or any other Person in occupancy of or involved with the operation or use of the Property any act or omission affording the federal government or any other Governmental Authority the right of forfeiture as against the Property or the Collateral or any part thereof or any monies paid in performance of Borrower's or Mortgage Borrower's obligations under any of the Loan Documents or the Mortgage Loan Documents, as applicable.

4.1.10 Financial Information. To the best of Borrower's knowledge, all financial data, including, without limitation, the statements of cash flow and income and operating expense, that have been delivered to Lender by or on behalf of Borrower in respect of Borrower, Mortgage Borrower, the Collateral and the Property (i) are true, complete and correct in all material respects, (ii) accurately represent the financial condition of Borrower, Mortgage Borrower, the Collateral and the Property as of the date of such reports, and (iii) have been prepared in accordance with GAAP (or such other accounting basis reasonably acceptable to Lender) throughout the periods covered, except as disclosed therein. Except for Permitted Encumbrances, to the best of Borrower's knowledge, Borrower does not have any contingent liabilities, liabilities for taxes, unusual forward or long term commitments or unrealized or anticipated losses from any unfavorable commitments that are known to Borrower and are reasonably likely to have a Material Adverse Effect on the Mortgage Borrower, the Collateral or the Property or the operation thereof as an office building, except as referred to or reflected in said financial statements. Since the date of such financial statements, there has been no material adverse change in the financial condition, operations or business of Borrower or Mortgage Borrower from that set forth in said financial statements.

4.1.11 Condemnation. No Condemnation or other similar proceeding has been commenced or, to the best of Borrower's knowledge, is threatened in writing or contemplated with respect to all or any portion of the Property or for the relocation of roadways providing access to the Property.

4.1.12 Federal Reserve Regulations. No part of the proceeds of the Loan will be used for the purpose of purchasing or acquiring any "margin stock" within the meaning of Regulation U of the Board of Governors of the Federal Reserve System or for any other purpose which would be inconsistent with such Regulation U or any other Regulations of such Board of Governors, or for any purposes prohibited by Legal Requirements or by the terms and conditions of this Agreement or the other Loan Documents.

4.1.13 Intentionally Deleted.

4.1.14 Not a Foreign Person. Borrower is not a "foreign person" within the meaning of § 1445(f)(3) of the Code.

4.1.15 Intentionally Deleted.

4.1.16 Intentionally Deleted.

4.1.17 Enforceability. The Loan Documents are not subject to any right of rescission, set off, counterclaim or defense by Borrower, including the defense of usury, and Borrower has not asserted any right of rescission, set off, counterclaim or defense with respect thereto.

4.1.18 No Prior Assignment. To the best of Borrower's knowledge and except as will be released on the Closing Date, there are no prior assignments of the landlord's interest in the Leases or landlord's interest in any portion of the Rents due and payable or to become due and payable which are presently outstanding. To the best of Borrower's knowledge, there are no prior assignments of the Collateral which are presently outstanding except in accordance with the Loan Documents.

4.1.19 Insurance. Mortgage Borrower has obtained and Borrower has delivered to Lender certified copies of all insurance policies reflecting the insurance coverages, amounts and other requirements set forth in the Mortgage Loan Agreement. To Borrower's knowledge, no Person, including Borrower, has done, by act or omission, anything which would impair the coverage of any such policy.

4.1.20 Intentionally Deleted.

4.1.21 Intentionally Deleted.

4.1.22 Intentionally Deleted.

4.1.23 Intentionally Deleted.

4.1.24 Intentionally Deleted.

4.1.25 Leases. (a) To the best of Borrower's knowledge, the Property is not subject to any Leases other than the Leases described in Schedule I attached hereto and made a part hereof. Mortgage Borrower is the owner and lessor of landlord's interest in the Leases. To the best of Borrower's knowledge, no Person has any possessory interest in the Property or right to occupy the same except under and pursuant to the provisions of the Leases. To the best of Borrower's knowledge and except as otherwise disclosed to Lender on Schedule I attached hereto or in any tenant estoppel certificate delivered to Lender, the current Leases are in full force and effect and, there are no material defaults by Mortgage Borrower or, any tenant under any Lease, and, there are no conditions that, with the passage of time or the giving of notice, or both, would constitute material defaults under any Lease. To the best of Borrower's knowledge and except as otherwise disclosed to Lender on Schedule I attached hereto or in any tenant estoppel certificate delivered to Lender, no Rent has been paid more than one (1) month in advance of its due date. To the best of Borrower's knowledge and except as otherwise disclosed to Lender on Schedule I attached hereto or in any tenant estoppel certificate delivered to Mortgage Lender, there are no offsets or defenses to the payment of any portion of the Rents. To the best of Borrower's knowledge and except as otherwise disclosed to Lender on Schedule I attached hereto or in any tenant estoppel certificate delivered to Mortgage Lender, all work to be performed by Mortgage Borrower as of the date of this Agreement under each Lease has been performed as required and has been accepted by the applicable tenant, and any payments, free rent, partial rent, rebate of rent or other payments, credits, allowances or abatements required to be given by Mortgage Borrower to any tenant has already been received by such tenant. To the best of Borrower's knowledge and except as provided in the Loan Documents or as otherwise disclosed to Lender on Schedule I attached hereto or in any tenant estoppel certificate delivered to Mortgage Lender, there has been no prior sale, transfer or assignment, hypothecation or pledge of any Lease or of the Rents received therein which is still in effect. To the best of Borrower's knowledge and except as otherwise disclosed to Lender on Schedule I attached hereto or in any tenant estoppel certificate delivered to Mortgage Lender, no tenant under any Lease has sublet all or any portion of the premises demised thereby, no such tenant holds its leased premises under sublease, nor does anyone except such tenant and its employees occupy such leased premises. To the best of Borrower's knowledge and except as otherwise disclosed to Lender on Schedule I attached hereto or in any tenant estoppel certificate delivered to Mortgage Lender, no tenant under any Lease has a right or option pursuant to such Lease or otherwise to purchase all or any part of the leased premises or the building of which the leased premises are a part. To the best of Borrower's knowledge and except as otherwise disclosed to Lender on Schedule I attached hereto or in any tenant estoppel certificate delivered to Mortgage Lender or in the Leases, no tenant under any Lease has any right or option for additional space in the Improvements. To the best of Borrower's knowledge, no Hazardous Materials have been disposed, stored or treated by any tenant under any Lease on or about the leased premises nor does Borrower have any knowledge of any tenant's intention to use its leased premises for any activity which, directly or indirectly, involves the use, generation, treatment, storage, disposal or transportation of any Hazardous Materials, except those that are both (i) in compliance with current Environmental Laws and with permits issued pursuant thereto (if such permits are required), and (ii) either (A) in amounts not in excess of that necessary to operate, clean, repair and maintain the Property or each tenant's respective business at the Property as set forth in their respective Leases, (B) held by a tenant for sale to the public in its ordinary course of business, or (C) fully disclosed to and approved by Lender in writing pursuant to the Environmental Report.

(b) Attached hereto as Schedule I is a rent roll of the Property which is true, correct and complete in all material respects.

4.1.26 Intentionally Deleted.

4.1.27 Intentionally Deleted.

4.1.28 Filing and Recording Taxes. All material transfer taxes, deed stamps, intangible taxes or other amounts in the nature of transfer taxes required to be paid by any Person under applicable Legal Requirements currently in effect in connection with the transfer of the Collateral to Borrower (in connection with the merger transaction on or about the date hereof) have been paid or will be paid at or prior to the filing or recordation of the UCC Financing Statement or any other Loan Document. All stamp, intangible or other similar tax required to be paid by any Person under applicable Legal Requirements currently in effect in connection with the execution, delivery, recordation, filing, registration, perfection or enforcement of any of the Loan Documents, including, without limitation, the Pledge Agreement, have been paid or will be paid at or prior to the filing or recordation of the Pledge Agreement or any other Loan Document.

4.1.29 Intentionally Deleted.

4.1.30 Management Agreement. The Management Agreement is in full force and effect and there is no default thereunder by any party thereto and no event has occurred that, with the passage of time and/or the giving of notice would constitute a default thereunder.

4.1.31 Illegal Activity. No portion of the Property or the Collateral has been or will be purchased with proceeds of any illegal activity and to the best of Borrower's knowledge, there are no illegal activities or activities relating to any controlled substances at the Property.

4.1.32 No Change in Facts or Circumstances: Disclosure. To the best of Borrower's knowledge, all information submitted by Borrower to Lender and in all financial statements, rent rolls, reports, certificates and other documents submitted in connection with the Loan (other than the Environmental Report, the Physical Conditions Report, and other reports prepared by third parties (the **"Third Party Reports"**)) by or on behalf of Borrower or in satisfaction of the terms thereof and all statements of fact made by Borrower in this Agreement or in any other Loan Document, are to the best of Borrower's knowledge accurate, complete and correct in all material respects. To the best of Borrower's knowledge, there has been no material adverse change in any condition, fact, circumstance or event that would make any such information inaccurate, incomplete or otherwise misleading in any material respect or that otherwise are reasonably likely to have a Material Adverse Effect. Borrower acknowledges that it has received and reviewed copies of the Third Party Reports delivered to Lender in connection with the closing of the Loan and has no knowledge of any condition, fact, circumstance or event that would render any Third Party Report inaccurate, incomplete or otherwise misleading in any material respect.

4.1.33 Investment Company Act. Borrower is not (a) an "investment company" or a company "controlled" by an "investment company," within the meaning of the Investment Company Act of 1940, as amended; (b) a "holding company" or a "subsidiary company" of a

"holding company" or an "affiliate" of either a "holding company" or a "subsidiary company" within the meaning of the Public Utility Holding Company Act of 1935, as amended; or (c) subject to any other federal or State law or regulation which purports to restrict or regulate its ability to borrow money.

4.1.34 Principal Place of Business; State of Organization. Borrower's principal place of business as of the date hereof is the address set forth in the introductory paragraph of this Agreement. Borrower is organized under the laws of the State of Delaware and its organizational identification number is 4378782.

4.1.35 Single Purpose Entity. Borrower represents and warrants that (i) Borrower has, since its formation, not owned any property other than its interest in Mortgage Borrower and has existed solely in preparation for entering into the transaction; and (ii) Borrower has since its formation complied with the provisions of this Section 4.1.35. In addition, Borrower represents, warrants, covenants and agrees that until the Loan has been paid in full (x) it shall, and that its Organizational Documents shall provide that it shall, and (ii) the general partner(s) of Borrower, if Borrower is a partnership or the managing member(s) of Borrower, if Borrower is a limited liability company with multiple economic members (in each case, if any, a **"Principal"**) has and shall, and that the Organizational Documents of such general partner(s) or managing member(s) shall provide that it shall:

(a) with respect to Borrower, not own any asset or property other than the Collateral, and with respect to Principal, not acquire or own any material asset other than its interest in Borrower;

(b) with respect to Borrower, not engage in any business, directly or indirectly, other than the ownership and management of the Collateral and with respect to Principal, not engage in any business or activity other than the ownership of its interest in Borrower and activities incidental thereto;

(c) notwithstanding anything to the contrary in this Agreement or in any other documents governing the formation, management or operation of the Borrower, for so long as the Obligations are outstanding, neither the Member nor the Borrower shall amend, alter, change or repeal the "Special Purpose Provisions" as set forth in, and as defined in, Borrower's Operating Agreement without the consent of Lender, nor amend, modify or otherwise change the Organizational Documents of Borrower or Principal, as the case may be, without the prior consent of Lender in any manner that (i) violates the single purpose covenants set forth in Section 4.1,35 hereof, or (ii) amends, modifies or otherwise changes any provision thereof that by its terms cannot be modified at any time when the Loan is outstanding or by its terms cannot be modified without Lender's consent, or, after the Securitization of the Loan unless Borrower has received (x) confirmation from each of the applicable Rating Agencies that such action would not result in the disqualification, withdrawal or downgrade of any Securities rating and (y) approval of such actions by Lender or its assigns;

(d) except for capital contributions or capital distributions permitted under the terms and conditions of the LLC Agreement and properly reflected on the books and records of Borrower, maintain relationships comparable to an arm's-length transaction with its Affiliates

and enter into transactions with its Affiliates only on a commercially reasonable basis and on terms similar to those of an arm's-length transaction with an unaffiliated third party;

(e) with respect to Borrower, not incur, create or assume any indebtedness, secured (*subordinate or pari passu*) or unsecured, direct or indirect, absolute or contingent (including guaranteeing any obligation), other than (i) the indebtedness contemplated by the Loan Documents and (ii) operational debt not evidenced by a note; provided that any indebtedness incurred pursuant to subclauses (ii) shall be (x) not more than sixty (60) days past due, (y) incurred in the ordinary course of the business of owning the Collateral, and (z) does not exceed, in the aggregate, four percent (4%) of the outstanding principal balance of the Note, and with respect to Principal, not incur any debt secured or unsecured, direct or contingent (including guaranteeing any obligations);

(f) not make any loans or advances to any Person nor acquire debt obligations or securities of any Person;

(g) remain solvent and pay its debts and liabilities (including, as applicable, shared personnel and overhead expenses) from its assets, to the extent that cash flow from the Property is sufficient for such purpose, provided that this clause (g) shall not be construed to require Borrower's member to make equity contributions to Borrower;

(h) pay its own liabilities and expenses only out of its own funds and not the funds of any other Person;

(i) comply with and observe in all material respects the laws of the state of its formation as they relate to its organizational functions and responsibilities and other organizational formalities in order to maintain its separate existence;

(j) maintain all of its books, records and bank accounts separate from those of any other Person;

(k) prepare separate financial statements, showing its assets and liabilities separate and apart from those of any other Person, and not have its assets listed on the financial statement of any other Person; provided, however, Borrower's or Principal's assets, as the case may be, may be included in a consolidated financial statement with its Affiliates provided that (i) appropriate notations shall be made on such consolidated financial statement to indicate the separateness of Borrower or Principal, as the case may be, from such Affiliates and to indicate that none of any such Affiliate's assets and credit are available to satisfy the debts and other obligations of Borrower or Principal, as the case may be and (ii) such assets shall also be listed on Borrower's own separate balance sheet;

(l) file its own tax returns, if any, as may be required under Applicable Law, to the extent not treated as a "disregarded entity", and pay any taxes so required to be paid under applicable law;

(m) maintain its books, records, resolutions and agreements as official records;

(n) be, and at all times hold itself out to the public and all other Persons as a legal entity separate and distinct from any other entity (including any Affiliate or any constituent party of Borrower or Principal, as the case may be);

(o) conduct its business in its own name (or trade name) and correct any known misunderstanding regarding its separate identity and not identify itself as a department or division of any other Person;

(p) not identify itself or any of its Affiliates as a division or part of the other;

(q) use separate stationery, invoices and checks bearing its own name;

(r) maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations, to the extent that cash flow from the Property is sufficient for such purpose, provided that this clause (r) shall not be construed to require Borrower's member to make equity contributions to Borrower;

(s) not commingle its funds and other assets with assets of any Affiliate or constituent party or any other Person and hold all of its assets in its own name;

(t) maintain its assets in such a manner that it will not be materially costly or difficult to segregate, ascertain or identify its individual asset or assets, as the case may be, from those of any other Person;

(u) except for the pledge of assets to Lender in connection with the Loan, (i) not pledge its assets for the benefit of any other Person, (ii) not guarantee or become obligated for the debts of any other Person, and (iii) not hold itself out to be responsible for or have its credit or assets available to satisfy the debts or obligations of any other Person;

(v) not permit any constituent party independent access to its bank accounts;

(w) maintain a sufficient number of employees, if any, in light of its contemplated business operations and pay the salaries of such employees, if any, only from its own funds;

(x) not form, acquire or hold an interest in any subsidiary other than Mortgage Borrower or own any equity interest in any other entity;

(y) allocate fairly and reasonably any overhead expenses that are shared with any Affiliate, including paying for office space and services that are performed by any employee of any Affiliate on behalf of Borrower or Principal, as the case may be;

(z) to the fullest extent permitted by law, not seek or effect or engage in or cause any constituent party to seek or effect or engage in the liquidation, dissolution, winding up, consolidation or merger, in whole or in part, or the sale of substantially all of the assets of Borrower or Principal;

(aa) with respect to Principal or, if Borrower is a single member limited liability company that complies with the requirements of Section 4.1.35(hh) below, Borrower, at all times while the Loan is outstanding, have at least two (2) Independent Managers;

(bb) not fund the operations of any of its Affiliates or pay their expenses;

(cc) keep careful records of all transactions by and between Borrower or Principal, as the case may be, and its Affiliates and all such transactions shall be completely and accurately documented and payables shall be accurately and timely recorded;

(dd) notwithstanding any other provision of this Agreement or any provision of law that so empowers Borrower, the Member or any other Person, obtain, from and after the date hereof, the prior unanimous written consent of all other general partners/managing members/directors (including all Independent Managers) to (i) file or consent to the filing of any bankruptcy, insolvency or reorganization case or proceeding involving Borrower or Principal, as the case may be; institute any proceedings under any applicable insolvency law or otherwise seek any relief for Borrower or Principal, as the case may be, under any laws relating to the relief from debts or protection of debtors generally; (ii) seek or consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator, custodian or any similar official for Borrower or Principal, as the case may be, or a substantial portion of its properties; (iii) make any assignment for the benefit of Borrower's or Principal's creditors, as the case may be; or (iv) take any action in furtherance of the foregoing, provided, however, that no such consent shall be granted unless there are at least two (2) Independent Managers then serving in such capacity (it being understood and agreed that, except in connection with the foregoing actions listed in this clause (dd), the approval/consent of the Independent Managers shall not be required in connection with any other actions taken by Borrower);

(ee) if Borrower or Principal is a corporation, fail to consider the interests of its creditors in connection with all corporate actions to the extent permitted by Applicable Law;

(ff) violate or cause to be violated the assumptions made with respect to Borrower and Principal in the Insolvency Opinion;

(gg) permit its board of directors or managers to take any action which, under the terms of any certificate of incorporation, by-laws, voting trust agreement with respect to any common stock or other applicable Organizational Documents, requires the unanimous vote of one hundred percent (100%) of the members of the board without the vote of both Independent Managers; and

(hh) upon the occurrence of any event that causes the Member to cease to be a member of the Borrower (other than (i) upon an assignment by the Member of all of its limited liability Borrower interest in the Borrower and the admission of the transferee pursuant to the terms of the Loan Documents and the limited liability company agreement of the Borrower (the **"LLC Agreement"**), or (ii) the resignation of the Member and the admission of an additional member of the Borrower pursuant to the terms of the Loan Documents and the LLC Agreement) (a **"Member Cessation Event"**), each person acting as an Independent Manager pursuant to the terms of the LLC Agreement shall, without any action of any Person and simultaneously with the

Member Cessation Event, automatically be admitted to the Borrower as a "Special Member" of Borrower (**"Special Member"**) and shall continue Borrower without dissolution. If, however, at the time of a Member Cessation Event, Independent Manager 1 (as defined in the LLC Agreement) has died or is otherwise no longer able to step into the role of Special Member, then in such event, Independent Manager 2 (as defined in the LLC Agreement) shall, concurrently with the Member Cessation Event, and without any action of any Person and simultaneously with the Member Cessation Event, automatically be admitted to the Borrower as Special Member and shall continue the Borrower without dissolution. It is the intent of these provisions that the Borrower never have more than one Special Member at any particular point in time. No Special Member may resign from the Borrower or transfer its rights as Special Member unless a successor Special Member has been admitted to the Borrower as Special Member by executing a counterpart to this Agreement. The Special Member shall automatically cease to be a member of the Borrower upon the admission to the Borrower of a substitute Member. The Special Member shall be a member of the Borrower that has no interest in the profits, losses and capital of the Borrower and has no right to receive any distributions of Borrower assets. Pursuant to Section 18-301 of the Delaware Limited Liability Company Act (the "Act"), a Special Member shall not be required to make any capital contributions to the Borrower and shall not receive a limited liability Borrower interest in the Borrower. A Special Member, in its capacity as Special Member, may not bind the Borrower. Except as required by any mandatory provision of the Act, a Special Member, in its capacity as Special Member, shall have no right to vote on, approve or otherwise consent to any action by, or matter relating to, the Borrower, including, without limitation, the merger, consolidation or conversion of the Borrower. In order to implement the admission to the Borrower of the Special Member, each of Independent Manager 1 and Independent Manager 2 shall execute a counterpart to this Agreement. Prior to its admission to the Borrower as Special Member, each person acting as Independent Manager shall not be a member of the Borrower.

Notwithstanding anything to the contrary contained in this Section 4.1.35, no provisions contained in this Section 4.1.35 shall be deemed to create an obligation on the part of Borrower, any member in Borrower, or any member, officer, director, employee or Affiliate of any of the forgoing to make loans, equity infusions or capital contributions to Borrower.

4.1.36 Business Purposes. The Loan is solely for the business purpose of Borrower, and is not for personal, family, household, or agricultural purposes.

4.1.37 Taxes. To the extent required, Borrower has filed all federal, State, county, municipal, and city income and other material tax returns required to have been filed by it and has paid all material amounts of taxes and related liabilities which have become due pursuant to such returns or pursuant to any assessments received by it. Borrower knows of no basis for any additional assessment in respect of any such taxes and related liabilities for prior years.

4.1.38 Forfeiture. Neither Borrower nor, to the best of Borrower's knowledge, any other Person in occupancy of or involved with the operation or use of the Collateral has committed any act or omission affording the federal government or any State or local government the right of forfeiture as against the Collateral or any part thereof or any monies paid in performance of Borrower's obligations under the Note, this Agreement or the other Loan

Documents. Borrower hereby covenants and agrees not to commit, permit or suffer to exist any act or omission affording such right of forfeiture.

4.1.39 Environmental Representations and Warranties. Borrower represents and warrants, to the best of its knowledge, except as disclosed in the written report resulting from the environmental site assessments of the Property delivered to Lender prior to the Closing Date (the **"Environmental Report"**) that: (a) there are no Hazardous Materials or underground storage tanks in, on, or under the Property, except those that are both (i) in compliance with current Environmental Laws and with permits issued pursuant thereto (if such permits are required), and (ii) either (A) in amounts not in excess of that necessary to operate, clean, repair and maintain the Property or each tenant's respective business at the Property as set forth in their respective Leases, or (B) held by a tenant for sale to the public in its ordinary course of business, (b) there are no past, present or threatened Releases of Hazardous Materials in violation of any Environmental Law and which would require remediation by a Governmental Authority in, on, under or from the Property; (c) there is no threat of any Release of Hazardous Materials migrating to the Property in violation of any Environmental Law; (d) there is no past or present material non-compliance with current Environmental Laws, or with permits issued pursuant thereto, which has not been corrected, in connection with the Property; (e) Borrower does not know of, and has not received, any written or oral notice or other communication from any Person (including but not limited to a Governmental Authority) relating to Hazardous Materials in, on, under or from the Property; and (f) Borrower has truthfully and fully provided to Lender, in writing, any and all information relating to environmental conditions in, on, under or from the Property known to Borrower or Mortgage Borrower or contained in Borrower's or Mortgage Borrower's files and records, including but not limited to any reports relating to Hazardous Materials in, on, under or migrating to or from the Property and/or to the environmental condition of the Property.

4.1.40 Taxpayer Identification Number. Borrower's United States taxpayer identification number is 26-0432247.

4.1.41 OFAC. Borrower represents and warrants that neither Borrower, Mortgage Borrower, Guarantor, or any of their respective Affiliates is, to the best of its knowledge and after review of the Annex to the Executive Order and any amendments or additions thereto, a Prohibited Person, and Borrower, Mortgage Borrower, Guarantor, and their respective Affiliates are in full compliance with all applicable orders, rules, regulations and recommendations of The Office of Foreign Assets Control of the U.S. Department of the Treasury.

4.1.42 Intentionally Deleted.

4.1.43 Mezzanine Deposit Account. (a) The Cash Management Agreement creates valid and continuing security interests (as defined in the UCC) in the Accounts in favor of Lender, which security interests are prior to all other Liens and are enforceable as such against creditors of and purchasers from Borrower;

(b) Intentionally Deleted.

(c) Borrower and Lender agree that each Account is and shall be maintained (i) as a "securities account" (as such term is defined in Section 8-501(a) of the UCC), (ii) in such a manner that Lender shall have control (within the meaning of Section 8-106(d)(2) of the UCC) over each Account, (iii) such that none of Borrower, Mortgage Borrower or Manager shall have any right of withdrawal from any Account and, except as provided herein, no Account Collateral shall be released to Borrower from the Accounts, (iv) in such a manner that the Agent Bank shall agree to treat all property credited to the Accounts as "financial assets" and (v) such that all securities or other property underlying any financial assets credited to the Accounts shall be registered in the name of Agent Bank, indorsed to Agent Bank or in blank or credited to another securities account maintained in the name of Agent Bank and in no case will any financial asset credited to any such Accounts be registered in the name of Borrower, payable to the order of Borrower or specially indorsed to Borrower except to the extent the foregoing have been specially indorsed to Agent Bank, or in blank.

4.1.44 Embargoed Person. (a) As of the date hereof and at all times throughout the term of the Loan, including after giving effect to any Transfers permitted pursuant to the Loan Documents, to the best of Borrower's knowledge and after due inquiry and investigation, (a) none of the funds or other assets of Borrower, Mortgage Borrower, Principal and Guarantor constitute property of, or are beneficially owned, directly or indirectly, by any person, entity or government subject to trade restrictions under U.S. law, including but not limited to, the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701 et seq., The Trading with the Enemy Act, 50 U.S.C. App. 1 et seq., and any Executive Orders or regulations promulgated thereunder with the result that the investment in Borrower, Mortgage Borrower, Principal or Guarantor, as applicable (whether directly or indirectly), is prohibited by law or the Loan made by Lender is in violation of law (**"Embargoed Person"**); (b) no Embargoed Person has any interest of any nature whatsoever in Borrower, Mortgage Borrower, Principal or Guarantor, as applicable, with the result that the investment in Borrower, Mortgage Borrower, Principal or Guarantor, as applicable (whether directly or indirectly), is prohibited by law or the Loan is in violation of law; and (c) none of the funds of Borrower, Mortgage Borrower, Principal or Guarantor, as applicable, have been derived from any unlawful activity with the result that the investment in Borrower, Mortgage Borrower, Principal or Guarantor, as applicable (whether directly or indirectly), is prohibited by law or the Loan is in violation of law.

4.1.45 Material Agreements. To the best of Borrower's knowledge, none of the Property, Borrower or Mortgage Borrower is subject to any Material Agreements other than the Material Agreements described in Schedule XIII attached hereto and made a part hereof, and, to the best of Borrower's knowledge, there are no defaults thereunder by any party thereto.

4.1.46 Affiliates. Borrower does not own any equity interests in any other Person other than the Pledged Interests. Effective as of the consummation of the transactions contemplated by this Agreement, Borrower owns 100% of the membership interests in Mortgage Borrower, and Mezzanine Borrower B owns 100% of the membership interests in Borrower.

4.1.47 Mortgage Loan Representations. All of the representations and warranties contained in the Mortgage Loan Documents are true and correct in all material respects as of the date made thereunder and are hereby incorporated into this Agreement and shall remain incorporated without regard to any waiver, amendment or other modification thereof by the

Mortgage Lender or to whether the related Mortgage Loan Document has been repaid, defeased or otherwise terminated, unless otherwise consented to in writing by Lender.

Section 4.2 Survival of Representations. Borrower agrees that, except to the extent otherwise provided, all of the representations and warranties of Borrower set forth in Section 4.1 and elsewhere in this Agreement and in the other Loan Documents shall survive for so long as any amount remains owing to Lender under this Agreement or any of the other Loan Documents by Borrower. All representations, warranties, covenants and agreements made in this Agreement or in the other Loan Documents shall be deemed to have been relied upon by Lender notwithstanding any investigation heretofore or hereafter made by Lender or on its behalf.

ARTICLE V

BORROWER COVENANTS

Section 5.1 Affirmative Covenants. From the Closing Date and until payment and performance in full of all obligations of Borrower under the Loan Documents or the earlier release of the Lien of the Pledge Agreement encumbering the Collateral (and all related obligations) in accordance with the terms of this Agreement and the other Loan Documents, Borrower hereby covenants and agrees with Lender that:

5.1.1 Existence; Compliance with Legal Requirements. (a) Borrower shall do or cause to be done all things necessary to preserve, renew and keep in full force and effect its existence, rights, licenses, permits and franchises, and comply, or cause Mortgage Borrower to comply in all material respects, with all Legal Requirements applicable to it, Mortgage Borrower, the Collateral and the Property. There shall never be committed by Borrower and Borrower shall not permit or cause Mortgage Borrower to permit, through the exercise of commercially reasonable efforts, any other Person in occupancy of or involved with the operation or use of the Property, any act or omission affording the federal government or any State or local government the right of forfeiture against the Collateral, Property or any part thereof or any monies paid in performance of Borrower's obligations under any of the Loan Documents. Borrower hereby covenants and agrees not to commit, permit or suffer to exist any act or omission affording such right of forfeiture. Borrower shall at all times cause Mortgage Borrower to maintain, preserve and protect all franchises and trade names and preserve all the remainder of its property used or useful in the conduct of its business and shall keep the Property in good working order and repair, and from time to time make, or cause to be made, all reasonably necessary repairs, renewals, replacements, betterments and improvements thereto, all as more fully provided in this Agreement. Borrower shall keep or shall cause Mortgage Borrower to keep the Property insured at all times by financially sound and reputable insurers, to such extent and against such risks, and maintain liability and such other insurance, as is more fully provided in the Mortgage Loan Agreement. Borrower shall cause Mortgage Borrower to operate the portions of the Property that are the subject of any O&M Program in accordance with the terms and provisions thereof in all material respects.

(b) After prior written notice to Lender, Borrower, at its own expense, may contest or cause Mortgage Borrower to contest by appropriate legal proceeding promptly

initiated and conducted in good faith and with due diligence, the validity of any Legal Requirement, the applicability of any Legal Requirement to Borrower, Mortgage Borrower, the Collateral or the Property or any alleged violation of any Legal Requirement, provided that: (i) intentionally deleted; (ii) such proceeding shall be permitted under and be conducted in accordance with the provisions of any instrument to which Borrower or Mortgage Borrower is subject and shall not constitute a default thereunder and such proceeding shall be conducted in accordance with all Applicable Laws; (iii) neither the Collateral, the Property nor any part thereof or interest therein will be in danger of being sold, forfeited, terminated, cancelled or lost; (iv) Borrower shall promptly upon final determination thereof comply with any such Legal Requirement determined to be valid or applicable or cure any violation of any Legal Requirement; (v) such proceeding shall suspend the enforcement of the contested Legal Requirement against Borrower, Mortgage Borrower, the Collateral or the Property; and (vi) Borrower shall furnish or cause Mortgage Borrower to furnish such security as may be required in the proceeding, or as may be reasonably requested by Lender, to insure compliance with such Legal Requirement, together with all interest and penalties payable in connection therewith. Lender may apply any such security or part thereof, as necessary to cause compliance with such Legal Requirement at any time when, in the judgment of Lender, the validity, applicability or violation of such Legal Requirement is finally established or the Collateral or the Property (or any part thereof or interest therein) shall be in danger of being sold, forfeited, terminated, cancelled or lost.

5.1.2 Taxes and Other Charges. Subject to the terms and provisions of this Section 5.1.2 and to the extent required by Applicable Law, Borrower shall, or shall cause Mortgage Borrower to pay all Taxes and Other Charges now or hereafter levied or assessed or imposed against the Property or any part thereof as the same become due and payable. Borrower shall furnish, or shall cause Mortgage Borrower to furnish, to Lender receipts, or other evidence for the payment of the Taxes and the Other Charges prior to the date the same shall become delinquent (provided, however, that Borrower is not required to furnish such receipts for payment of Taxes in the event that such Taxes have been paid by Mortgage Lender pursuant to Section 7.2 hereof and Section 7.2 of the Mortgage Loan Agreement). Borrower shall not suffer and shall not permit Mortgage Borrower to suffer and shall promptly cause to be paid and discharged any Lien or charge whatsoever which may be or become a Lien or charge against the Property, other than the Lien of the Security Instrument or the Permitted Encumbrances, and shall promptly pay or cause Mortgage Borrower to promptly pay for all utility services provided to the Property. After prior written notice to Lender, Borrower, at its own expense may, or may cause Mortgage Borrower to contest, by appropriate legal proceeding, promptly initiated and conducted in good faith and with due diligence, the amount or validity or application in whole or in part of any Taxes or Other Charges, provided that (i) intentionally deleted; (ii) such proceeding shall be permitted under and be conducted in accordance with the provisions of any other instrument to which Borrower and/or Mortgage Borrower are subject and shall not constitute a default thereunder and such proceeding shall be conducted in accordance with all Applicable Laws; (iii) neither the Collateral nor the Property nor any part thereof or interest therein will be in danger of being sold, forfeited, terminated, cancelled or lost; (iv) Borrower shall, or shall cause Mortgage Borrower to, promptly upon final determination thereof pay the amount of any such Taxes or Other Charges, together with all costs, interest and penalties which may be payable in connection therewith; (v) such proceeding shall suspend the collection of such contested Taxes or Other Charges from the Property; and (vi) Borrower shall furnish or cause

Mortgage Borrower to furnish such security as may be required in the proceeding, or as may be reasonably requested by Lender, to insure the payment of any such Taxes or Other Charges, together with all interest and penalties thereon. Lender may apply such security or part thereof held by Lender at any time when, in the judgment of Lender, the validity or applicability of such Taxes or Other Charges is established or the Collateral or the Property (or part thereof or interest therein) shall be in danger of being sold, forfeited, terminated, cancelled or lost or there shall be any danger of the Lien of the Security Instrument or the Pledge Agreement being primed by any related Lien.

5.1.3 Litigation. Borrower shall give prompt written notice to Lender of any litigation or governmental proceedings pending or threatened against Borrower or Mortgage Borrower of which Borrower has received written notice of and which is reasonably likely to have a Material Adverse Effect.

5.1.4 Access to the Property. Borrower shall cause Mortgage Borrower to permit agents, representatives and employees of Lender to inspect the Property or any part thereof at reasonable hours upon reasonable advance notice, subject to the rights of tenants under their respective Leases.

5.1.5 Notice of Default. Borrower shall promptly advise Lender of the occurrence of any event that is reasonably likely to have a Material Adverse Effect, or of the occurrence of any Default or Event of Default of which Borrower has knowledge, or of the occurrence of any default by Mortgage Borrower under any reciprocal easement agreement affecting the Property of which Borrower has knowledge.

5.1.6 Cooperate in Legal Proceedings. Borrower shall cooperate, and shall cause Mortgage Borrower to cooperate, fully with Lender with respect to any proceedings before any court, board or other Governmental Authority which may in any way materially and adversely affect the rights of Lender hereunder or any rights obtained by Lender under any of the other Loan Documents and, in connection therewith, permit Lender, at its election, to participate in any such proceedings.

5.1.7 Award and Insurance Benefits. Borrower shall cause Mortgage Borrower to cooperate with Lender in obtaining for Lender the benefits of any Awards or Insurance Proceeds lawfully or equitably payable in connection with the Property, and Lender shall be reimbursed for any reasonable out-of-pocket expenses actually incurred in connection therewith (including reasonable attorneys' fees and disbursements, and the payment by Borrower of the expense of an appraisal on behalf of Lender in case of Casualty or Condemnation affecting the Property or any part thereof) out of such Award or Insurance Proceeds.

5.1.8 Further Assurances. Borrower shall, and shall cause Mortgage Borrower to, at Borrower's sole but reasonable cost and expense:

(a) furnish to Lender all instruments, documents, boundary surveys, footing or foundation surveys, certificates, plans and specifications, appraisals, title and other insurance reports and agreements, and each and every other document, certificate, agreement and instrument required to be furnished by Borrower pursuant to the terms of the Loan Documents or

reasonably requested by Lender in connection therewith; provided, however, that any such further assurances do not increase Borrower's liabilities and obligations, or decrease any of Borrower's rights, hereunder or under any of the other Loan Documents;

(b) execute and deliver to Lender such documents, instruments, certificates, assignments and other writings, and do such other acts necessary or desirable, to evidence, preserve and/or protect the collateral at any time securing or intended to secure the obligations of Borrower under the Loan Documents, as Lender may reasonably require including, without limitation, the authorization of Lender to file and/or the filing by Borrower of UCC financing statements, provided, however, that any such further assurances do not increase Borrower's liabilities and obligations, or decrease any of Borrower's rights, hereunder or under any of the other Loan Documents. Without limitation to the foregoing, Borrower hereby authorizes Lender to execute or file in the name of Borrower or without the signature of Borrower to the extent Lender may lawfully do so, and to file in the appropriate riling or recording offices, one or more financing statements or other instruments, to evidence more effectively the security interest of Lender in the Collateral. Borrower grants to Lender an irrevocable power of attorney coupled with an interest for the purpose of exercising and perfecting any and all rights and remedies available to Lender pursuant to this Section 5.1.8(b); and

(c) do and execute all and such further lawful and reasonable acts, conveyances and assurances for the better and more effective carrying out of the intents and purposes of this Agreement and the other Loan Documents, as Lender shall reasonably require from time to time, provided, however, that any such further assurances do not increase Borrower's liabilities and obligations, or decrease any of Borrower's rights, hereunder or under any of the other Loan Documents.

5.1.9 Mortgage and Intangible Taxes. Borrower shall pay all State, county and municipal recording, mortgage, intangible, and all other taxes imposed upon the execution, recordation or filing of the UCC Financing Statements and/or upon the execution and delivery of the Note.

5.1.10 Financial Reporting. (a) Borrower will keep and maintain or will cause to be kept and maintained on a Fiscal Year basis, in accordance with GAAP (or such other accounting basis reasonably acceptable to Lender), proper and accurate books, records and accounts reflecting all of the financial affairs of Borrower and Mortgage Borrower and all items of income and expense in connection with the operation on an individual basis of the Property. Lender shall have the right from time to time at all times during normal business hours upon reasonable notice to Borrower to examine such books, records and accounts at the office of Borrower, Mortgage Borrower or any other Person maintaining such books, records and accounts and to make such copies or extracts thereof as Lender shall desire. Following the occurrence and during the continuance of an Event of Default, Borrower shall pay any reasonable out of pocket costs and expenses actually incurred by Lender to examine Borrower's or Mortgage Borrower's accounting records with respect to the Property, as Lender shall determine to be necessary or appropriate in the protection of Lender's interest.

(b) Borrower will furnish to Lender quarterly and annually, within sixty (60) days following the end of each of the first, second and third fiscal quarters and one hundred

twenty (120) days following the end of each Fiscal Year (as applicable), a complete copy of Mortgage Borrower's and Borrower's quarterly or annual (as applicable) financial statements audited (only with respect to such annual financial statements) by an Approved Accountant in accordance with GAAP (or such other accounting basis reasonably acceptable to Lender) covering the Property for such quarter or Fiscal Year (as applicable) and containing statements of profit and loss for Borrower, Mortgage Borrower, the Property and the Collateral and a balance sheet for Borrower and Mortgage Borrower. Such statements shall set forth the financial condition and the results of operations for the Property for such quarter or Fiscal Year (as applicable), and shall include, but not be limited to, amounts representing annual Net Cash Flow, Net Operating Income, Gross Income from Operations and Operating Expenses. Borrower's and Mortgage Borrower's annual financial statements shall be accompanied by (i) a comparison of the budgeted income and expenses and the actual income and expenses for the prior Fiscal Year, (ii) an Officer's Certificate in the form attached hereto as Schedule V-A stating that to the best of Borrower's, Mortgage Borrower's or Principal's knowledge (x) each such annual financial statement presents fairly the financial condition and the results of operations of Borrower, Mortgage Borrower and the Property being reported upon and has been prepared in accordance with GAAP (or such other accounting basis as is reasonably acceptable to Lender), and (y) as of the date thereof whether there exists an Event of Default under the Loan Documents or the Mortgage Loan Documents executed and delivered by, or applicable to, Borrower or Mortgage Borrower, and if such Event of Default exists, the nature thereof, the period of time it has existed and the action then being taken to remedy the same, (iii) with respect to annual financial statements, an unqualified opinion of an Approved Accountant, (iv) a current rent roll for the Property, (v) a breakdown showing the year in which each Lease then in effect expires and the percentage of total floor area of the Improvements and the percentage of base rent with respect to which Leases shall expire in each such year, each such percentage to be expressed on both a per year and cumulative basis, (vi) a schedule audited by such Approved Accountant reconciling Net Operating Income to Net Cash Flow (the **"Net Cash Flow Schedule"**), which shall itemize all adjustments made to Net Operating Income to arrive at Net Cash Flow deemed material by such Approved Accountant and (vii) any written notice received from a tenant under a Major Lease alleging a default by landlord. Together with Borrower's and Mortgage Borrower's quarterly financial statements, Borrower shall, and shall cause Mortgage Borrower to, furnish to Lender an Officer's Certificate certifying, to Borrower's and Mortgage Borrower's knowledge, as of the date thereof whether there exists an Event of Default under the Loan Documents or Mortgage Loan Documents executed and delivered by, or applicable to, Borrower or Mortgage Borrower and if such Event of Default exists, the nature thereof, the period of time it has existed and the action then being taken to remedy the same.

(c) Borrower will furnish, or cause to be furnished, to Lender on or before forty-five (45) days after the end of each calendar month the following items, accompanied by an Officer's Certificate in the form attached hereto as Schedule V-B stating that such items are true, correct, accurate, and complete and fairly present the financial condition and results of the operations of Borrower, Mortgage Borrower, the Property and the Collateral (subject to normal year-end adjustments): (i) a rent roll for the subject month; and (ii) a Net Cash Flow Schedule.

(d) Borrower shall submit, or shall cause Mortgage Borrower to submit, the Annual Budget to Lender not later than sixty (60) days prior to the commencement of each Fiscal Year. Each Annual Budget shall be in a form satisfactory to Lender and shall set forth in

reasonable detail budgeted monthly operating income and monthly operating expenses and other cash expenses for the Property (including without limitation Management Fees, which shall not exceed four percent (4.0%) of the gross revenues from the Property). The Annual Budget and all amendments and modifications thereto shall be subject to Lender's prior review and approval, which approval shall not be unreasonably withheld. Lender shall use good faith efforts to respond within ten (10) Business Days after Lender's receipt of Borrower's written request for approval of such Annual Budget or any amendment or modification thereto, provided that Borrower has delivered or caused to be delivered to Lender with such request any and all other materials reasonably requested by Lender in order to evaluate such Annual Budget or such amendment or modification thereto. If Lender fails to respond to such request within ten (10) Business Days, and Borrower sends a second request containing a legend in bold letters stating that Lender's failure to respond within ten (10) Business Days shall be deemed consent or approval, Lender shall be deemed to have approved or consented to such Annual Budget or amendment or modification thereto if Lender fails to respond to such second written request before the expiration of such ten (10) Business Day period. During any period that Lender has not approved or been deemed to have approved an Annual Budget, the approved Annual Budget in effect immediately prior to the delivery of such Annual Budget shall, until a new Annual Budget shall have been approved, be deemed to be the then-applicable approved Annual Budget (except that amounts set forth in such then-applicable approved Annual Budget (i) for items other than non-discretionary items shall be deemed to be increased on a percentage basis by an amount equal to five percent (5%), and (ii) for non-discretionary items such as insurance premiums, amounts owed to utilities and Taxes, shall be deemed to be increased by the actual amount, as then known to Borrower, by which the cost of such items increased during such calendar year). The initial budget is approved by Lender in connection with the closing of the Loan and each such Annual Budget approved by Lender in accordance with the terms hereof shall be referred to herein as an **"Approved Annual Budget."** Without the prior written consent of the Lender, Borrower shall not approve or consent to Mortgage Borrower entering into any contracts or other agreements nor expending any funds not provided for in the Approved Annual Budget, other than expenditures required to be made by reason of the occurrence of any emergency (i.e., an unexpected event which threatens imminent harm to persons or property at the Property) and with respect to which it would be impracticable, under the circumstances, to obtain Lender's prior consent thereto. Borrower shall notify Lender as promptly as practicable with respect to any such emergency expenditures made with respect to the Property. At the request of Lender, Borrower agrees to cause Mortgage Borrower to deliver evidence in a form satisfactory to Lender that amounts allocated to budgeted expenses have been paid in accordance with the Approved Annual Budget. Notwithstanding anything to the contrary contained in this Section 5.1.10(d), whenever Lender's approval of an Annual Budget or amendment or modification thereof is required pursuant to the provisions of this Section 5.1.10(d), Lender shall be deemed to have given such approval (A) if Mezzanine Loan D is then outstanding and (1) the Mezzanine Lender D shall have confirmed in writing that Mezzanine Lender D has given such approval pursuant to the terms and provisions of the Mezzanine D Loan Documents or (2) Borrower shall have provided Lender with evidence reasonably acceptable to Lender that Mezzanine Lender D has been deemed to have given such approval pursuant to the terms and provisions of the Mezzanine D Loan Documents (which evidence may consist of copies of all submissions required to obtain such deemed approval thereunder), (B) if Mezzanine Loan D is no longer outstanding but Mezzanine Loan C is then outstanding and (1) Mezzanine Lender C

shall have confirmed in writing that the Mezzanine Lender C has given such approval pursuant to the terms and provisions of the Mezzanine C Loan Documents or (2) Borrower shall have provided Lender with evidence reasonably acceptable to Lender that Mezzanine Lender C has been deemed to have given such approval pursuant to the terms and provisions of the Mezzanine C Loan Documents (which evidence may consist of copies of all submissions required to obtain such deemed approval thereunder), or (C) if neither Mezzanine Loan D nor Mezzanine Loan C are then outstanding but Mezzanine Loan B is then outstanding and (1) Mezzanine Lender B shall have confirmed in writing that Mezzanine Lender B has given such approval pursuant to the terms and provisions of the Mezzanine B Loan Documents or (2) Borrower shall have provided Lender with evidence reasonably acceptable to Lender that Mezzanine Lender B has been deemed to have given such approval pursuant to the terms and provisions of the Mezzanine B Loan Documents (which evidence may consist of copies of all submissions required to obtain such deemed approval thereunder).

(e) Any reports, statements or other information required to be delivered under this Agreement shall be delivered in any one (but not all) of the following formats: (i) in paper form, (ii) on a diskette, or (iii) if requested by Lender and within the capabilities of Borrower's data systems without change or modification thereto, in electronic form and prepared using a Microsoft Word for Windows or WordPerfect for Windows files (which files may be prepared using a spreadsheet program and saved as word processing files).

(f) Borrower agrees that Lender may forward to each purchaser, transferee, assignee, servicer, participant or investor in all or any portion of the Loan or any Securities (collectively, the **"Investor")** or any Rating Agency rating such participations and/or Securities and each prospective Investor, and any organization maintaining databases on the underwriting and performance of commercial mortgage loans, all documents and information which Lender now has or may hereafter acquire relating to the Debt and to Borrower, Mortgage Borrower, any Guarantor, and the Collateral and the Property, whether furnished by Borrower, Mortgage Borrower, any Guarantor, or otherwise, as Lender determines necessary or desirable. Borrower irrevocably waives any and all rights it may have under any Applicable Laws to prohibit such disclosure, including but not limited to any right of privacy.

5.1.11 Business and Operations. Borrower will cause Mortgage Borrower to continue to engage in the businesses presently conducted by it as and to the extent the same are necessary for the ownership, maintenance, management and operation of the Property. Borrower will cause Mortgage Borrower to remain in good standing under the laws of each jurisdiction to the extent required for the ownership, maintenance, management and operation of the Property.

5.1.12 Costs of Enforcement. In the event (a) that the Pledge Agreement is foreclosed in whole or in part or that the Pledge Agreement is put into the hands of an attorney for collection, suit, action or foreclosure, (b) of the foreclosure of any pledge agreement prior to or subsequent to the Pledge Agreement in which proceeding Lender is made a party, or (c) of the bankruptcy, insolvency, rehabilitation or other similar proceeding in respect of Borrower, Mortgage Borrower or any of their constituent Persons or an assignment by Borrower, Mortgage Borrower or any of their constituent Persons for the benefit of its creditors, Borrower, its successors or assigns, shall be chargeable with and agrees to pay all costs of collection and defense, including reasonable attorneys' fees and costs, incurred by Lender or Borrower in

connection therewith and in connection with any appellate proceeding or post judgment action involved therein, together with all required service or use taxes.

5.1.13 Estoppel Statement. (a) After written request by Lender, Borrower shall within ten (10) Business Days furnish Lender with a statement, duly acknowledged and certified, setting forth to Borrower's knowledge (i) the amount of the original principal amount of the Note, (ii) the unpaid principal amount of the Note, (iii) the Applicable Interest Rate of the Note, (iv) the date installments of interest and/or principal were last paid, (v) any offsets or defenses to the payment of the Debt, and (vi) that the Note, this Agreement, the Pledge Agreement and the other Loan Documents are valid, legal and binding obligations (subject to bankruptcy, insolvency, moratorium and other similar laws affecting the rights of creditors generally and subject to limitations on the availability of equitable remedies) and have not been modified or if modified, giving particulars of such modification.

(b) Borrower shall cause Mortgage Borrower to use commercially reasonable efforts to deliver to Lender, promptly following Lender's written request, tenant estoppel certificates from the applicable commercial tenant leasing space at the Property in the same form previously accepted by Lender or in form and substance reasonably satisfactory to Lender (but in each case, subject to the requirements set forth in the applicable Leases), provided that after the Closing Date and provided that an Event of Default does not exist, Lender shall have the right to request such estoppels from a particular tenant not more than once in any calendar year (or twice if a Securitization occurs during such calendar year).

5.1.14 Loan Proceeds. Borrower shall use the proceeds of the Loan received by it on the Closing Date only for the purposes set forth in Section 2.1.4.

5.1.15 Performance by Borrower. (a) Borrower shall in a timely manner observe, perform and fulfill each and every covenant, term and provision of each Loan Document executed and delivered by, or applicable to, Borrower, and shall not enter into or otherwise suffer or permit any amendment, waiver, supplement, termination or other modification of any Loan Document executed and delivered by, or applicable to, Borrower without the prior written consent of Lender.

(b) Borrower shall not cause or permit Mortgage Borrower to enter into or otherwise suffer or permit any amendment, waiver, supplement, termination or other modification of any Mortgage Loan Document executed and delivered by, or applicable to, Mortgage Borrower as of the date hereof without the prior written consent of Lender (other than ministerial or *de minimis* modifications which do not affect any of the economic terms therein or change any rights or obligations of the parties thereunder). Borrower shall provide, or cause Mortgage Borrower to provide, Lender with a copy of any amendment, waiver, supplement, termination or other modification to the Mortgage Loan Documents within five (5) days after the execution thereof. Borrower shall not, and shall not permit Mortgage Borrower to, amend or modify the Organizational Documents of Mortgage Borrower in any respect which would (i) limit distributions to be made to Borrower, (ii) limit cure rights of Borrower, (iii) modify the special purpose entity requirements set forth therein or (iv) would in any other respect have any material adverse effect on Lender without Lender's consent.

5.1.16 Confirmation of Representations. Borrower shall deliver, in connection with any Securitization, (a) one or more Officer's Certificates certifying as to the accuracy of all representations made by Borrower in the Loan Documents as of the date of the closing of such Securitization in all relevant jurisdictions, and (b) certificates of the relevant Governmental Authorities in all relevant jurisdictions indicating the good standing and qualification of Borrower and Principal as of the date of the closing of such Securitization.

5.1.17 Leasing Matters. (a) With respect to the Property, Borrower may allow Mortgage Borrower to enter into a proposed Lease (including the renewal or extension of an existing Lease (a **"Renewal Lease"**)) without the prior written consent of Lender, provided such proposed Lease or Renewal Lease (i) provides for rental rates and terms comparable to existing local market rates and terms (taking into account the type and quality of the tenant) as of the date such Lease is executed by Mortgage Borrower (unless, in the case of a Renewal Lease, the rent payable during such renewal, or a formula or other method to compute such rent, is provided for in the original Lease), (ii) is an arms-length transaction with a bona fide, independent third party tenant, (iii) does not, in Borrower's commercially reasonable judgment, have a Material Adverse Effect, (iv) is subject and subordinate to the Security Instrument and the lessee thereunder agrees to attorn to Mortgage Lender, (v) is written on the standard form of lease approved by Lender (other than a Renewal Lease (which shall be in the form of the existing lease being renewed or extended and may include commercially reasonable modifications that do not alter in any material respect the provisions relating to subordination and attornment, or such other form reasonably acceptable to Lender) or, with respect to any proposed Lease, factual information with respect to the tenant and other commercially reasonable modifications as reasonably determined by Mortgage Borrower, provided that in no event shall such modifications alter in any material adverse respect the standard lease provisions relating to subordination and attornment), and (vi) is not a Major Lease. All proposed Leases which do not satisfy the requirements set forth in this Section 5.1.17(a) shall be subject to the prior approval of Lender, which approval shall not be unreasonably withheld, conditioned or delayed; provided, however, that any "month-to-month" license or similar agreement that is terminable on written notice of thirty (30) days or less shall not be considered a Lease for purposes of this Section 5.1.17 and shall not be subject to the prior approval of Lender so long as such license or similar agreement does not constitute a Major Lease. At Lender's request, Borrower shall promptly cause Mortgage Borrower to deliver to Lender copies of all Leases which are entered into pursuant to this subsection together with Borrower's certification that it has satisfied all of the conditions of this Section 5.1.17.

(b) Borrower (i) shall cause Mortgage Borrower to observe and perform all the material obligations imposed upon the lessor under the Leases and shall not do or permit to be done anything to impair the value of any of the Leases as security for the Debt; (ii) shall cause Mortgage Borrower to promptly send copies to Lender of all notices of default or other material matters which Mortgage Borrower shall send or receive with respect to the Leases; (iii) shall cause Mortgage Borrower to enforce all of the material terms, covenants and conditions contained in the Leases upon the part of the tenant thereunder to be observed or performed (except for termination of a Major Lease which shall require Lender's prior written approval, which approval shall not be unreasonably withheld, conditioned or delayed); (iv) shall not collect or permit Mortgage Borrower to collect any of the Rents more than one (1) month in advance (except Security Deposits shall not be deemed Rents collected in advance); (v) shall,

immediately upon receipt, deposit or cause Mortgage Borrower to deposit, all Lease Termination Payments into the Rollover/Replacement Reserve Account pursuant the Mortgage Loan Agreement; (vi) shall not permit Mortgage Borrower to execute any other assignment of the lessor's interest in any of the Leases or the Rents; and (vii) shall not (except as permitted in clause (c) below) permit Mortgage Borrower to consent to any assignment of any Leases or any subletting of the lesser of (x) the entire premises covered by a Major Lease or (y) one (1) full floor, without the prior written consent of Lender (which consent shall not be unreasonably withheld, conditioned or delayed).

(c) Borrower may, without the consent of Lender, allow Mortgage Borrower to amend, modify or waive the provisions of any Lease or terminate, reduce rents under, accept a surrender of space under, or shorten the term of, any Lease (including any guaranty, letter of credit or other credit support with respect thereto) or consent to any assignment or subletting thereof, provided that such Lease is not a Major Lease (or, with respect to the subletting of the premises covered by a Major Lease, such subletting is not of the entire premises covered by such Major Lease) and that such action (taking into account, in the case of a termination, reduction in rent, surrender of space or shortening of term, the planned alternative use of the affected space) does not in Borrower's commercially reasonable judgment have a Material Adverse Effect, and provided that such Lease, as amended, modified or waived, or assigned or sublet, is otherwise in compliance with the requirements of this Agreement and any lease subordination agreement binding upon Mortgage Lender with respect to such Lease. A termination of a Lease (other than a Major Lease) with a tenant who is in default beyond applicable notice and grace periods shall not be considered an action which has a Material Adverse Effect. Any amendment, modification, waiver, termination, rent reduction, space surrender or term shortening or assignment or subletting which does not satisfy the requirements set forth in this subsection shall be subject to the prior written approval of Lender and its counsel, at Borrower's reasonable expense, which approval shall not be unreasonably withheld, conditioned or delayed. At Lender's request, Borrower shall cause Mortgage Borrower to promptly deliver to Lender copies of all Leases, amendments, modifications and waivers which are entered into pursuant to this Section 5.1.17(c).

(d) Notwithstanding anything contained herein to the contrary, with respect to the Property, Borrower shall not permit Mortgage Borrower to, without the prior written consent of Lender, which consent shall not be unreasonably withheld, conditioned or delayed, enter into, renew, extend, amend, modify, waive any provisions of, terminate, reduce rents under, accept a surrender of space under, or shorten the term of, any Major Lease or any instrument guaranteeing or providing credit support for any Major Lease, provided that no consent shall be required in connection with the exercise of a renewal or extension option of a Major Lease which is in all material respects on the same terms on which the tenant thereunder has the right to renew or extend such Major Lease.

(e) Borrower shall cause Mortgage Borrower to hold any and all monies representing security deposits under the Leases, including any letters of credit delivered as security for a tenant's obligation under a Lease (collectively, the **"Security Deposits"**), in accordance with Applicable Law and the terms of the respective Lease, and shall only release the Security Deposits in order to return a tenant's Security Deposit to such tenant if such tenant is entitled to the return of the Security Deposit under the terms of the Lease. Borrower shall cause

Mortgage Borrower to comply with the provisions of Section 5.1.17(e) of the Mortgage Loan Agreement with respect to any Security Deposit equal to or greater than $300,000 for any Lease entered into by Mortgage Borrower after the Closing Date.

(f) Intentionally deleted.

(g) Intentionally deleted.

(h) Notwithstanding the provisions above, to the extent, if any, that Lender's prior written approval is required pursuant to this Section 5.1.17, such request for approval shall be deemed approved if Lender shall have failed to notify Borrower of its approval or disapproval within ten (10) Business Days following Lender's receipt of Borrower's or Mortgage Borrower's written request together with (if applicable) a copy of the proposed Lease, Renewal Lease, modification or other instrument requiring approval (and, if a Lease or a restatement of an existing Lease, a blacklined copy thereof showing changes to Mortgage Borrower's standard form) and any information which Lender may request in accordance with the next sentence (such ten (10) Business Day period, the **"Leasing Approval Period"**). Upon Lender's request, Borrower shall be required to provide, or cause Mortgage Borrower to provide, Lender with such material information and documentation as may be reasonably required by Lender, in its reasonable discretion, including without limitation, lease comparables and other market information as reasonably required by Lender to reach a decision. In order to be effective for the purposes of triggering the time periods set forth above for Lender to respond, all requests by Borrower or Mortgage Borrower for approval pursuant to this Section 5.1.17(h) must contain the following in bold, capital letters in the request and on the envelope or wrapper enclosing such request: **"THIS IS A REQUEST FOR APPROVAL PURSUANT TO SECTION 5.1.17(h) OF THE LOAN AGREEMENT BETWEEN LENDER AND BORROWER. FAILURE BY LENDER TO RESPOND WITHIN TIME PERIODS REFERENCED IN SAID SECTION 5.1.17(h) MAY RESULT IN APPROVAL OF THE MATTERS REFERRED TO HEREIN."**

(i) Notwithstanding anything to the contrary contained in Sections 5.1.17 (c) or (d), whenever Lender's approval is required pursuant to the provisions of Sections 5.1.17 (c) or (d), Lender shall be deemed to have given such approval (A) if Mezzanine Loan D is then outstanding and (1) the Mezzanine Lender D shall have confirmed in writing that Mezzanine Lender D has given such approval pursuant to the terms and provisions of the Mezzanine D Loan Documents or (2) Borrower shall have provided Lender with evidence reasonably acceptable to Lender that Mezzanine Lender D has been deemed to have given such approval pursuant to the terms and provisions of the Mezzanine D Loan Documents (which evidence may consist of copies of all submissions required to obtain such deemed approval thereunder), (B) if Mezzanine Loan D is no longer outstanding but Mezzanine Loan C is then outstanding and (1) Mezzanine Lender C shall have confirmed in writing that the Mezzanine Lender C has given such approval pursuant to the terms and provisions of the Mezzanine C Loan Documents or (2) Borrower shall have provided Lender with evidence reasonably acceptable to Lender that Mezzanine Lender C has been deemed to have given such approval pursuant to the terms and provisions of the Mezzanine C Loan Documents (which evidence may consist of copies of all submissions required to obtain such deemed approval thereunder), or (C) if neither Mezzanine Loan D nor Mezzanine Loan C are then outstanding but Mezzanine Loan B is then outstanding and

(1) Mezzanine Lender B shall have confirmed in writing that Mezzanine Lender B has given such approval pursuant to the terms and provisions of the Mezzanine B Loan Documents or (2) Borrower shall have provided Lender with evidence reasonably acceptable to Lender that Mezzanine Lender B has been deemed to have given such approval pursuant to the terms and provisions of the Mezzanine B Loan Documents (which evidence may consist of copies of all submissions required to obtain such deemed approval thereunder).

5.1.18 Management Agreement. (a) The Improvements on the Property are operated under the terms and conditions of the Management Agreement. In no event shall the management fees under the Management Agreement exceed four percent (4%) of the Gross Income from Operations derived from the Property. Borrower shall or shall cause Mortgage Borrower to (i) diligently perform and observe all of the material terms, covenants and conditions of the Management Agreement, on the part of Mortgage Borrower to be performed and observed to the end that all things shall be done which are necessary to keep unimpaired the rights of Mortgage Borrower under the Management Agreement and (ii) promptly notify Lender of the giving of any notice by Manager to Mortgage Borrower of any default by Mortgage Borrower in the performance or observance of any of the terms, covenants or conditions of the Management Agreement on the part of Mortgage Borrower to be performed and observed and deliver to Lender a true copy of each such notice. Borrower shall cause Mortgage Borrower to not surrender the Management Agreement, consent to the assignment by Manager of its interest under the Management Agreement, or terminate or cancel the Management Agreement, or modify, change, supplement, alter or amend the Management Agreement, in any material respect, either orally or in writing; provided, however, that Mortgage Borrower shall have the right to terminate the Management Agreement without Lender's prior written consent upon satisfaction of the following conditions: (i) Borrower causes Mortgage Borrower to deliver to Lender written notice of its intention to terminate the Management Agreement at least five (5) days prior to such termination; (ii) Mortgage Borrower replaces Manager within thirty (30) days of the termination of the Management Agreement with a Qualified Manager pursuant to a Replacement Management Agreement reasonably acceptable to Lender; (iii) such Qualified Manager delivers to Lender an Assignment of Management Agreement substantially in the form of the Assignment of Management Agreement delivered to Lender by Manager on the date hereof; and (iv) if such replacement manager is an affiliate of Borrower, delivers to Lender an updated Insolvency Opinion acceptable to Lender. Subject to the rights of Mortgage Lender, Borrower hereby assigns to Lender as further security for the payment of the Debt and for the performance and observance of the terms, covenants and conditions of this Agreement, all the rights, privileges and prerogatives of Borrower to cause Mortgage Borrower to surrender the Management Agreement, or to terminate, cancel, modify, change, supplement, alter or amend the Management Agreement, in any respect, and any such surrender of the Management Agreement, or termination, cancellation, material modification, change, supplement, alteration or amendment of the Management Agreement, without the prior consent of Lender shall be void and of no force and effect. Subject to the rights of Mortgage Lender, if Mortgage Borrower shall default in the performance or observance of any material term, covenant or condition of the Management Agreement on the part of Mortgage Borrower to be performed or observed beyond applicable notice and cure periods provided therein, then, without limiting the generality of the other provisions of this Agreement, and without waiving or releasing Borrower from any of its obligations hereunder, Lender shall have the right, but shall be under no obligation, to pay any sums and to perform any act or take any action as may be appropriate to cause all the terms,

covenants and conditions of the Management Agreement on the part of Mortgage Borrower to be performed or observed to be promptly performed or observed on behalf of Mortgage Borrower, to the end that the rights of Mortgage Borrower in, to and under the Management Agreement shall be kept unimpaired and free from default. Lender and any Person designated by Lender shall have, and are hereby granted, the right to enter upon the Property at any time and from time to time upon reasonable prior written notice to Borrower and at reasonable hours for the purpose of taking any such action; provided, however, that Lender shall not take such action unless an Event of Default has occurred and is continuing. If Manager shall deliver to Lender a copy of any notice sent to Borrower or Mortgage Borrower of default under the Management Agreement beyond applicable notice and cure periods provided therein, such notice shall constitute full protection to Lender for any action taken or omitted to be taken by Lender in good faith, in reliance thereon; provided, however, that if the Manager is not then an Affiliated Manager and Lender shall within five (5) days of its receipt of Manager's notice receive from Borrower or Mortgage Borrower a written notice disputing Manager's notice and stating the basis of such dispute and that it, or Mortgage Borrower, will attempt to resolve its dispute with Manager, then Lender shall refrain from taking any action described in the immediately preceding sentence until the earlier of to occur of (x) the date that is thirty (30) days after Lender's receipt of Manager's notice of such default, and (y) the date that is five (5) Business Days prior to the date on which Manager could, under the Management Agreement, terminate the Management Agreement, assuming that the facts stated in Manager's notice were true. Borrower shall cause Mortgage Borrower to not, and shall not permit Manager to, sub-contract any or all of its management responsibilities under the Management Agreement to a third party without the prior written consent of Lender, which will not be unreasonably withheld. Borrower shall, from time to time (but not more frequently than once annually), use commercially reasonable efforts to obtain from Manager such certificates of estoppel with respect to compliance by Mortgage Borrower with the terms of the Management Agreement as may be requested by Lender. Borrower shall cause Mortgage Borrower to exercise each individual option, if any, to extend or renew the term of the Management Agreement upon demand by Lender made at any time within one (1) year of the last day upon which any such option may be exercised, and Borrower hereby expressly authorizes and appoints Lender its attorney-in-fact to cause Mortgage Borrower to exercise any such option in the name of and upon behalf of Borrower, which power of attorney shall be irrevocable and shall be deemed to be coupled with an interest. Such power of attorney shall not be exercisable by Lender unless an Event of Default has occurred and is continuing. Any sums expended by Lender pursuant to this paragraph (i) shall bear interest at the Default Rate from the date such cost is incurred to the date of payment to Lender, (ii) shall be deemed to constitute a portion of the Debt, (iii) shall be secured by the lien of the Pledge Agreement and the other Loan Documents and (iv) shall be immediately due and payable upon demand by Lender therefor.

(b) Without limitation of the foregoing, Borrower, upon the request of Lender, shall cause Mortgage Borrower to terminate the Management Agreement and replace Manager, without penalty or fee, if at any time during the Loan: (a) an Event of Default has occurred and is then continuing, (b) there exists a material default by Manager under the Management Agreement, beyond any applicable cure and grace period, (c) the Manager shall become insolvent or a debtor in any bankruptcy or insolvency proceeding or (d) if at any time Manager has engaged in gross negligence, fraud or willful misconduct. Within thirty (30) days after

Manager is removed, a Qualified Manager shall assume management of the Property pursuant to a Replacement Management Agreement.

(c) Notwithstanding anything to the contrary contained in this Section 5.1.18, whenever Lender's approval is required (x) of a Qualified Manager under clause (b)(i) of the definition of "Qualified Manager", (y) a Replacement Management Agreement, or (z) Manager's subcontracting of any of its responsibilities under the Management Agreement, Lender shall be deemed to have given such approval (A) if Mezzanine Loan D is then outstanding and (1) the Mezzanine Lender D shall have confirmed in writing that Mezzanine Lender D has given such approval pursuant to the terms and provisions of the Mezzanine D Loan Documents or (2) Borrower shall have provided Lender with evidence reasonably acceptable to Lender that Mezzanine Lender D has been deemed to have given such approval pursuant to the terms and provisions of the Mezzanine D Loan Documents (which evidence may consist of copies of all submissions required to obtain such deemed approval thereunder), (B) if Mezzanine Loan D is no longer outstanding but Mezzanine Loan C is then outstanding and (1) Mezzanine Lender C shall have confirmed in writing that the Mezzanine Lender C has given such approval pursuant to the terms and provisions of the Mezzanine C Loan Documents or (2) Borrower shall have provided Lender with evidence reasonably acceptable to Lender that Mezzanine Lender C has been deemed to have given such approval pursuant to the terms and provisions of the Mezzanine C Loan Documents (which evidence may consist of copies of all submissions required to obtain such deemed approval thereunder), or (C) if neither Mezzanine Loan D nor Mezzanine Loan C are then outstanding but Mezzanine Loan B is then outstanding and (1) Mezzanine Lender B shall have confirmed in writing that Mezzanine Lender B has given such approval pursuant to the terms and provisions of the Mezzanine B Loan Documents or (2) Borrower shall have provided Lender with evidence reasonably acceptable to Lender that Mezzanine Lender B has been deemed to have given such approval pursuant to the terms and provisions of the Mezzanine B Loan Documents (which evidence may consist of copies of all submissions required to obtain such deemed approval thereunder); provided, however, that the foregoing shall in no event relieve Borrower of its obligations to deliver to Lender a non- consolidation opinion acceptable to the Rating Agencies (if applicable) and an Assignment of Management Agreement substantially in the form of the Assignment of Management Agreement delivered to Lender by Manager on the date hereof in connection with any new Qualified Manager or Replacement Management Agreement.

5.1.19 Environmental Covenants. (a) Borrower covenants and agrees that so long as the Loan is outstanding: (i) all uses and operations on or of the Property, whether by Borrower, Mortgage Borrower or any other Person (if within Borrower's control, or Borrower shall use its commercially reasonable efforts if such Person is not within Borrower's control), shall be in compliance in all material respects with all Environmental Laws and permits issued pursuant thereto; (ii). there shall be no Releases of Hazardous Materials in, on, under or from any of the Property in violation of any Environmental Law whether by Borrower, Mortgage Borrower or any other Person (if within Borrower's control, or Borrower shall use its commercially reasonable efforts if such Person is not within Borrower's control); (iii) there shall be no Hazardous Materials in, on, or under the Property, except those that are both (A) in compliance in all material respects with all Environmental Laws and with permits issued pursuant thereto, if and to the extent required, and (B)(l)in amounts not in excess of that necessary to operate the Property or (2) fully disclosed to and approved by Lender in writing;

(iv) Borrower shall cause Mortgage Borrower to keep the Property free and clear of all liens and other encumbrances imposed pursuant to any Environmental Law, whether due to any act or omission of Borrower, Mortgage Borrower or any other Person (if within Borrower's control, or Borrower shall use its best efforts to keep the Property free of any such liens if the acts or omissions are of any Person that is not within Borrower's control) (the **"Environmental Liens"**); (v) Borrower shall cause Mortgage Borrower to, at its sole cost and expense, fully and expeditiously cooperate in all activities pursuant to paragraph (b) below, including but not limited to providing all relevant information and making knowledgeable persons available for interviews; (vi) Borrower shall, or shall cause Mortgage Borrower to, at its sole cost and expense, perform any environmental site assessment or other investigation of environmental conditions in connection with the Property, pursuant to any reasonable written request of Lender, upon Lender's reasonable belief that the Property is not in material compliance with all Environmental Laws non-compliance of which shall have a Material Adverse Effect, and share with Lender the reports and other results thereof, and Lender and other Indemnified Parties shall be entitled to rely on such reports and other results thereof; (vii) Borrower shall, at its sole cost and expense, comply with all reasonable written requests of Lender to (A) reasonably effectuate remediation of any Hazardous Materials in, on, under or from the Property to the extent required by any Environmental Law; and (B) comply with any Environmental Law; (viii) Borrower shall cause Mortgage Borrower to use its commercially reasonable efforts to prevent any tenant or other user of any of the Property from violating any Environmental Law; and (ix) Borrower shall immediately notify Lender in writing after it, or Mortgage Borrower, has become aware of (A) any presence or Release of Hazardous Materials in, on, under, from or migrating towards the Property in violation of any Environmental Law; (B) any non compliance with any Environmental Laws related in any way to the Property; (C) any actual or potential Environmental Lien; (D) any required or proposed remediation of environmental conditions relating to any of the Property; and (E) any written notice or other communication of which Borrower becomes aware from any source whatsoever (including but not limited to a Governmental Authority) relating in any way to Hazardous Materials in, on, under, from or to the Property.

(b) Upon Lender's reasonable belief that the Property is not in compliance with all Environmental Laws in any material respect, Lender and any other Person designated by Lender, including but not limited to any representative of a Governmental Authority, and any environmental consultant, and any receiver appointed by any court of competent jurisdiction, shall have the right (subject to the rights of tenants under any Leases), but not the obligation, to enter upon the Property upon reasonable prior notice at all reasonable times to assess any and all aspects of the environmental condition of the Property and its use, including but not limited to conducting any environmental assessment or audit (the scope of which shall be determined in Lender's reasonable discretion) and taking samples of soil, groundwater or other water, air, or building materials, and conducting other invasive testing. Borrower shall cause Mortgage Borrower to reasonably cooperate with and provide access to Lender and any such Person designated by Lender. Lender and such Persons shall use commercially reasonable efforts not to interfere with the activities of tenants and users of the Property.

5.1.20 Alterations. Borrower shall not be required to obtain Lender's prior written consent to any alterations to any Improvements except (i) as otherwise provided in this Agreement, (ii) with respect to alterations that may have a Material Adverse Effect, or

(iii) which, in the aggregate, cost in excess of the Alteration Threshold Amount. If the total unpaid amounts with respect to alterations to the Improvements at the Property (other than such amounts to be paid or reimbursed by tenants under the Leases) shall at any time exceed (x) the Alteration Threshold Amount or (y) at anytime that the Mezzanine D Loan is outstanding, $1,000,000 (the amounts set forth in subsections (x) and (y) are referred to as the **"Alteration Security Threshold"**), Borrower shall promptly deliver to Lender as security for the payment of such amounts and as additional security for Borrower' obligations under the Loan Documents any of the following: (A) Cash, (B) Governmental Securities, (C) other securities having a rating acceptable to lender and that the applicable Rating Agencies have confirmed in writing will not, in and of itself, result in a downgrade, withdrawal or qualification of the initial, or, if higher, then current ratings assigned in connection with any Securitization, (D) completion bond issued by a financial institution having a rating by S&P of no less than A-1+ if the term of such bond is no longer than three (3) months or, if such term is in excess of three (3) months, issued by a financial institution having a rating that is acceptable to Lender and that the applicable Rating Agencies have confirmed in writing will not, in and of itself, result in a downgrade, withdrawal or qualification of the initial, or, if higher, then current ratings assigned in connection with any Securitization, (E) a Letter of Credit or (F) provided that there shall have been no material adverse change in the financial condition of Guarantor since the date hereof, a guaranty of payment and performance made by Guarantor, in all respects reasonably acceptable to Lender (any such guaranty shall constitute a Loan Document). Such security shall be in an amount equal to the excess of the total unpaid amounts with respect to alterations to the Improvements on the Property (other than such amounts to be paid or reimbursed by tenants under the Leases) over the Alteration Security Threshold and applied from time to time at the option Lender to pay for such alterations or to terminate any of the alterations and restore the Property to the extent necessary to prevent any Material Adverse Effect. Borrower shall not be required to deliver to Lender the security described in this Section if Mortgage Borrower has delivered to Mortgage Lender security under the comparable Section of the Mortgage Loan Documents. Notwithstanding anything to the contrary contained in this Section 5.1.20, whenever Lender's approval of an alteration is required pursuant to the provisions of this Section 5.1.20, Lender shall be deemed to have given such approval (A) if Mezzanine Loan D is then outstanding and (1) the Mezzanine Lender D shall have confirmed in writing that Mezzanine Lender D has given such approval pursuant to the terms and provisions of the Mezzanine D Loan Documents or (2) Borrower shall have provided Lender with evidence reasonably acceptable to Lender that Mezzanine Lender D has been deemed to have given such approval pursuant to the terms and provisions of the Mezzanine D Loan Documents (which evidence may consist of copies of all submissions required to obtain such deemed approval thereunder), (B) if Mezzanine Loan D is no longer outstanding but Mezzanine Loan C is then outstanding and (1) Mezzanine Lender C shall have confirmed in writing that the Mezzanine Lender C has given such approval pursuant to the terms and provisions of the Mezzanine C Loan Documents or (2) Borrower shall have provided Lender with evidence reasonably acceptable to Lender that Mezzanine Lender C has been deemed to have given such approval pursuant to the terms and provisions of the Mezzanine C Loan Documents (which evidence may consist of copies of all submissions required to obtain such deemed approval thereunder), or (C) if neither Mezzanine Loan D nor Mezzanine Loan C are then outstanding but Mezzanine Loan B is then outstanding and (1) Mezzanine Lender B shall have confirmed in writing that Mezzanine Lender B has given such approval pursuant to the terms and provisions of the Mezzanine B Loan Documents or

(2) Borrower shall have provided Lender with evidence reasonably acceptable to Lender that Mezzanine Lender B has been deemed to have given such approval pursuant to the terms and provisions of the Mezzanine B Loan Documents (which evidence may consist of copies of all submissions required to obtain such deemed approval thereunder).

5.1.21 OFAC. At all times throughout the term of the Loan, Borrower, Mortgage Borrower, Guarantor and their respective Affiliates shall be in full compliance with all applicable orders, rules, regulations and recommendations of The Office of Foreign Assets Control of the U.S. Department of the Treasury.

5.1.22 Special Distributions. On each date on which amounts are required to be disbursed to the Mezzanine A Deposit Account pursuant to the terms of the Mortgage Cash Management Agreement or are required to be paid to Lender under any of the Loan Documents, Borrower shall exercise its rights under the Organizational Documents of Mortgage Borrower to cause Mortgage Borrower to make to Borrower a distribution in an aggregate amount such that Lender shall receive the amount required to be disbursed to the Mezzanine Deposit Account or otherwise paid to Lender on such date.

5.1.23 Notices. Borrower shall give notice, or cause notice to be given, to Lender promptly upon the occurrence of:

(a) Borrower's receipt of written notice of any Mortgage Loan Default or Mortgage Loan Event of Default; and

(b) any litigation or proceeding affecting Borrower, or, to the knowledge of Borrower, affecting any of Mortgage Borrower, or Guarantor, in which the uninsured amount involved in each case is $2,000,000 or more, or in which injunctive or similar relief is sought that, if granted, would have a Material Adverse Effect.

Section 5.2 Negative Covenants. From the Closing Date until payment and performance in full of all obligations of Borrower under the Loan Documents or the earlier release of the Lien of the Pledge Agreement on the Collateral in accordance with the terms of this Agreement and the other Loan Documents, Borrower covenants and agrees with Lender that it will not do, directly or indirectly, any of the following:

5.2.1 Liens. Borrower shall not, and shall not permit or cause Mortgage Borrower to, create, incur, assume or suffer to exist any Lien on any portion of the Property or the Collateral or permit any such action to be taken, except for Permitted Encumbrances and Liens and Other Charges that are being contested in accordance with Section 5.1.2 hereof.

5.2.2 Dissolution. Borrower shall not (a) engage in any dissolution, liquidation or consolidation or merger with or into any other business entity, (b) transfer, lease or sell, in one transaction or any combination of transactions, the assets or all or substantially all of the Property or assets of Borrower except to the extent expressly permitted by the Loan Documents, (c) except as expressly permitted under the Loan Documents materially modify, materially amend, materially waive or terminate its Organizational Documents or its qualification and good standing in any jurisdiction or (d) cause the Mortgage Borrower or Principal to (i) dissolve, wind up or liquidate or take any action, or omit to take an action, as a result of which the Mortgage

Borrower or Principal would be dissolved, wound up or liquidated in whole or in part, or (ii) except as expressly permitted under the Loan Documents and the Mortgage Loan Documents, materially amend, materially modify, materially waive or terminate the certificate of incorporation or bylaws or similar Organizational Documents of the Principal or Mortgage Borrower, in each case, without obtaining the prior written consent of Lender. Nothing contained in this Section 5.2.2 is intended to expand the rights of Borrower contained in Section 5.2.10 hereof.

5.2.3 Change in Business. (a) Borrower shall not enter into any line of business or make any material change in the scope or nature of its business objectives, purposes or operations, or undertake or participate in activities other than the continuance of its present business.

(b) Borrower shall not permit or cause Mortgage Borrower to enter into any line of business other than the ownership, acquisition, development, operation, leasing and management of the Property (including providing services in connection therewith), or make any material change in the scope or nature of its business objectives, purposes or operations or undertake or participate in activities other than the continuance of Mortgage Borrower's present business.

5.2.4 Debt Cancellation. Borrower shall not cancel or otherwise forgive or release any material claim or debt owed to Borrower by any Person, except for adequate consideration and in the ordinary course of Borrower's business. In addition, Borrower shall not permit or cause Mortgage Borrower to cancel or otherwise forgive or release any claim or debt other than termination of Leases in accordance with the Mortgage Loan Agreement owed to Mortgage Borrower by any Person, except for adequate consideration and in the ordinary course of Mortgage Borrower's business.

5.2.5 Zoning. Borrower shall not allow Mortgage Borrower to initiate or consent to any zoning reclassification of any portion of the Property or seek any variance under any existing zoning ordinance or use or permit the use of any portion of the Property in any manner that could result in such use becoming a non-conforming use under any zoning ordinance or any other Applicable Law, without the prior written consent of Lender.

5.2.6 No Joint Assessment. Borrower shall not allow Mortgage Borrower to suffer, permit or initiate the joint assessment of the Property with (a) any other real property constituting a tax lot separate from the Property, or (b) any portion of the Property which may be deemed to constitute personal property, or any other procedure whereby the Lien of any taxes which may be levied against such personal property shall be assessed or levied or charged to the Property.

5.2.7 Name, Identity, Structure, or Principal Place of Business. Borrower shall not change its name, identity (including its trade name or names), or principal place of business set forth in the introductory paragraph of this Agreement, without, in each case, first giving Lender thirty (30) days prior written notice. Except as expressly permitted in this Agreement, Borrower shall not change its corporate, partnership or other structure, or the place of its organization as set forth in Section 4.1.34, without, in each case, the consent of Lender. Upon

Lender's request, Borrower shall execute and deliver additional financing statements, security agreements and other instruments which may be necessary to effectively evidence or perfect Lender's security interest in the Collateral as a result of such change of principal place of business or place of organization.

5.2.8 ERISA. (a) During the term of the Loan or during any obligation or right hereunder, neither Borrower nor Mortgage Borrower shall be a Plan and none of the assets of Borrower or Mortgage Borrower shall constitute Plan Assets.

(b) Borrower further covenants and agrees to deliver to Lender a certificate (in form reasonably satisfactory to Lender) not more frequently than annually during the term of the Loan, within thirty days following a written request by Lender that (A) Borrower is not an "employee benefit plan" as defined in Section 3(3) of ERISA, which is subject to Title I of ERISA, and that the assets of Borrower do not constitute Plan Assets of one or more such plans for purposes of Title I of ERISA; (B) Borrower is not a "governmental plan" within the meaning of Section 3(32) of ERISA; (C) Borrower is not subject to State statutes regulating investments and fiduciary obligations with respect to governmental plans that are substantially similar to the provisions of Section 406 of ERISA or Section 4975 of the Code, which prohibit or otherwise restrict the transactions contemplated by this Agreement; and (D) one or more of the following circumstances is true:

(i) Equity interests in Borrower or Mortgage Borrower are publicly offered securities, within the meaning of 29 C.F.R. § 2510.3-101(b)(2);

(ii) None or less than twenty five percent (25%) of each outstanding class of equity interests in Borrower or Mortgage Borrower are held by "benefit plan investors" within the meaning of 29 C.F.R. § 2510.3-101(f)(2), as modified by Section 3(42) of ERISA; or

(iii) Borrower, Mortgage Borrower, or a direct or indirect parent entity by which Borrower is wholly owned qualifies as an "operating company" or a "real estate operating company" within the meaning of 29 C.F.R. § 2510.3 101(c) or (e).

5.2.9 Affiliate Transactions. Borrower shall not enter into, or be a party to, any transaction with an Affiliate of Borrower, Principal or any of the partners of Borrower or Principal except (a) in the ordinary course of business, (b) on terms which are fully disclosed to Lender in advance, (c) are no less favorable to Borrower or such Affiliate than would be obtained in a comparable arm's length transaction with an unrelated third party, and (d) is terminable upon thirty (30) days' written notice after Lender has commenced exercising its rights to foreclose on the Pledged Interests. Notwithstanding anything contained hereunder, Lender approves the Management Agreement and the manager thereunder.

5.2.10 Transfers. (a) Borrower shall not, and shall not permit Mortgage Borrower to, sell, convey, mortgage, grant, bargain, encumber, pledge, assign, grant options with respect to, or otherwise transfer or dispose of (directly or indirectly, voluntarily or involuntarily, by operation of law or otherwise, and whether or not for consideration or of record) the Property or any part thereof or any legal or beneficial interest therein (other than in connection with a

Condemnation) or the Collateral or any part thereof or any legal or beneficial interest therein or permit a Sale or Pledge of an interest in any Restricted Party (collectively, a **"Transfer"**), other than (x) pursuant to Sections 5.2.10(c) and 5.2.11 hereof and Sections 5.2.10(c) and 5.2.11 of the Mortgage Loan Agreement, (y) Leases of space in the Improvements to tenants in accordance with the provisions of the Loan Documents and of the Mortgage Loan Documents and (z) in connection with the creation of, and enforcement of the remedies available under, the Other Mezzanine Loans, without (i) the prior written consent of Lender and (ii) if a Securitization has occurred, delivery to Lender of written confirmation from the Rating Agencies that the Transfer will not result in the downgrade, withdrawal or qualification of the then current ratings assigned to any Securities or the proposed rating of any Securities.

(b) A Transfer shall include, but not be limited to: (i) an installment sales agreement wherein Mortgage Borrower agrees to sell the Property or any part thereof for a price to be paid in installments or wherein Borrower agrees to sell the Collateral or any part thereof for a price to be paid in installments; (ii) an agreement by Mortgage Borrower leasing all or a substantial part of the Property for other than actual occupancy by a space tenant thereunder or a sale, assignment or other transfer of, or the grant of a security interest in, Mortgage Borrower's right, title and interest in and to any Leases or any Rents; (iii) if a Restricted Party is a corporation, any merger, consolidation or Sale or Pledge of such corporation's stock or the creation or issuance of new stock; (iv) if a Restricted Party is a limited or general partnership or joint venture, any merger or consolidation or the change, removal, resignation or addition of a general partner or the Sale or Pledge of the partnership interest of any general partner or any profits or proceeds relating to such partnership interest, or the Sale or Pledge of limited partnership interests or any profits or proceeds relating to such limited partnership interests or the creation or issuance of new limited partnership interests; (v) if a Restricted Party is a limited liability company, any merger or consolidation or the change, removal, resignation or addition of a managing member or non member manager (or if no managing member, any member) or the Sale or Pledge of the membership interest of a managing member (or if no managing member, any member) or any profits or proceeds relating to such membership interest, or the Sale or Pledge of non managing membership interests or the creation or issuance of new non managing membership interests; (vi) if a Restricted Party is a trust or nominee trust, any merger, consolidation or the Sale or Pledge of the legal or beneficial interest in a Restricted Party or the creation or issuance of new legal or beneficial interests; or (vii) the removal or the resignation of the managing agent (including, without limitation, an Affiliated Manager) other than in accordance with Section 5.1.18 hereof.

(c) Notwithstanding the provisions of Sections 5.2.10(a) and (b) (but subject to the requirements of subsections (d) and (e)), the following transfers/pledges shall not be deemed to be a Transfer (and shall not require the consent or confirmation of Lender or any Rating Agency): (i) a transfer by devise or descent or by operation of law upon the death of a member, partner or shareholder of a Restricted Party (other than a direct transfer of direct interests of Borrower in Mortgage Borrower (or, if any Other Mezzanine Loan is outstanding, of any Other Mezzanine Borrower) or of a Restricted Party itself; (ii) the Sale or Pledge, in one or a series of transactions, of the direct or indirect stock, partnership, membership or other equity interests (as applicable) in a Restricted Party other than a direct transfer of the direct interests of Borrower in Mortgage Borrower or, if any Other Mezzanine Loan is outstanding, of any Other Mezzanine Borrower; provided, however, that such transfers shall not result in a violation of the

terms and provisions of Sections 5.2.10(d) and (e) hereof, and Borrower will endeavor to deliver to Lender written notice within thirty (30) days following any such transfer contemplated by this Section 5.2.10(c), provided further, however, Borrower shall not be required to provide notice to Lender of the transfer of the direct or indirect interests in Broadway Partners Parallel Fund B III, L.P., Broadway Partners Parallel Fund P III, L.P. or Broadway Partners Real Estate Fund III, L.P. (including a transfer by the limited partners in such funds); or (iii) a transfer of the stock or membership or partnership interest in a Restricted Party other than a direct transfer of the direct interests of Borrower in Mortgage Borrower or, if any Other Mezzanine Loan is outstanding, of any Other Mezzanine Borrower by a member, partner or shareholder of a Restricted Party or a Restricted Party itself to an Immediate Family Member of such member, partner or shareholder, or to a trust for the benefit of an Immediate Family Member of such member, partner or shareholder.

(d) Notwithstanding anything to the contrary contained in this Section 5.2.10, at all times, either (i) Guarantor must own not less than 10% of the direct or indirect interests in Borrower and control Borrower and Guarantor must be directly or indirectly controlled by Broadway Partners Fund GP III, LLC or (ii) Borrower must be controlled directly or indirectly by a Qualified Fund Transferee.

(e) Lender shall not be required to demonstrate any actual impairment of its security or any increased risk of default hereunder in order to declare the Debt immediately due and payable upon a Transfer in violation of this Section 5.2.10. This provision shall apply to every Transfer regardless of whether voluntary or not (other than in connection with a Condemnation), or whether or not Lender has consented to any previous Transfer. Notwithstanding anything to the contrary contained in this Section 5.2.10, (a) no transfer (whether or not such transfer shall constitute a Transfer) shall be made, to the best of Borrower's knowledge and after review of the Annex to the Executive Order and any amendments or additions thereto, to any Prohibited Person and (b) in the event any transfer (whether or not such transfer shall constitute a Transfer) results in any Person owning in excess of forty-nine percent (49%) of the ownership interest in Borrower or Principal (directly or indirectly), Borrower shall, prior to such transfer, deliver an updated Insolvency Opinion to Lender, which opinion shall be in form, scope and substance acceptable in all respects to Lender and the Rating Agencies.

(f) Notwithstanding anything to the contrary set forth herein, the pledge and foreclosure (or assignment in lieu thereof) of the Collateral (as defined in each Other Mezzanine Loan Agreement) in accordance with the applicable Other Mezzanine Loan Documents shall not constitute an Event of Default under this Agreement.

5.2.11 Permitted Transfer. (a) Notwithstanding the foregoing, unless the Loan is paid in full in connection with a sale or conveyance of the Property by Mortgage Borrower in accordance with Section 5.2.11 of the Mortgage Loan Agreement, Lender shall not unreasonably withhold, condition or delay its consent to a one-time sale or conveyance of the Property in accordance with such Section 5.2.11 of the Mortgage Loan Agreement provided that each of the following conditions have, in the reasonable determination of Lender, been satisfied:

(1) Lender received at least thirty (30) days notice of such sale or conveyance;

(2) such sale or conveyance has been approved or deemed approved or is permitted under the Mortgage Loan Documents and all conditions set forth in the Mortgage Loan Documents relating thereto have been satisfied;

(3) no Event of Default shall have occurred and be continuing;

(4) the sole member (and 100% equity owner) of the entity to which the Property is sold or conveyed (the **"New Borrower"**) shall (A) be a single member Delaware limited liability company, (B) assume the Loan and all the agreements of Borrower under the Loan Documents, and (C) be a bankruptcy-remote special purpose entity which satisfies all of the conditions of Section 4.1.35 of this Agreement;

(5) after giving effect to the proposed sale or conveyance, Lender shall have a first priority perfected security interest in 100% of the membership interest owned by New Borrower in the entity to which the Property is sold or conveyed (the **"New Mortgage Borrower"**) and Borrower shall deliver, at its sole cost and expense, a new UCC Title Insurance Policy, insuring the new pledge referred to in clause (4) above, as a valid first lien on the Collateral and naming the New Borrower as owner of the Collateral, which new UCC Title Insurance Policy shall insure that, as of the date of the Transfer, the Collateral shall not be subject to any additional exceptions or liens other than those contained in the relevant UCC Title Policy issued on the Closing Date;

(6) Lender has received a "non consolidation" opinion which may be relied upon by Lender, the Rating Agencies and their respective counsel, successors and assigns, with respect to the sale or conveyance, which opinion shall be reasonably acceptable to Lender and, after a Securitization, the Rating Agencies;

(7) such sale or conveyance shall not result in a violation of Section 4.1.44 hereof;

(8) the obligations of Guarantor under the Loan Documents shall be assumed by a Replacement Guarantor;

(9) Borrower shall deliver or cause to be delivered such original membership certificate evidencing the ownership by New Borrower of 100% of the membership interest in New Mortgage Borrower and stock powers (which stock power shall be executed in blank) together with such opinions and other information as reasonably required by Lender (it being agreed that if Lender required such information in connection with the closing of the Loan, it shall be reasonable for Lender to request the same in connection with the sale or conveyance described herein); and

(10) New Mortgage Borrower shall receive an owner's Title Policy acceptable to Lender in all respects.

(b) A consent by Lender with respect to a transfer of the Property in its entirety to a New Mortgage Borrower pursuant to this Section 5.2.11 shall not be construed to be a waiver of the right of Lender to consent to any subsequent transfer of the Property. Except as otherwise specifically set forth herein, immediately upon satisfaction of all of the above requirements, the named Borrower herein and any then existing Guarantor shall be released from all liability under the Loan Documents accruing after such transfer and which are not the result of any act or omission of Borrower, Guarantor and/or any of its Affiliates.

5.2.12 Limitation on Securities Issuances. Borrower shall not issue any membership interests or other securities evidencing an interest in Mortgage Borrower other than those that have been issued as of the date hereof.

5.2.13 Distributions. (a) Any and all dividends, including capital dividends, stock or liquidating dividends, distributions of property, redemptions or other distributions made by Mortgage Borrower on or in respect of any interests in Mortgage Borrower, and any and all cash and other property received in payment of the principal of or in redemption of or in exchange for any such interests (collectively, the **"Distributions"**), shall become part of the Collateral. Notwithstanding the foregoing but subject to the Cash Management Agreement, Lender expressly agrees that Borrower shall be permitted to distribute to its members any Distributions Borrower receives only upon the express condition that no Event of Default has occurred and is continuing under the Loan.

(b) If any Distributions shall be received by Borrower or any Affiliate of Borrower after the occurrence and during the continuance of an Event of Default, Borrower shall hold, or shall cause the same to be held, in trust for the benefit of Lender. Any Distributions in cash shall be deposited in the Mezzanine Deposit Account. Any and all revenue derived from the Property paid directly by tenants, subtenants or occupants of the Property shall be held and applied in accordance with the terms and provisions of the Mortgage Loan Agreement.

5.2.14 Refinancing or Prepayment of the Mortgage Loan. Notwithstanding anything in this Agreement to the contrary, neither Borrower nor Mortgage Borrower shall be required to obtain the consent of Lender to refinance the Mortgage Loan, provided that (i) as of the date of the refinancing of the Mortgage Loan, the Loan is prepayable under the terms of this Agreement, and (ii) the Loan shall have been (or shall simultaneously be) paid in full (including any prepayment premiums and other amounts due and payable to Lender under the Loan Documents) to the extent permitted by this Agreement. Borrower shall cause Mortgage Borrower to obtain the prior written consent of Lender to enter into any other refinancing of the Mortgage Loan.

5.2.15 Acquisition of the Mortgage Loan. (a) Neither Borrower nor Guarantor nor any Affiliate of any of them or any Person acting at any such Borrower's, Guarantor's or such Affiliate's request or direction, shall acquire or agree to acquire the Mortgage Lender's interest in the Mortgage Loan, or any portion thereof or any interest therein, or any direct or indirect controlling ownership interest in the holder of the Mortgage Loan, via purchase, transfer,

exchange or otherwise, and any breach of this provision shall constitute an Event of Default hereunder. If, solely by operation of applicable subrogation law, Borrower shall have failed to comply with the foregoing, then Borrower: (i) shall immediately notify Lender of such failure; (ii) shall cause any and all such prohibited parties acquiring any interest in the Mortgage Loan Documents: (A) not to enforce the Mortgage Loan Documents; and (B) upon the request of Lender, to the extent any of such prohibited parties has or have the power or authority to do so, to promptly: (1) cancel the promissory note evidencing the Mortgage Loan, (2) reconvey and release the Lien securing the Mortgage Loan and any other collateral under the Mortgage Loan Documents, and (3) discontinue and terminate any enforcement proceeding(s) under the Mortgage Loan Documents.

(b) Lender shall have the right at any time to acquire all or any portion of the Mortgage Loan or any interest in any holder of, or participant in, the Mortgage Loan without notice to or consent of, Borrower, Guarantor or any other Person, in which event Lender shall have and may exercise all rights of Mortgage Lender thereunder (to the extent of its interest), including the right (i) to declare that the Mortgage Loan is in default, in accordance with the terms thereof and (ii) to accelerate the Mortgage Loan indebtedness, in accordance with the terms thereof and (iii) to pursue all remedies against any obligor under the Mortgage Loan Documents, in accordance with the terms thereof. In addition, Borrower hereby expressly agrees that any claims, counterclaims, defenses, offsets, deductions or reductions of any kind which Mortgage Borrower or any other Person may have against Mortgage Lender relating to or arising out of the Mortgage Loan shall be the personal obligation of Mortgage Lender, and in no event shall Mortgage Borrower be entitled to bring, pursue or raise any such claims, counterclaims, defenses, offsets, deductions or reductions against Lender or any Affiliate of Lender or any other Person as the successor holder of the Mortgage Loan or any interest therein, provided that Mortgage Borrower may seek specific performance of its contractual rights under the Mortgage Loan Documents with respect to matters arising after Lender, its Affiliate or any such other Person acquires ownership of the Mortgage Loan.

5.2.16 Material Agreements. Borrower shall not and shall cause Mortgage Borrower to not, without Lender's prior written consent: (a) enter into, surrender or terminate any Material Agreement to which it is a party (unless the other party thereto is in material default and the termination of such agreement would be commercially reasonable), (b) increase or consent to the increase of the amount of any charges under any Material Agreement to which it is a party, except as provided therein or on an arm's-length basis and commercially reasonable terms; or (c) otherwise modify, change, supplement, alter or amend, or waive or release any of its rights and remedies under any Material Agreement to which it is a party in any material respect, except on an arm's-length basis and commercially reasonable terms. Any requests for Lender's consent or approval required under this Section 5.2.16 shall be deemed approved if Lender shall have failed to notify Borrower of its approval or disapproval within ten (10) Business Days following Lender's receipt of Borrower's or Mortgage Borrower's written request, together with a copy of the proposed Material Agreement, modification or other instrument requiring approval, and any information which Lender may request in accordance with the next sentence. Upon Lender's request, Borrower shall be required to provide, or cause Mortgage Borrower to provide, Lender with such material information and documentation as may be reasonably required by Lender, in its reasonable discretion, as reasonably required by Lender to reach a decision. In order to be effective for the purposes of triggering the time periods set forth above for Lender to

respond, all requests by Borrower or Mortgage Borrower for approval pursuant to this Section 5.2.16 must contain the following in bold, capital letters in the request and on the envelope or wrapper enclosing such request: **"THIS IS A REQUEST FOR APPROVAL PURSUANT TO SECTION 5.2.16 OF THE LOAN AGREEMENT BETWEEN LENDER AND BORROWER. FAILURE BY LENDER TO RESPOND WITHIN TIME PERIODS REFERENCED IN SAID SECTION 5.2.16 MAY RESULT IN APPROVAL OF THE MATTERS REFERRED TO HEREIN."**Notwithstanding anything to the contrary contained in this Section 5.2.16, whenever Lender's approval is required pursuant to the provisions of this Section 5.2.16, Lender shall be deemed to have given such approval (A) if Mezzanine Loan D is then outstanding and (1) the Mezzanine Lender D shall have confirmed in writing that Mezzanine Lender D has given such approval pursuant to the terms and provisions of the Mezzanine D Loan Documents or (2) Borrower shall have provided Lender with evidence reasonably acceptable to Lender that Mezzanine Lender D has been deemed to have given such approval pursuant to the terms and provisions of the Mezzanine D Loan Documents (which evidence may consist of copies of all submissions required to obtain such deemed approval thereunder), (B) if Mezzanine Loan D is no longer outstanding but Mezzanine Loan C is then outstanding and (1) Mezzanine Lender C shall have confirmed in writing that the Mezzanine Lender C has given such approval pursuant to the terms and provisions of the Mezzanine C Loan Documents or (2) Borrower shall have provided Lender with evidence reasonably acceptable to Lender that Mezzanine Lender C has been deemed to have given such approval pursuant to the terms and provisions of the Mezzanine C Loan Documents (which evidence may consist of copies of all submissions required to obtain such deemed approval thereunder), or (C) if neither Mezzanine Loan D nor Mezzanine Loan C are then outstanding but Mezzanine Loan B is then outstanding and (1) Mezzanine Lender B shall have confirmed in writing that Mezzanine Lender B has given such approval pursuant to the terms and provisions of the Mezzanine B Loan Documents or (2) Borrower shall have provided Lender with evidence reasonably acceptable to Lender that Mezzanine Lender B has been deemed to have given such approval pursuant to the terms and provisions of the Mezzanine B Loan Documents (which evidence may consist of copies of all submissions required to obtain such deemed approval thereunder).

5.2.17 Other Limitations. Prior to the payment in full of the Debt, neither Borrower nor any of its subsidiaries shall, without the prior written consent of Lender (which may be furnished or withheld at its sole and absolute discretion), give its consent or approval to any of the following actions or items:

(a) except as permitted by Lender herein, any prepayment in full of the Mortgage Loan, or any action in connection with or in furtherance of the foregoing (including, but not limited to, any defeasance of the Mortgage Loan);

(b) the distribution to the partners, members or shareholders of Mortgage Borrower of property other than cash;

(c) the settlement of any claim against Borrower or any of its Subsidiaries if the uninsured portion of such claim exceeds $150,000 (in the case of Borrower) or $500,000 (in the case of Mortgage Borrower or Managing Entity); or

(d) except as required by the Mortgage Loan Documents, any determination to restore the Property after a casualty or condemnation.

Section 5.3 Transfer Fee. Borrower and New Mortgage Borrower shall pay in connection with each Transfer of the Property or the Collateral requiring Lender's approval (i) a transfer fee equal to the lesser of (x) 0.125% of the outstanding principal balance of the Loan and (y) $45,000, which amount shall be subject to change based upon a resizing of the Loan in accordance with Section 9.5; and (ii) all of Lender's reasonable expenses incurred in connection with such Transfer, at the time of each such Transfer.

ARTICLE VI

INSURANCE; CASUALTY; CONDEMNATION

Section 6.1 Insurance. (a) Borrower shall cause Mortgage Borrower to obtain and maintain at all times during the term of the Loan the Policies required under Section 6.1 of the Mortgage Loan Agreement, including, without limitation, meeting all insurer requirements thereunder. In addition, Borrower shall cause Lender to be named as an additional named insured under each of the Policies described and required in Sections 6.1.1(a)(ii), (v) and (ix) of the Mortgage Loan Agreement and Lender shall be identified in each policy as follows: Morgan Stanley Mortgage Capital Holdings LLC, a New York limited liability company, its successors, assigns and participants as their respective interests may appear, as secured party. In addition, Borrower shall cause Lender to be named as a named insured together with Mortgage Lender, as their interest may appear but subject to the terms of the Intercreditor Agreement, under the insurance policies required under Sections 5.1.1(a)(i), (iii), (iv), (vi), (vii), (viii) and (x) of the Mortgage Loan Agreement and Lender shall be identified in each policy as follows: Morgan Stanley Mortgage Capital Holdings LLC, a New York limited liability company, its successors, assigns and participants as their respective interests may appear, as secured party. Borrower shall also cause all insurance policies required under this Section 6.1 to provide for at least thirty (30) days prior notice to Lender in the event of policy cancellation or material changes. In addition, Borrower shall cause such Policies to provide for at least thirty (30) days prior notice to Lender with evidence of all such insurance required hereunder on or before the date on which Mortgage Borrower is required to provide such evidence to Mortgage Lender. Subject to the provisions of Section 6.4, Borrower shall provide Lender with evidence of all such insurance required hereunder simultaneously with Mortgage Borrower's provision of such evidence to Mortgage Lender.

(b) If at any time Lender is not in receipt of written evidence that all insurance required hereunder is in full force and effect, Lender shall have the right, without notice to Borrower, to take such action as Lender deems necessary to protect its interest in the Property and the Collateral, including, without limitation, the obtaining of such insurance coverage as Lender in its sole discretion deems appropriate, and all expenses; provided, however, that Lender shall not obtain insurance to the extent that such insurance is duplicative of insurance obtained by Mortgage Lender pursuant to the Mortgage Loan Documents. All premiums incurred by Lender in connection with such action or in obtaining such insurance and keeping it in effect shall be paid by Borrower to Lender upon demand and, until paid, shall be secured by the Loan Documents and shall bear interest at the Default Rate.

(c) For purposes of this Agreement, Lender shall have the same approval rights over the insurance referred to above (including, without limitation, the insurers, deductibles and coverages thereunder, as well as the right to require other reasonable insurance pursuant to Section 6.1(a)(xi)) as are provided in favor of the Mortgage Lender in the Mortgage Loan Agreement. All liability insurance provided for in the Mortgage Loan Agreement shall provide insurance with respect to the liabilities of both Mortgage Borrower and Borrower. The insurance policies delivered pursuant to the Mortgage Loan Agreement shall include endorsements of the type described in Section 6.1(e) thereof, but pursuant to which Lender shall have the same rights as the Mortgage Lender as referred to in such Section 6.1(e).

Section 6.2 Casualty. If the Property shall be damaged or destroyed, in whole or in part, by fire or other casualty (a **"Casualty"**), Borrower shall give prompt notice of such damage to Lender and shall, provided the Net Proceeds are made available by Mortgage Lender for such Restoration pursuant to Section 6.4 of the Mortgage Loan Agreement, cause Mortgage Borrower to promptly commence and diligently prosecute the completion of the Restoration of the Property as nearly as possible to the condition the Property was in immediately prior to such Casualty, with such alterations as may be reasonably approved by Mortgage Lender and otherwise in accordance with Section 6.4 of the Mortgage Loan Agreement. Borrower shall cause Mortgage Borrower to pay all costs of such Restoration whether or not such costs are covered by insurance. Subject to the rights of Mortgage Lender, Lender may, but shall not be obligated to make proof of loss if not made promptly by Mortgage Borrower.

Section 6.3 Condemnation. Borrower shall or shall cause Mortgage Borrower to promptly give Lender notice of the actual or threatened commencement of any proceeding for the Condemnation of all or any part of the Property of which Borrower has received written notice of and shall cause Mortgage Borrower to deliver to Mortgage Lender copies of any and all papers served in connection with such proceedings. Lender may, subject to the rights of Mortgage Lender, participate in any such proceedings during the continuance of an Event of Default or where such proceedings involve an Award in excess of $500,000, and Borrower shall from time to time deliver to Lender all instruments requested by it to permit such participation. Borrower shall cause Mortgage Borrower to, at Borrower's or Mortgage Borrower's expense, diligently prosecute any such proceedings, and shall cause Mortgage Borrower to consult with Lender, its attorneys and experts, and cause Mortgage Borrower to cooperate with them in the carrying on or defense of any such proceedings during the continuance of an Event of Default or where such proceedings involve an Award in excess of $500,000. Notwithstanding any taking by any public or quasi public authority through Condemnation or otherwise (including, but not limited to, any transfer made in lieu of or in anticipation of the exercise of such taking), Borrower shall continue to pay the Debt at the time and in the manner provided for its payment in the Note and in this Agreement and the Debt shall not be reduced until any Net Liquidation Proceeds After Debt Service shall have been actually received and applied by Lender, after the deduction of expenses of collection, to the reduction or discharge of the Debt. Lender shall not be limited to the interest paid on the Award by the condemning authority but shall be entitled to receive out of the Net Liquidation Proceeds After Debt Service interest at the rate or rates provided herein or in the Note. If the Property or any portion thereof is taken by a condemning authority, Borrower shall, provided that the Net Proceeds are made available by Mortgage Lender to Mortgage Borrower pursuant to Section 6.4 of the Mortgage Loan Agreement, cause Mortgage Borrower to promptly commence and diligently prosecute the Restoration of the

Property and otherwise comply with the provisions of Section 6.4 of the Mortgage Loan Agreement. If the Property is sold, through foreclosure or otherwise, prior to the receipt by Lender of the Award, Lender shall have the right, whether or not a deficiency judgment on the Note shall have been sought, recovered or denied, to receive the Award, or a portion thereof sufficient to pay the Debt.

Section 6.4 Restoration. Borrower shall, or shall cause Mortgage Borrower to, deliver to Lender all reports, plans, specifications, documents and other materials that are delivered to Mortgage Lender under the Mortgage Loan Documents in connection with the Restoration of the Property after a Casualty or Condemnation.

Section 6.5 Rights of Lender. For purposes of this Article 6, Borrower shall obtain the approval of Lender for each matter requiring the approval of Mortgage Lender under the provisions of Sections 6.4 of the Mortgage Loan Agreement (but only to the same extent that Mortgage Lender has approval rights under such section), with each reference in any such provisions to the "Loan" to include the Mortgage Loan and the Loan, and the reference in any such provisions to the "Maturity Date" to mean the Maturity Date, as defined herein.

ARTICLE VII

RESERVE FUNDS

Section 7.1 Required Repairs. Borrower shall perform or cause Mortgage Borrower to perform the repairs at the Property, as more particularly set forth on Schedule III hereto (such repairs hereinafter referred to as **"Required Repairs"**). Borrower shall complete or cause Mortgage Borrower to complete, the Required Repairs on or before the required deadline for each repair as set forth on Schedule III provided that, if any such Required Repair cannot be completed by such date due to the occurrence of events beyond Mortgage Borrower's control, then Mortgage Borrower shall have such longer period of time as is required to complete such Required Repair, so long as Borrower is at all times diligently pursuing completion of same. It shall be an Event of Default under this Agreement if Mortgage Borrower does not complete the Required Repairs at the Property by the required deadline for each repair as set forth on Schedule III.

Section 7.2 Tax and Insurance Escrow Fund. (a) On the Closing Date, Borrower shall deposit with Lender an amount equal to $3,894,388.59 to be deposited into the Tax and Insurance Escrow Fund and (subject to Section 7.8(b)) to be used solely for the payment of Taxes.

(b) Borrower shall pay to Lender on the Payment Date occurring in August, 2007 and on each Payment Date thereafter one-twelfth of the Taxes (the **"Monthly Tax Deposit"**) that Lender reasonably estimates will be payable during the next ensuing twelve (12) months in order to accumulate with Lender sufficient funds to pay all such Taxes at least thirty (30) days prior to their respective due dates.

(c) Borrower shall pay to Lender on the Payment Date occurring in August 2007 and on each Payment Date thereafter one-twelfth of the Insurance Premiums (the

"Monthly Insurance Premium Deposit") (subject to Section 7.8(b)) to be used solely for the payment of insurance Premiums that Lender estimates will be payable for the renewal of the coverage afforded by the Policies upon the expiration thereof in order to accumulate with Lender sufficient funds to pay all such Insurance Premiums at least thirty (30) days prior to the expiration of the Policies (said amounts in (a), (b) and (c) hereof hereinafter called the **"Tax and Insurance Escrow Fund"**).

(d) The Tax and Insurance Escrow Fund and the payments of interest or principal or both, payable pursuant to the Note and this Agreement, shall be added together and shall be paid as an aggregate sum by Borrower to Lender. Lender will apply the Tax and Insurance Escrow Fund to payments of Taxes and Insurance Premiums required to be made by Borrower pursuant to Sections 5.1.2 and 6.1 hereof. In making any payment relating to the Tax and Insurance Escrow Fund, Lender may do so according to any bill, statement or estimate procured from the appropriate public office (with respect to Taxes) or insurer or agent (with respect to Insurance Premiums), without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof. If the amount of the Tax and Insurance Escrow Fund shall exceed the amounts due for Taxes and Insurance Premiums pursuant to Sections 5.1.2 and 6.1 hereof, Lender shall return any excess to Borrower or credit such excess against future payments to be made to the Tax and Insurance Escrow Fund. In allocating such excess, Lender may deal with the Person shown on the records of Lender to be the owner of the Property. Any amount remaining in the Tax and Insurance Escrow Fund after the Debt has been paid in full shall be returned to Borrower. If at any time Lender reasonably determines that the Tax and Insurance Escrow Fund is not or will not be sufficient to pay Taxes and Insurance Premiums by the dates set forth in (a) and (b) above, Lender shall notify Borrower of such determination and Borrower shall increase its monthly payments to Lender by the amount that Lender estimates is sufficient to make up the deficiency at least thirty (30) days prior to delinquency of the Taxes and/or thirty (30) days prior to expiration of the Policies, as the case may be.

(e) Notwithstanding the foregoing, in the event that (A) Borrower delivers to Lender, evidence reasonably satisfactory to Lender, that (1) the liability or casualty Policy maintained by Borrower covering the Property constitutes an approved blanket or umbrella Policy pursuant to Section 6.1(c) of the Mortgage Loan Agreement that provides for the payment of Insurance Premiums on an annual basis and (2) the Insurance Premiums for such approved blanket or umbrella Policy have been paid in full, Lender shall disburse to Borrower all amounts held in the Tax and Insurance Escrow Fund for the payment of Insurance Premiums; or (B) Borrower delivers to Lender, evidence satisfactory to Lender in all respects, that (1) the liability or casualty Policy maintained by Borrower covering the Properties constitutes an approved blanket or umbrella Policy pursuant to Section 6.1(c) of the Mortgage Loan Agreement that provides for the payment of Insurance Premiums on a monthly basis and (2) the first monthly installment of the Insurance Premiums for such approved blanket or umbrella Policy has been paid in full, Lender shall disburse to Borrower all amounts held in the Tax and Insurance Escrow Fund for the payment of Insurance Premiums (less an amount equal to one monthly installment of the Insurance Premiums due and payable with respect to such approved blanket or umbrella Policy).

(f) Notwithstanding the foregoing, Borrower's obligation to make any deposits of into the Tax and Insurance Escrow Fund with respect to Taxes pursuant to Sections 7.2(a) and (b) above shall be waived if Borrower delivers to Lender a Letter of Credit in the face amount of amounts required to be on deposit in the Tax and Insurance Escrow Fund with Lender from time to time for Taxes.

(g) Notwithstanding the foregoing, Borrower shall be relieved of its obligation to make deposits of Taxes and Insurance Escrow Funds and Lender shall not be entitled to demand that Borrower establish such reserves with Lender, provided that (a) Mortgage Borrower is required to and does make or cause to be made monthly deposits to a taxes and insurance escrow fund pursuant to the Mortgage Loan Agreement and (b) Lender receives evidence reasonably acceptable to it of the making of such deposits (it being agreed that evidence provided by the Servicer shall be deemed reasonably acceptable).

Section 7.3 Intentionally Deleted.

Section 7.4 Rollover/Replacement Reserve.

7.4.1 Deposits into the Rollover/Replacement Reserve Account. On the Closing Date, Borrower shall deposit with Lender an amount equal to $1,549,120.00 to be deposited in the Rollover/Replacement Reserve Account (the **"Initial Rollover/Replacement Reserve Deposit"**) to be used solely for Replacements. In addition, Borrower shall deposit with Lender (i) upon the exercise of each Extension Option the amount, if any, required pursuant to Section 2.2.1(c)(v) (which, to the extent applicable, shall be used for Leasing Expenses and Replacement), and (ii) all Lease Termination Payments. The Initial Rollover/Replacement Reserve Deposit, all Lease Termination Payments and all other deposits required to be made in accordance with this Section 7.4.1 (collectively, the **"Required Leasing Reserve Deposits"**) shall be held by Lender in the Rollover/Replacement Reserve Account. Amounts deposited into the Rollover/Replacement Reserve Account in accordance with this Section 7.4.1 shall be referred to herein as the **"Rollover/Replacement Reserve Fund."** Notwithstanding anything to the contrary contained herein, Borrower's obligation to make any deposits into the Rollover/Replacement Reserve Fund above shall be waived if Borrower delivers to Lender a Letter of Credit in the face amount of amounts required to be on deposit with Lender from time to time for the Rollover/Replacement Reserve Fund.

7.4.2 Disbursements from the Rollover/Replacement Reserve Account. (a) With respect to disbursements from the Rollover/Replacement Reserve Fund for Leasing Expenses incurred by Borrower, Lender shall make disbursements from the Rollover/Replacement Reserve Fund from time to time upon satisfaction by Borrower of each of the following conditions:

(i) With respect to all Leasing Expenses, Lender shall make disbursements as requested by Borrower on a monthly basis in increments of no less than $5,000.00 upon delivery by Borrower to Lender of a draw request in form attached hereto as Schedule X accompanied by, if such disbursement relates to tenant improvement or leasing commission obligations, copies of paid or to be paid invoices for the amounts requested, an Officer's Certificate in the form attached hereto as Schedule IX designating the

particular Lease for which such disbursement is sought and certifying that the requested Leasing Expenses have been incurred by Borrower and, if required by Lender, lien waivers and releases from all parties furnishing more than $250,000 (provided, however, that receipt of such lien waivers shall be a condition to the requested disbursement only if the aggregate amount of all such required lien waivers not received by Lender (including those in connection with all prior disbursements under this Section 7.4) equals or exceeds $250,000).

(ii) With respect to all Leasing Expenses, at Lender's option, Lender may reasonably require an inspection of the Property at Borrower's expense prior to making a disbursement in order to verify completion of improvements for which payment or reimbursement is sought.

(b) (i) With respect to disbursements from the Rollover/Replacement Reserve Fund for Replacements incurred by Borrower, in no event shall the total amount of disbursements from Rollover/Replacement Reserve Account with respect to Replacements be less than the Minimum Replacement Disbursement Amount. Lender shall make disbursements from the Rollover/Replacement Reserve Account for Replacements from time to time upon satisfaction by Borrower of each of the following conditions: (A) Borrower shall submit a written request for payment to Lender at least fifteen (15) days prior to the date on which Borrower requests such payment be made and specifies the Replacements to be paid, (B) on the date such request is received by Lender and on the date such payment is to be made, no Event of Default shall exist and remain uncured, (C) Lender shall have received an Officers' Certificate in the form attached hereto as Schedule XII (1) stating that all Replacements at the Property to be funded by the requested disbursement have been or will be completed in good and workmanlike manner and, to the best of Borrower's knowledge, in accordance with all Legal Requirements and Environmental Laws, such certificate to be accompanied by a copy of any license, permit or other approval by any Governmental Authority if required to commence and/or complete the Replacements, (2) identifying each Person that supplied or will supply materials or labor in connection with the Replacements performed or to be performed at the Property with respect to the payments or reimbursement to be funded by the requested disbursement, and (3) stating that each such Person has been or will be paid in full (for all sums then due and payable) upon such disbursement, such Officers' Certificate to be accompanied by lien waivers or, to the extent final payment has not been made to a Person, Other evidence reasonably satisfactory to Lender that all sums due and payable will be paid, (D) at Lender's option and if the cost of such Replacements exceeds $250,000, a title search for the Property indicating that the Property is free from all Liens, claims and other encumbrances not previously approved by Lender and (E) Lender shall have received such other evidence as Lender shall reasonably request that the Replacements at the Property to be funded by the requested disbursement have been or will be completed and has been or will be paid for upon such disbursement to Borrower. Lender shall not be required to make disbursements from the Rollover/Replacement Reserve Account with respect to Replacements at the Property unless such requested disbursement is in an amount greater than $5,000 (or a lesser amount if the total amount in the Rollover/Replacement Reserve Account is less than $5,000, in which case only one disbursement of the amount remaining in the account shall be made). Lender shall not be obligated to make disbursements from the Rollover/Replacement Reserve Account with respect to Replacements at the Property in excess of the amount deposited by Borrower. Lender shall not be obligated to make disbursements from

the Rollover/Replacement Reserve Account to reimburse Borrower for the costs of routine maintenance to the Property.

(ii) (A) Borrower shall cause Mortgage Borrower to make Replacements when required in order to keep the Property in condition and repair consistent with similar office buildings in the same market segment in the metropolitan area in which the Property is located, and to keep the Property or any portion thereof from deteriorating. Borrower shall cause Mortgage Borrower to complete all Replacements in a good and workmanlike manner as soon as practicable following the commencement of making each such Replacement.

(B) Lender reserves the right, at its option, to approve all contracts or work orders (which approval shall not be unreasonably withheld, conditioned or delayed) with materialmen, mechanics, suppliers, subcontractors, contractors or other parties providing labor or materials in connection with the Replacements costing, in the aggregate, in excess of (1) $500,000 or (2) for so long as the Mezzanine Loan D is outstanding, $250,000. Subject to the rights of Mortgage Lender, upon Lender's request, Borrower shall assign any contract or subcontract to Lender. Any approval required of Lender pursuant to this Section 7.4.2(b) shall be deemed to have been given if Lender shall have failed to notify Borrower of its approval or disapproval within ten (10) Business Days following Lender's receipt of Borrower's written request together with a true, accurate and complete copy of the contract work order in question. In connection with its review of a contract or work order, Lender may request to receive any and all material information and documentation relating thereto reasonably required by Lender to reach a decision. In order to be effective for the purpose of triggering the ten (10) Business Day time period set forth above, all requests by Borrower for approval pursuant to this Section 7.4.2(b)(ii)(B) must contain the following in bold, capital letters in the request and on the envelope or wrapper enclosing such request: **"THIS IS A REQUEST FOR APPROVAL PURSUANT TO SECTION 7.4.2(b)(ii)(B) OF THE LOAN AGREEMENT AMONG LENDER AND BORROWER. FAILURE BY LENDER TO RESPOND TO THIS REQUEST WITHIN TEN (10) BUSINESS DAYS OF THE DATE HEREOF SHALL RESULT IN THE APPROVAL OF THE MATTERS REFERRED TO HEREIN."**Subject to the last sentence of this Section 7.4.2(b)(ii)(B), whenever Lender's approval is required pursuant to this Section 7.4.2(b)(ii)(B), Lender shall be deemed to have given such approval (A) if Mezzanine Loan D is then outstanding and (1) the Mezzanine Lender D shall have confirmed in writing that Mezzanine Lender D has given such approval pursuant to the terms and provisions of the Mezzanine D Loan Documents or (2) Borrower shall have provided Lender with evidence reasonably acceptable to Lender that Mezzanine Lender D has been deemed to have given such approval pursuant to the terms and provisions of the Mezzanine D Loan Documents (which evidence may consist of copies of all submissions required to obtain such deemed approval thereunder), (B) if Mezzanine Loan D is no longer outstanding but Mezzanine Loan C is then outstanding and (1) Mezzanine Lender C shall have confirmed in writing that the Mezzanine Lender C has given such approval

pursuant to the terms and provisions of the Mezzanine C Loan Documents or (2) Borrower shall have provided Lender with evidence reasonably acceptable to Lender that Mezzanine Lender C has been deemed to have given such approval pursuant to the terms and provisions of the Mezzanine C Loan Documents (which evidence may consist of copies of all submissions required to obtain such deemed approval thereunder), or (C) if neither Mezzanine Loan D nor Mezzanine Loan C are then outstanding but Mezzanine Loan B is then outstanding and (1) Mezzanine Lender B shall have confirmed in writing that Mezzanine Lender B has given such approval pursuant to the terms and provisions of the Mezzanine B Loan Documents or (2) Borrower shall have provided Lender with evidence reasonably acceptable to Lender that Mezzanine Lender B has been deemed to have given such approval pursuant to the terms and provisions of the Mezzanine B Loan Documents (which evidence may consist of copies of all submissions required to obtain such deemed approval thereunder). Notwithstanding the foregoing, in the event that at the time in question Rollover/Replacement Reserve Funds for Replacements shall be held by or for the benefit of Lender, then the provisions of the immediately preceding sentence shall be inapplicable and Lender shall have the approval rights otherwise provided for in this Section 7.4.2(b)(ii)(B).

(C) In the event Lender determines in its reasonable discretion that any Replacement is not being performed in a workmanlike or timely manner or that any Replacement has not been completed in a workmanlike or timely manner, Lender shall have the option without providing any prior notice to Borrower to withhold disbursement for such unsatisfactory Replacement and, subject to the cure periods set forth in Section 8.1(a)(xxi) hereof, to proceed under existing contracts or to contract with third parties to complete such Replacement and to apply the Rollover/Replacement Reserve Fund toward the labor and materials necessary to complete such Replacement and to exercise any and all other remedies available to Lender upon an Event of Default hereunder.

(D) In order to facilitate Lender's completion or making of the Replacements pursuant to Section 7.4.2(b)(ii)(C) above, Borrower shall cause Mortgage Borrower to grant Lender the right to enter onto the Property and perform any and all work and labor necessary to complete or make the Replacements and/or employ watchmen to protect the Property from damage provided, however, that Lender shall not exercise such right unless an Event of Default has occurred and is then continuing. All sums so expended by Lender, to the extent not from the Rollover/Replacement Reserve Fund, shall be deemed to have been advanced under the Loan to Borrower and secured by fee Pledge Agreement. For this purpose Borrower constitutes and appoints Lender its true and lawful attorney in fact with full power of substitution to complete or undertake the Replacements in the name of Mortgage Borrower. Such power of attorney shall be deemed to be a power coupled with an interest and cannot be revoked. Borrower empowers said attorney in fact as follows: (1) to use any funds in the Rollover/Replacement Reserve Account for the purpose of making or completing the Replacements; (2) to make such additions, changes and

corrections to the Replacements as shall be necessary or desirable to complete the Replacements; (3) to employ such contractors, subcontractors, agents, architects and inspectors as shall be required for such purposes; (4) to pay, settle or compromise all existing bills and claims which are or may become Liens against the Property, or as may be necessary or desirable for the completion of the Replacements, or for clearance of title; (5) to execute all applications and certificates in the name of Mortgage Borrower which may be required by any of the contract documents; (6) to prosecute and defend all actions or proceedings in connection with the Property or the rehabilitation and repair of the Property; and (7) to do any and every act which Borrower might do in its own behalf to fulfill the terms of this Agreement. Notwithstanding the foregoing, Lender shall not exercise such power of attorney unless an Event of Default exists.

(E) Nothing in this Section 7.4.2 shall: (1) make Lender responsible for making or completing the Replacements; (2) require Lender to expend funds in addition to the Rollover/Replacement Reserve Fund to make or complete any Replacement; (3) obligate Lender to proceed with the Replacements; or (4) obligate Lender to demand from Borrower additional sums to make or complete any Replacement.

(F) The Replacements and all materials, equipment, fixtures, or any other item comprising a part of any Replacement shall be constructed, installed or completed, as applicable, free and clear of all mechanic's, materialmen's or other Liens, subject to Borrower's right to contest such Liens as set forth in Section 8.1(a)(xiii) hereof.

(G) In addition to any insurance required under the Loan Documents, Borrower shall provide or cause to be provided workmen's compensation insurance, builder's risk, and public liability insurance and other insurance to the extent required under Applicable Law in connection with a particular Replacement. All such policies shall be in form and amount reasonably satisfactory to Lender. All such policies which can be endorsed with standard mortgagee clauses making loss payable to Lender or its assigns shall be so endorsed. Upon request, certified copies of such policies or certificates evidencing the effectiveness of such policies and the payment of premiums thereunder shall be delivered to Lender.

(iii) (A) It shall be an Event of Default under this Agreement if Borrower fails to comply with any provision of this Section 7.4 and such failure is not cured within sixty (60) days after notice from Lender, subject to extension as is reasonably necessary for Borrower to exercise due diligence to cure or due to Force Majeure. Upon the occurrence and continuance of an Event of Default, Lender may use the Rollover/Replacement Reserve Fund (or any portion thereof) for any purpose, including but not limited to completion of the Replacements as provided in Sections 7.4.2(b)(ii)(C) and (D), or for any other repair or replacement to the Property or toward payment of the Debt in such order, proportion and priority as Lender may determine in its sole discretion. Lender's right to withdraw and apply the Rollover/Replacement Reserve Funds shall be in addition

to all other rights and remedies provided to Lender under this Agreement and the other Loan Documents.

(B) Nothing in this Agreement shall obligate Lender to apply all or any portion of the Rollover/Replacement Reserve Fund on account of an Event of Default to payment of the Debt or in any specific order or priority.

(c) The insufficiency of any balance in the Rollover/Replacement Reserve Account shall not relieve Borrower from its obligation to fulfill all preservation and maintenance covenants in the Loan Documents.

7.4.3 Waiver of Rollover/Replacement Reserve Fund. Borrower shall be relieved of its obligation to make deposits of Rollover/Replacement Reserve Funds and Lender shall not be entitled to demand that Borrower establish such reserves with Lender, provided that (a) Mortgage Borrower is required to and does make or cause to be made monthly deposits to a rollover/replacement reserve account pursuant to the Mortgage Loan Agreement and (b) Lender receives evidence reasonably acceptable to it of the making of such deposits (it being agreed that evidence provided by the Servicer shall be deemed reasonably acceptable).

Section 7.5 Intentionally Deleted.

Section 7.6 Intentionally Deleted.

Section 7.7 Debt Service Shortfall Reserve Fund.

7.7.1 Deposits into the Debt Service Shortfall Reserve Fund. On the Closing Date, Mortgage Borrower shall deposit with Mortgage Lender an amount equal to $4,900,000.00 to be deposited in the Debt Service Shortfall Reserve Account (the **"Debt Service Shortfall Reserve Fund"**). Notwithstanding anything to the contrary contained in this Section 7.7.1, Mortgage Borrower's obligation to make any deposits into the Debt Service Shortfall Reserve Fund shall be waived (and if Debt Service Shortfall Reserve Funds are on deposit, Mortgage Borrower shall be entitled to withdraw the amounts deposited therein) if Mortgage Borrower delivers to Mortgage Lender a Letter of Credit in the face amount of the amount required to be on deposit with Mortgage Lender in the Debt Service Shortfall Reserve Fund.

7.7.2 Withdrawals from the Debt Service Shortfall Reserve Fund. Disbursements from the Debt Service Shortfall Reserve Funds shall be made in accordance with the Section 7.7.2 of the Mortgage Loan Agreement.

Section 7.8 Reserve Funds. Generally. (a) Borrower grants to Lender a first priority perfected security interest in each of the Reserve Funds established solely hereunder and not under the Mortgage Loan Agreement and the related Accounts and any and all monies now or hereafter deposited in each Reserve Fund and related Account as additional security for payment of the Debt. Until expended or applied in accordance herewith, the Reserve Funds and the related Accounts shall constitute additional security for the Debt.

(b) Upon the occurrence and during the continuance of an Event of Default, Lender shall have no obligation to disburse any Reserve Funds, and Lender may, in addition to

any and all other rights and remedies available to Lender, apply any sums then present in any or all of the Reserve Funds to the payment of the Debt in any order in its sole discretion. Lender shall have no obligation to advance funds from any particular Reserve Account in excess of the amount on deposit in such Reserve Account.

(c) The Reserve Funds shall not constitute trust funds and may be commingled with other monies held by Lender.

(d) The Reserve Funds may be invested in Permitted Investments in accordance with, and to the extent permitted by, the Cash Management Agreement, and all earnings or interest on a Reserve Fund shall be added to and become a part of such Reserve Fund and shall be disbursed in the same manner as other monies deposited in such Reserve Fund.

(e) Borrower shall not (and shall not permit Mortgage Borrower to), without obtaining the prior written consent of Lender, further pledge, assign or grant any security interest in any Reserve Fund or related Account or the monies deposited therein or permit any lien or encumbrance to attach thereto, or any levy to be made thereon, or any UCC-1 Financing Statements, except those naming Lender as the secured party, to be filed with respect thereto or any right of the depositary bank or securities intermediary to be paid ordinary fees and charges for such Account, for which there may be a set-off right.

(f) Borrower shall indemnify Lender and hold Lender harmless from and against any and all Losses arising from or in any way connected with the Reserve Funds or the related Accounts or the performance of the obligations for which the Reserve Funds or the related Accounts were established, except to the extent arising from the gross negligence or willful misconduct of Lender, its agents or employees. Borrower shall assign to Lender all rights and claims Borrower may have against all Persons supplying labor, materials or other services which are to be paid from or secured by the Reserve Funds or the related Accounts; provided, however, that Lender may not pursue any such right or claim unless an Event of Default has occurred and remains uncured.

Section 7.9 Provisions Regarding Letters of Credit.

7.9.1 Letters of Credit Generally. Borrower shall give Lender no less than thirty (30) days notice of Borrower's election to deliver a Letter of Credit pursuant to this Article VII. Borrower shall pay to Lender all of Lender's reasonable out-of-pocket costs and expenses in connection therewith. Borrower shall not be entitled to draw from any such Letter of Credit.

7.9.2 Event of Default. An Event of Default shall occur if Borrower shall have any reimbursement or similar obligation with respect to a Letter of Credit, or if Borrower shall fail to (i) replace or extend any Letter of Credit prior to the expiration thereof or (ii) replace any outstanding Letter of Credit within thirty (30) days of Lender's notice that such Letter of Credit fails to meet the requirements set forth in the definition of Letter of Credit. Lender shall not be required to exercise its rights under Section 7.9.3 below in order to prevent any such Event of Default from occurring and shall not be liable for any losses due to the insolvency of the issuer of the Letter of Credit as a result of any failure or delay by Lender in the exercise of such rights, but if Lender draws on the Letter of Credit and the issuer honors such draw and no Event of

Default shall exist, Lender shall deposit the proceeds of such draw into the Reserve Fund with respect to which such Letter of Credit was originally established.

7.9.3 Security for Debt. Each Letter of Credit delivered under this Agreement shall be additional security for the payment of the Debt. Upon the occurrence of an Event of Default, Lender shall have the right, at its option, to draw on any Letter of Credit and to apply all or any part thereof to the payment of the items for which such Letter of Credit was established or to apply each such Letter of Credit to payment of the Debt in such order, proportion or priority as Lender may determine or to hold such proceeds as security for the Debt.

7.9.4 Additional Rights of Lender. In addition to any other right Lender may have to draw upon a Letter of Credit pursuant to the terms and conditions of this Agreement, Lender shall have the additional rights to draw in full any Letter of Credit: (a) with respect to any evergreen Letter of Credit, if Lender has received a notice from the issuing bank that the Letter of Credit will not be renewed and a substitute Letter of Credit is not provided at least thirty (30) days prior to the date on which the outstanding Letter of Credit is scheduled to expire; (b) with respect to any Letter of Credit with a stated expiration date, if Lender has not received a notice from the issuing bank that it has renewed the Letter of Credit at least thirty (30) days prior to the date on which such Letter of Credit is scheduled to expire or a substitute Letter of Credit is not provided at least thirty (30) days prior to the date on which the outstanding Letter of Credit is scheduled to expire; or (c) if Lender has received notice that the bank issuing the Letter of Credit shall cease to be an Approved Bank and Borrower has not, within thirty (30) days after notice thereof, obtained a new Letter of Credit with an Approved Bank.

7.9.5 Reduction of Letter of Credit. In the event that, after the delivery of a Letter of Credit in accordance with the provisions of this Article VII, Borrower shall incur and pay for from its own funds and not from the Reserve Funds, funds in the Mezzanine Deposit Account, or other funds sourced from, or otherwise derivative of, the Property, such items that would be eligible for a disbursement from the applicable Reserve Fund, Borrower may, in lieu of receiving such disbursement, reduce the amount of such Letter of Credit by a corresponding amount. Lender agrees to execute such agreements or amendments reasonably requested by Borrower in order to appropriately reduce the amount of such Letter of Credit. Borrower shall not be permitted to reduce the Letter of Credit more than one (1) time in any month.

7.9.6 Limitations on Guaranties and Letters of Credit. Notwithstanding anything to the contrary contained in the foregoing, the aggregate amount of any Letters of Credit in lieu of Reserve Funds delivered in accordance with the provisions of this Article VII and any guaranties delivered in accordance with the provisions of Section 5.1.20 shall not exceed ten percent (10%) of the principal amount of the Loan. To the extent that the aggregate amount of deposits that Borrower is obligated to make into the Reserve Funds hereunder exceeds ten percent (10%), Borrower shall deposit such excess amount with Lender for deposit into the applicable Reserve Fund.

Section 7.10 Transfer of Reserve Funds under Mortgage Loan. If Borrower is required to deposit with Lender reserves pursuant to this Article VII, Borrower shall enter into a cash management and lockbox agreement for the benefit of Lender for the purpose of covering deposits to the required reserve accounts substantially similar to the Lockbox Agreement and the

Mortgage Cash Management Agreement. Upon cancellation by Mortgage Lender of any reserve fund obligation under Article VII of the Mortgage Loan Agreement, Borrower shall to the extent permitted under the Mortgage Loan Documents cause the related reserve fund balance held by Mortgage Lender to be transferred directly to Lender to be held by Lender in the comparable Reserve Fund account.

ARTICLE VIII

DEFAULTS

Section 8.1 Event of Default. (a) Each of the following events shall constitute an event of default hereunder (an **"Event of Default"):**

(i) (A) if any payment of principal or interest due pursuant to the Note or the payment due on the Maturity Date is not paid on or prior to the date when due, and (B) any other portion of the Debt is not paid on or within four (4) business days after the same is due;

(ii) if any of the Taxes or any Other Charges are not paid on or before the date when the same are due and payable (except to the extent sums sufficient to pay such Taxes or any Other Charges have been deposited with Mortgage Lender in accordance with the terms of the Mortgage Loan Agreement or Lender in accordance with the terms hereof);

(iii) if the Policies are not kept in full force and effect and if certified copies of the Policies, or Acord certificates evidencing the procurement of and payment for the Policies, are not delivered to Lender within five (5) Business Days of Lender's request;

(iv) if Borrower or Mortgage Borrower transfers or encumbers any portion of the Property or Collateral in violation of the provisions of Section 5.2.10 hereof or of the Pledge Agreement;

(v) if any representation or warranty made by Borrower, or any Guarantor herein or in any other Loan Document, or in any report, certificate, financial statement or other instrument, agreement or document prepared by or on behalf of Borrower, or any Guarantor and furnished to Lender shall have been false or misleading in any material adverse respect, when taken as a whole, as of the date the representation or warranty was made provided, however, that to the extent that the Person on whose behalf such representation or warranty was made had no actual or constructive knowledge of the falsehood or misleading nature of such representation or warranty when made, and that such falsehood or misleading nature was undiscoverable through commercially reasonable diligence, then such false or misleading representation or warranty shall constitute an Event of Default only if Borrower or such Person fails to make true and accurate such representation or warranty (by modifying or correcting the condition underlying such representation or warranty) within ten (10) days after Borrower's or such Person's discovery of such underlying condition;

(vi) if Borrower, Mortgage Borrower, Principal, any Guarantor or any other guarantor under any guaranty issued in connection with the Loan shall make an assignment for the benefit of creditors, unless, in the case of any Guarantor, any Replacement Guarantor has been substituted for such Guarantor in accordance with the terms and provisions of Section 9.6 hereof;

(vii) if a receiver, liquidator or trustee shall be appointed for Borrower, Mortgage Borrower, Principal, any Guarantor or any other guarantor under any guarantee issued in connection with the Loan or the Mortgage Loan or if Borrower, Mortgage Borrower Principal, any Guarantor or such other guarantor shall be adjudicated a bankrupt or insolvent, or if any petition for bankruptcy, reorganization or arrangement pursuant to the Bankruptcy Code, or any similar federal or State law, shall be filed by or against, consented to, or acquiesced in by, Borrower, Mortgage Borrower, Principal, any Guarantor or such other guarantor, or if any proceeding for the dissolution or liquidation of Borrower, Mortgage Borrower, Principal, any Guarantor or such other guarantor shall be instituted; provided, however, if such appointment, adjudication, petition or proceeding was involuntary and not consented to by Borrower, Mortgage Borrower, Principal, any Guarantor or such other guarantor, upon the same not being discharged, stayed or dismissed or bonded pending appeal within ninety (90) days, unless, in the case of any Guarantor, any Replacement Guarantor has been substituted for such Guarantor in accordance with the terms and provisions of Section 9.6 hereof;

(viii) if Borrower attempts to assign its rights under this Agreement or any of the other Loan Documents or any interest herein or therein in contravention of the Loan Documents;

(ix) if Borrower materially breaches any of its respective negative covenants contained in Section 5.2;

(x) if Borrower violates or does not comply with any provisions of Section 5.1.17 hereof and Borrower fails to remedy such breach within ten (10) Business Days after notice of such breach from Lender;

(xi) if a default has occurred and continues beyond any applicable cure period under the Management Agreement (or any Replacement Management Agreement) if such default permits Manager thereunder to terminate or cancel the Management Agreement (or any Replacement Management Agreement);

(xii) if Borrower or Principal violates or does not comply with any of the provisions of Section 4.1.35 hereof, or if there is any breach of any representation, warranty or covenant contained in Section 4 of the Pledge Agreement;

(xiii) if the Property becomes subject to any mechanic's, materialman's or other Lien other than a Lien for local real estate taxes and assessments not then due and payable and the Lien shall remain undischarged of record (by payment, bonding or otherwise) for a period of sixty (60) days, provided, however, after prior written notice to Lender, Borrower or Mortgage Borrower, at its own expense, may contest by appropriate

legal proceedings, promptly initiated and conducted in good faith and with due diligence, the amount or validity, in whole or in part, of any mechanic's liens, provided that (i) no other Event of Default has occurred and is continuing under the Note, this Agreement or any of the other Loan Documents, (ii) such proceeding shall suspend the collection of the mechanic's or materialman's liens from Mortgage Borrower and from the Property or Borrower shall have caused to be paid all of the mechanic's or materialman's liens under protest, (iii) such proceeding shall be permitted under and be conducted in accordance with the provisions of any other instrument to which Borrower is subject and shall not constitute a default thereunder, (iv) neither the Property nor any part thereof or interest therein will be in danger of being sold, forfeited, terminated, cancelled or lost, and (v) Borrower shall have deposited with Lender adequate reserves or security for the payment of the mechanic's or materialman's liens, together with all interest and penalties thereon as determined by Lender in its reasonable discretion (unless such reserves or security have been furnished pursuant to the Mortgage Loan Agreement);

(xiv) if any federal tax Lien or state or local income tax Lien is filed against Borrower, Mortgage Borrower, Principal, any Guarantor, the Collateral, or the Property and same is not discharged of record within sixty (60) days after same is filed, unless, in the case of any Guarantor, any Replacement Guarantor has been substituted for such Guarantor in accordance with the terms and provisions of Section 9.6 hereof;

(xv) (A) Borrower fails to provide Lender with the written certificate as provided in (and within the time period required by) Section 5.2.8 hereof and such failure continues for ten (10) days after written notice thereof from Lender, (B) Borrower is a Plan or its assets constitute Plan Assets, or (C) Borrower consummates a transaction which would cause the Pledge Agreement or Lender's exercise of its rights under the Pledge Agreement, the Note, this Agreement or the other Loan Documents to constitute a nonexempt prohibited transaction under ERISA or result in a violation of a State statute regulating investment of, and fiduciary obligations with respect to, governmental plans that is substantially similar to Section 406 of ERISA or Section 4975 of the Code, which prohibits or otherwise restricts the transactions contemplated by this Agreement, subjecting Lender to liability for a violation of ERISA, the Code or such State statute;

(xvi) if Borrower shall fail to deliver to Lender, within ten (10) Business Days after request by Lender, the estoppel certificates required pursuant to the terms of Section 5.1.13(a) hereof (which request by Lender shall be sent after the expiration of any applicable notice and grace periods contained in Section 5.1.13);

(xvii) if any default occurs under any guaranty or indemnity executed in connection herewith (including, without limitation, the Guaranty and the Environmental Indemnity) and such default continues after the expiration of applicable grace periods, if any, unless, in the case of any Guarantor, any Replacement Guarantor has been substituted for such Guarantor in accordance with the terms and provisions of Section 9.6 hereof;

(xviii) Intentionally Deleted.

(xix) Intentionally Deleted.

(xx) with respect to any term, covenant or provision set forth herein which specifically contains a notice requirement or grace period, if Borrower shall be in default under such term, covenant or condition after the giving of such notice or the expiration of such grace period;

(xxi) if any of the assumptions contained in the Insolvency Opinion, or in any other "non-consolidation" opinion delivered to Lender in connection with the Loan (it being understood that this provision shall not apply to any "non-consolidation" opinion delivered to Lender in connection with the origination of the Loan following a transfer under Section 5.2.11), or in any other "non-consolidation" opinion delivered subsequent to the closing of the Loan, is or shall become untrue in any material respect;

(xxii) if any of Borrower or its subsidiaries (as applicable) shall breach any of the terms of:

A. Section 5.2.12 (Limitation on Securities Issuances);

B. Section 5.2.14 (Refinancing or Prepayment of the Mortgage Loan);

C. Section 5.2.17(a) (Other Limitations);

(xxiii) if Borrower shall continue to be in Default under any of the other terms, covenants or conditions of this Agreement not specified in subsections (i) to (xxi) above or (xxiii) below, for ten (10) days after notice to Borrower from Lender, in the case of any Default which can be cured by the payment of a sum of money, or for thirty (30) days after notice from Lender in the case of any other Default; provided, however, that if such non monetary Default is susceptible of cure but cannot reasonably be cured within such thirty (30) day period and provided, further, that Borrower shall have commenced to cure such Default within such thirty (30) day period and thereafter diligently and expeditiously proceeds to cure the same, such thirty (30) day period shall be extended for such time as is reasonably necessary for Borrower in the exercise of due diligence to cure such Default, such additional period not to exceed ninety (90) days;

(xxiv) if there shall be a default under the Pledge Agreement or any of the other Loan Documents beyond any applicable notice and cure periods contained in such documents, whether as to Borrower or the Collateral, or if any other such event shall occur or condition shall exist, if the effect of such event or condition is to accelerate the maturity of any portion of the Debt or to permit Lender to accelerate the maturity of all or any portion of the Debt;

(xxv) if a Mortgage Loan Event of Default shall have occurred and be continuing or if Mortgage Borrower enters into or otherwise suffers or permits any amendment, waiver, supplement, termination, extension, renewal, replacement or other modification of any Mortgage Loan Document without the prior written consent of Lender except to the extent permitted by this Agreement, to the extent that such consent was required to be obtained hereunder; or

(xxvi) the Liens created pursuant to any Loan Document shall cease to be a fully enforceable first priority security interest due to any act or omission of Borrower (unless such unenforceability results solely from an act or omission of Lender).

(b) Upon the occurrence and during the continuance of an Event of Default (other than an Event of Default described in clauses (vi) or (vii) above) and at any time thereafter, in addition to any other rights or remedies available to it pursuant to this Agreement and the other Loan Documents or at law or in equity, Lender may take such action, without notice or demand, that Lender deems advisable to protect and enforce its rights against Borrower and in and to the Property or the Collateral, including, without limitation, declaring the Debt to be immediately due and payable, and Lender may enforce or avail itself of any or all rights or remedies provided in the Loan Documents against Borrower and any part of the Property or the Collateral, including, without limitation, all rights or remedies available at law or in equity; and upon any Event of Default described in clauses (vi) or (vii) above, the Debt and all other obligations of Borrower hereunder and under the other Loan Documents shall immediately and automatically become due and payable, without notice or demand, and Borrower hereby expressly waives any such notice or demand, anything contained herein or in any other Loan Document to the contrary notwithstanding.

Section 8.2 Remedies. (a) Upon the occurrence and during the continuance of an Event of Default, all or any one or more of the rights, powers, privileges and other remedies available to Lender against Borrower under this Agreement or any of the other Loan Documents executed and delivered by, or applicable to, Borrower or at law or in equity may be exercised by Lender at any time and from time to time, whether or not all or any of the Debt shall be declared due and payable, and whether or not Lender shall have commenced any foreclosure proceeding or other action for the enforcement of its rights and remedies under any of the Loan Documents with respect to all or any part of the Collateral. Any such actions taken by Lender shall be cumulative and concurrent and may be pursued independently, singly, successively, together or otherwise, at such time and in such order as Lender may determine in its sole discretion, to the fullest extent permitted by Applicable Law, without impairing or otherwise affecting the other rights and remedies of Lender permitted by Applicable Law, equity or contract or as set forth herein or in the other Loan Documents. Without limiting the generality of the foregoing, Borrower agrees that if an Event of Default is continuing (i) Lender is not subject to any "one action" or "election of remedies" law or rule, and (ii) all Liens and other rights, remedies or privileges provided to Lender shall remain in full force and effect until Lender has exhausted all of its remedies against the Collateral and the Collateral has been foreclosed, sold and/or otherwise realized upon in satisfaction of the Debt or the Debt has been paid in full.

(b) With respect to Borrower and the Property, nothing contained herein or in any other Loan Document shall be construed as requiring Lender to resort to any Collateral for the satisfaction of any of the Debt in preference or priority to any other Collateral, and Lender may seek satisfaction out of the Property or any other Collateral or any part thereof, in its absolute discretion in respect of the Debt. In addition, Lender shall have the right from time to time to partially foreclose the Pledge Agreement in any manner and for any amounts secured by the Pledge Agreement then due and payable as determined by Lender in its sole discretion including, without limitation, the following circumstances: (i) in the event Borrower defaults beyond any applicable grace period in the payment of one or more scheduled payments of

principal and interest, Lender may foreclose the Pledge Agreement to recover such delinquent payments, or (ii) in the event Lender elects to accelerate less than the entire outstanding principal balance of the Loan, Lender may foreclose the Pledge Agreement to recover so much of the principal balance of the Loan as Lender may accelerate and such other sums secured by the Pledge Agreement as Lender may elect. Notwithstanding one or more partial foreclosures, the Property shall remain subject to the Pledge Agreement to secure payment of sums secured by the Pledge Agreement and not previously recovered.

(c) Lender shall have the right, from time to time, to sever the Note and the other Loan Documents into one or more separate notes, deeds of trust, mortgages and other security documents (the **"Severed Loan Documents"**) in such denominations as Lender shall determine in its sole discretion for purposes of evidencing and enforcing its rights and remedies provided hereunder. Borrower shall execute and deliver to Lender from time to time, promptly after the request of Lender, a severance agreement and such other documents as Lender shall request in order to effect the severance described in the preceding sentence, all in form and substance reasonably satisfactory to Lender. Borrower hereby absolutely and irrevocably appoints Lender as its true and lawful attorney, coupled with an interest, in its name and stead to make and execute all documents necessary or desirable to effect the aforesaid severance, Borrower ratifying all that its said attorney shall do by virtue thereof; provided, however, Lender shall not make or execute any such documents under such power until three (3) days after notice has been given to Borrower by Lender of Lender's intent to exercise its rights under such power. The Severed Loan Documents shall not contain any representations, warranties or covenants not contained in the Loan Documents and any such representations and warranties contained in the Severed Loan Documents will be given by Borrower only as of the Closing Date.

Section 8.3 Remedies Cumulative; Waivers. The rights, powers and remedies of Lender under this Agreement shall be cumulative and not exclusive of any other right, power or remedy which Lender may have against Borrower pursuant to this Agreement or the other Loan Documents, or existing at law or in equity or otherwise. Lender's rights, powers and remedies may be pursued singularly, concurrently or otherwise, at such time and in such order as Lender may determine in Lender's sole discretion. No delay or omission to exercise any remedy, right or power accruing upon an Event of Default shall impair any such remedy, right or power or shall be construed as a waiver thereof, but any such remedy, right or power may be exercised from time to time and as often as may be deemed expedient. A waiver of one or more Defaults or Events of Default with respect to Borrower shall not be construed to be a waiver of any subsequent Default or Event of Default by Borrower or to impair any remedy, right or power consequent thereon.

ARTICLE IX

SPECIAL PROVISIONS

Section 9.1 Sale of Notes and Securitization. Lender may, at any time, sell, transfer or assign the Note, this Agreement, the Pledge Agreement and the other Loan Documents, and any or all servicing rights with respect thereto, or grant participations therein or issue mortgage pass-through certificates or other securities (the **"Securities"**) evidencing a beneficial interest in a rated or unrated public offering or private placement (a **"Securitization"**)

(such sales, participations and/or Securitizations, collectively, a **"Secondary Market Transaction"**). Notwithstanding the foregoing, Lender shall endeavor, but shall have no obligation, to provide Borrower with ten (10) days prior notice of any Secondary Market Transaction for which Provided Information is, or is expected to be, requested and provide Borrower with the type of Secondary Market Transaction that is occurring, or is expected to occur. At the request of the holder of the Note and, to the extent not already required to be provided by Borrower under this Agreement, Borrower shall, at such noteholder's expense to the extent and as set forth in Section 9(g) hereof, use reasonable efforts to provide information in the possession or control of Borrower and not in possession of Lender or which may reasonably be required to satisfy the market standards to which the holder of the Note customarily adheres or which may be reasonably required in the marketplace or by the Rating Agencies in connection with a Securitization or the sale of the Note or the participations or Securities, including, without limitation, to:

(a) (i) provide such financial and other information with respect to the Property, Collateral, Mortgage Borrower, Borrower, Manager and Guarantor, including but not limited to updated financial and operating statements currently created during the ordinary course of business, (ii) provide budgets relating to the Property and Collateral and (iii) to perform or permit or cause to be performed or permitted such site inspection, appraisals, market studies, environmental reviews and reports (Phase I's and, if appropriate, Phase II's), engineering reports and other due diligence investigations of the Property, as may be reasonably requested by the holder of the Note or the Rating Agencies or as may be necessary or appropriate in connection with the Securitization (the **"Provided Information"**), together, if customary, with appropriate verification and/or consents of the Provided Information through letters of auditors or opinions of counsel of independent attorneys reasonably acceptable to Lender and acceptable to the Rating Agencies;

(b) if required by the Rating Agencies, deliver (i) a revised Insolvency Opinion, (ii) revised opinions of counsel as to due execution and enforceability with respect to the Property, Collateral, Borrower, Guarantor, Principal and their respective Affiliates and the Loan Documents, and (iii) revised Organizational Documents for Borrower, Guarantor, Principal and their respective Affiliates (including, without limitation, such revisions as are necessary to comply with the provisions of Section 4.1.35 hereof), which counsel, opinions and Organizational Documents shall be reasonably satisfactory to Lender and satisfactory to the Rating Agencies;

(c) if required by the Rating Agencies, request such additional tenant estoppel letters, subordination agreements or other agreements from parties to agreements that affect the Property, which estoppel letters, subordination agreements or other agreements shall be reasonably satisfactory to Lender and satisfactory to the Rating Agencies;

(d) execute such amendments to the Loan Documents and Organizational Documents as may be requested by the holder of the Note or the Rating Agencies or otherwise to effect the Securitization; provided, however, that Borrower shall not be required to modify or amend any Loan Document if such modification or amendment would (except for modifications and amendments required to be made pursuant to Section 9.1(e) below) (i) change the interest rate, the stated maturity or the amortization of principal set forth in the Note, (ii) modify or

amend any other material economic term of the Loan or (iii) otherwise increase the obligations or liabilities or decrease the rights of Borrower pursuant to the Loan Documents;

(e) if Lender elects, in its sole discretion, prior to or upon a Securitization, to split the Loan into two or more parts, or the Note into multiple component notes or tranches which may have different interest rates, amortization payments, principal amounts and maturities, Borrower agrees to cooperate with Lender in connection with the foregoing and to execute the required modifications and amendments to the Note, this Agreement and the Loan Documents and to provide opinions necessary to effectuate the same. Such Notes or components may be assigned different interest rates, so long as the initial weighted average of such interest rates does not exceed the Applicable Interest Rate and the monthly debt service payments do not exceed the Monthly Debt Service Payment Amount; provided, however, that Borrower shall not be required to modify or amend any Loan Document if such modification or amendment would (except for modifications and amendments described in this Section 9.1(e)) (i) change the interest rate, the stated maturity or the amortization of principal set forth in the Note, (ii) modify or amend any other material economic term of the Loan or (iii) otherwise increase the obligations or liabilities or decrease the rights of Borrower pursuant to the Loan Documents; and

(f) make such representations and warranties as of the closing date of the Securitization with respect to the Collateral, Property, Borrower, and the Loan Documents as are customarily provided in securitization transactions and as may be reasonably requested by the holder of the Note or the Rating Agencies and consistent with the facts covered by such representations and warranties as they exist on the date thereof, including the representations and warranties made in the Loan Documents.

(g) Lender shall pay for any third-party costs and expenses incurred by Borrower in connection with Borrower's complying with the requests made under this Section 9.1, other than Borrower's legal fees and expenses. Except as otherwise provided in this Article IX, in no event shall Borrower be obligated to pay for any costs and expenses incurred by Lender or by Borrower, other than Borrower's legal fees, in connection with a Securitization other than any costs and expenses incurred by Lender due to Borrower's failure to perform or comply with Borrower's agreements and covenants contained in this Agreement and the other Loan Documents relating to documents, instruments or other items required to be delivered or produced by Borrower.

Section 9.2 Securitization Indemnification. (a) Borrower understands that certain of the Provided Information may be included in disclosure documents in connection with the Securitization, including, without limitation, a prospectus supplement, private placement memorandum, offering circular or other offering document (each a **"Disclosure Document"**) and may also be included in filings (an **"Exchange Act Filing"**) with the Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended (the **"Securities Act"**), or the Securities and Exchange Act of 1934, as amended (the **"Exchange Act"**), or provided or made available to Investors or prospective Investors in the Securities, the Rating Agencies, and service providers relating to the Securitization. In the event that the Disclosure Document is required to be revised prior to the sale of all Securities, Borrower will cooperate with the holder of the Note in updating the Disclosure Document by providing all current information necessary to keep the Disclosure Document accurate and complete in all material respects.

(b) Borrower agrees to provide in connection with each of (i) a preliminary and a private placement memorandum or (ii) a preliminary and final prospectus or prospectus supplement, as applicable, or (iii) collateral and structured term sheets or similar materials, an indemnification certificate (A) certifying that Borrower has carefully examined the relevant portions of such memorandum or prospectus or term sheets, as applicable, which relate to Borrower and its Affiliates or the Property, including without limitation, the sections entitled "Special Considerations," "Description of the Mortgages," "Description of the Mortgage Loans and Mortgaged Property," and "The Borrower" and such sections (and any other sections reasonably requested) do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, (B) indemnifying Lender (and for purposes of this Section 9.2, Lender hereunder shall include its officers and directors), the Affiliate of Morgan Stanley Mortgage Capital Holdings LLC (**"Morgan Stanley"**) that has filed the registration statement relating to the Securitization (the **"Registration Statement"**), each of its directors, each of its officers who have signed the Registration Statement and each Person who controls the Affiliate within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act (collectively, the **"Morgan Stanley Group"**), and Morgan Stanley, each of its directors and each Person who controls Morgan Stanley within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act (collectively, the **"Underwriter Group"**) for any Losses, claims, damages or liabilities (collectively, the **"Liabilities"**) to which Lender, the Morgan Stanley Group or the Underwriter Group may become subject insofar as the Liabilities arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in such sections described in clause (A) above, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated in such sections or necessary in order to make the statements in such sections or in light of the circumstances under which they were made, not misleading and (C) agreeing to reimburse Lender, the Morgan Stanley Group and the Underwriter Group for any legal or other expenses reasonably incurred by Lender the Morgan Stanley Group and the Underwriter Group in connection with investigating or defending the Liabilities; provided, however, that Borrower will be liable in any such case under clauses (B) or (C) above only to the extent that any such Liability arises out of or is based upon any such untrue statement or omission made therein in reliance upon and in conformity with information furnished to Lender by or on behalf of Borrower in connection with the preparation of the memorandum or prospectus or in connection with the underwriting of the debt, including, without limitation, financial statements of Borrower, operating statements, rent rolls, environmental site assessment reports and property condition reports with respect to the Property. This indemnification will be in addition to any liability which Borrower may otherwise have. Moreover, the indemnification provided for in Clauses (B) and (C) above shall be effective whether or not an indemnification certificate described in (A) above is provided and shall be applicable based on information previously provided by Borrower or its Affiliates if Borrower does not provide the indemnification certificate; provided, however, Borrower shall not be liable in any such case to the extent that any such Liabilities relate solely to errors or omissions contained in documents prepared by a Person other than Borrower, Principal, Guarantor or any of their Affiliates, unless Borrower knew or should have known about such error or omission.

(c) In connection with filings under the Exchange Act, Borrower agrees to indemnify (i) Lender, the Morgan Stanley Group and the Underwriter Group for Liabilities to

which Lender, the Morgan Stanley Group or the Underwriter Group may become subject insofar as the Liabilities arise out of or are based upon the omission or actual omission to state in the Provided Information a material fact required to be stated in the Provided Information in order to make the statements in the Provided Information, in light of the circumstances under which they were made not misleading and (ii) reimburse Lender, the Morgan Stanley Group or the Underwriter Group for any legal or other expenses reasonably incurred by Lender, the Morgan Stanley Group or the Underwriter Group in connection with defending or investigating the Liabilities.

(d) Promptly after receipt by an indemnified party under this Section 9.2 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under this Section 9.2, notify the indemnifying party in writing of the commencement thereof, but the omission to so notify the indemnifying party will not relieve the indemnifying party from any liability which the indemnifying party may have to any indemnified party hereunder except to the extent that failure to notify causes prejudice to the indemnifying party, hi the event that any action is brought against any indemnified party, and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled, jointly with any other indemnifying party, to participate therein and, to the extent that it (or they) may elect by written notice delivered to the indemnified party promptly after receiving the aforesaid notice from such indemnified party, to assume the defense thereof with counsel satisfactory to such indemnified party. After notice from the indemnifying party to such indemnified party under this Section 9.2 the indemnifying party shall not be responsible for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation; provided, however, if the defendants in any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that there are any legal defenses available to it and/or other indemnified parties that are different from or additional to those available to the indemnifying party, the indemnified party or parties shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on behalf of such indemnified party or parties. The indemnifying party shall not be liable for the expenses of more than one such separate counsel (in addition to indemnifying party's own attorneys) regardless of the number of indemnified parties.

(e) In order to provide for just and equitable contribution in circumstances in which the indemnifications provided for in Section 9.2(b) or (c) is or are for any reason held to be unenforceable by an indemnified party in respect of any Liability (or action in respect thereof) referred to therein which would otherwise be indemnifiable under Section 9.2(b) or (c), the indemnifying party shall contribute to the amount paid or payable by the indemnified party as a result of such Liability (or action in respect thereof); provided, however, that no Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. In determining the amount of contribution to which the respective parties are entitled, the following factors shall be considered: (i) Morgan Stanley's and Borrower's relative knowledge and access to information concerning the matter with respect to which claim was asserted; (ii) the opportunity to correct and prevent any statement or omission; and (iii) any other equitable considerations appropriate in the circumstances. Lender and Borrower hereby agree

that it would not be equitable if the amount of such contribution were determined solely by pro rata or per capita allocation.

(f) The liabilities and obligations of both Borrower and Lender under this Section 9.2 shall survive the termination of this Agreement and the satisfaction and discharge of the Debt.

Section 9.3 Servicer. At the option of Lender, the Loan may be serviced by a servicer/trustee (the **"Servicer"**) selected by Lender, and Lender may delegate all or any portion of its responsibilities under this Agreement and the other Loan Documents to the Servicer pursuant to a servicing agreement (the **"Servicing Agreement"**) between Lender and Servicer. Borrower shall not be responsible for any set-up fees or any regular monthly servicing fee due to the Servicer under the Servicing Agreement.

Section 9.4 Exculpation. (a) Except as otherwise provided herein, in the Pledge Agreement or in the other Loan Documents, Lender shall not enforce the liability and obligation of Borrower to perform and observe the obligations contained in this Agreement, the Note, the Pledge Agreement or the other Loan Documents (other than the Environmental Indemnity and the Guaranty) by any action or proceeding wherein a money judgment shall be sought against Borrower, except that Lender may bring a foreclosure action, action for specific performance or other appropriate action or proceeding to enable Lender to enforce and realize upon this Agreement, the Note, the Pledge Agreement, the other Loan Documents, and the interest in the Collateral or and any other collateral given to Lender created by this Agreement, the Note, the Pledge Agreement and the other Loan Documents; provided, however, that any judgment in any such action or proceeding shall be enforceable against Borrower only to the extent of Borrower's interest in the Collateral and in any other collateral given to Lender. Lender, by accepting this Agreement, the Note and the Pledge Agreement, agrees that it shall not, except as otherwise provided in the Pledge Agreement, sue for, seek or demand any deficiency judgment against Borrower in any such action or proceeding, under or by reason of or under or in connection with this Agreement, the Note, the other Loan Documents or the Pledge Agreement. The provisions of this Section shall not, however, (i) constitute a waiver, release or impairment of any obligation evidenced or secured by this Agreement, the Note, the other Loan Documents or the Pledge Agreement; (ii) impair the right of Lender to name Borrower as a party defendant in any action or suit for judicial foreclosure and sale under the Pledge Agreement; (iii) affect the validity or enforceability of any indemnity (including, without limitation, the Environmental Indemnity), guaranty (including, without limitation, the Guaranty), master lease or similar instrument made in connection with this Agreement, the Note, the Pledge Agreement, or the other Loan Documents; (iv) impair the right of Lender to obtain the appointment of a receiver; (v) [intentionally deleted]; (vi) impair the right of Lender to enforce the provisions of Sections 9.9 and 10.2 of the Pledge Agreement (to the extent of Borrower's interest in the Collateral) or Sections 4.1.8, 4.1.28, 5.1.9 and 5.2.8 hereof (to the extent of Borrower's interest in the Collateral); or (vii) impair the right of Lender to obtain a deficiency judgment or other judgment on the Note against Borrower if necessary to obtain any Insurance Proceeds or Awards to which Lender would otherwise be entitled under the Pledge Agreement; provided, however, Lender shall only enforce such judgment to the extent of the Insurance Proceeds and/or Awards.

(b) Notwithstanding the provisions of this Section 9.4 to the contrary, Borrower shall be personally liable to Lender for the Losses it incurs due to: (i) fraud or intentional misrepresentation by Borrower, Mortgage Borrower or its Affiliates in connection with the execution and the delivery of this Agreement, the Note, the Pledge Agreement or the other Loan Documents; (ii) Borrower's or Mortgage Borrower's misappropriation of Rents received by Borrower or Mortgage Borrower during the continuance of an Event of Default; (iii) Borrower's or Mortgage Borrower's misappropriation of Security Deposits or Rents collected more than thirty (30) days in advance; (iv) Borrower's or Mortgage Borrower's misappropriation of Insurance Proceeds or Awards or Net Liquidation Proceeds After Debt Service; (v) Borrower's or Mortgage Borrower's failure to pay Taxes, Other Charges or Lien Charges (except to the extent that sums sufficient to pay such amounts have been deposited in escrow or reserved pursuant to the terms of Section 7.2 of the Mortgage Loan Agreement or Section 7.2 hereof and except to the extent that such failure to pay such Taxes, Other Charges or Lien Charges is due solely to the failure of the Property to generate Gross Income from Operations sufficient to pay such Taxes, Other Charges or Lien Charges when due); (vi) Borrower's or Mortgage Borrower's failure to return or to reimburse Lender for all material Personal Property taken from the Property by or on behalf of Borrower or Mortgage Borrower and not replaced with Personal Property of the same utility and of the same or greater value (provided the replacement shall not be required if such Personal Property is no longer required for the operation of the Property); (vii) any act of intentional physical waste or arson by Borrower, Mortgage Borrower, Principal, or any Affiliate thereof or by Guarantor; (viii) any material Event of Default under Sections 4.1.35 (but excluding Sections 4.1.35(g) and (r) hereof), or in the event of Principal's material default under Section 4.1.35 (but excluding Sections 4.1.35(g) and (r)) of this Agreement; (ix) the breach or inaccuracy of any representation or warranty contained in, or Borrower's or Mortgage Borrower's failure to comply with the provisions of, Sections 4.1.39 or 5.1.19 of this Agreement; (x) Borrower's indemnification of Lender set forth in Section 9.2 of this Agreement; or (xi) any breach of any representation, warranty or covenant contained in Section 4 of the Pledge Agreement.

(c) Notwithstanding the foregoing, the agreement of Lender not to pursue recourse liability as set forth in subsection (a) above SHALL BECOME NULL AND VOID and shall be of no further force and effect (i) in the event of the existence of an Event of Default under Section 5.2.10 hereof or the event of an Event of Default under Section 5.2.1 of this Agreement arising out of a voluntary Lien; (ii) Borrower fails to obtain Lender's prior consent to any subordinate financing or other voluntary Lien encumbering the Property or the Collateral; (iii) Borrower or Mortgage Borrower files a voluntary petition under the Bankruptcy Code or any other Federal or state bankruptcy or insolvency law; (iv) an Affiliate, officer, director, or representative which controls, directly or indirectly, Borrower or Mortgage Borrower files, or joins in the filing of, an involuntary petition against Borrower or Mortgage Borrower under the Bankruptcy Code or any other Federal or state bankruptcy or insolvency law, or solicits or causes to be solicited petitioning creditors for any involuntary petition against Borrower or Mortgage Borrower from any Person; (v) Borrower or Mortgage Borrower files an answer consenting to or otherwise acquiescing in or joining in any involuntary petition filed against it, by any other Person under the Bankruptcy Code or any other Federal or state bankruptcy or insolvency law, or solicits or causes to be solicited petitioning creditors for any involuntary petition from any Person; (vi) any Affiliate, officer, director, or representative which controls Borrower or Mortgage Borrower consents to or acquiesces in or joins in an application for the appointment of

a custodian, receiver, trustee, or examiner for Borrower, Mortgage Borrower or any portion of the Property or the Collateral; or (vii) Borrower or Mortgage Borrower makes an assignment for the benefit of creditors, or admits, in writing or in any legal proceeding, its insolvency or inability to pay its debts as they become due.

(d) Nothing herein shall be deemed to be a waiver of any right which Lender may have under Section 506(a), 506(b), 1111 (b) or any other provision of the U.S. Bankruptcy Code to file a claim for the full amount of the indebtedness secured by the Pledge Agreement or to require that all collateral shall continue to secure all of the indebtedness owing to Lender in accordance with this Agreement, the Note, the Pledge Agreement and the other Loan Documents.

(e) Notwithstanding anything to the contrary contained in this Agreement, the Note, the Pledge Agreement, or the other Loan Documents, no direct or indirect, parent, shareholder, partner, members, principal, affiliate, employee, officer, director, agent or representative of Borrower (excluding the Guarantor and Indemnitors in their respective capacities as guarantors/indemnitors under the Loan but including the direct or indirect shareholders, partners, members, principals, affiliates, employees, officers, directors, agents or representatives of the Guarantor and Indemnitors) (each a **"Related Party"**) shall have any personal liability for, nor be joined as a party to any action (except as required by any Legal Requirement) with respect to (i) the payment of any sum of money which is or may be payable hereunder or under the Pledge Agreement or the other Loan Documents, including, but not limited to, the repayment of the Debt, or (ii) the performance or discharge of any covenants, obligations or undertakings of Borrower or any Related Party with respect thereto. In addition to the foregoing, anything in the Note, the Pledge Agreement, this Agreement or the other Loan Documents to the contrary notwithstanding, in no event will the assets of any Related Party (including any distributions made by Borrower or the Guarantor to their direct or indirect members, partners or shareholders) be available to satisfy any obligation of Borrower in respect of the Debt or other obligations secured by the Collateral.

Section 9.5 Resizing. Borrower further agrees that if, in connection with a Securitization of the Mortgage Loan, it is determined by the Rating Agencies or Mortgage Lender that a portion of the Mortgage Loan would not receive an "investment grade" rating then, at Lender's sole cost and expense, (i) Borrower shall take all actions as are reasonably necessary to effect the "resizing" of the Loan and the Mortgage Loan, including creating one or more mezzanine loan secured by the direct or indirect ownership interests in Borrower (collectively, **"Resizing Mezzanine Loan"**), (ii) Borrower shall exercise commercially reasonable efforts to cause the Mortgage Borrower to comply with its agreements to effect a "resizing", and (iii) Lender shall on the date of the "resizing" of the Loan lend to Borrower or the holder or holders of the direct or indirect ownership interests of Borrower (collectively **"Resizing Mezzanine Borrower"**) such additional amount equal to the amount of the principal reduction of the Mortgage Loan provided that Borrower and Mortgage Borrower executes and delivers any and all reasonably necessary amendments or modifications to the Loan Documents and the Mortgage Loan Documents and Resizing Mezzanine Borrower execute and deliver any and all reasonably necessary documents to evidence such Resizing Junior Mezzanine Loan, which documents shall be on substantially the same forms as the Loan Documents with such changes as the parties may reasonably agree upon. In addition, Borrower and Lender agree that if, in

connection with a Securitization of the Mortgage Loan, it is determined by the Rating Agencies or Lender that, if the principal amount of the Loan was decreased and, as a result the principal amount of the Mortgage Loan was increased, more "investment grade" rated securities could be issued, then (i) each of them shall take all actions provided for in the documentation for the Loan as are reasonably necessary to effect the "resizing" of the Loan and the Mortgage Loan and (ii) Borrower shall exercise commercially reasonable efforts to cause the Mortgage Borrower to comply with its agreements to effect a "resizing". In connection with the foregoing, Borrower agrees, at Lender's sole cost and expense other than Borrower's attorneys' fees with respect to Lender's first exercise of its rights under this Section 9.5, to execute and deliver such documents and other agreements reasonably required by Lender and/or Mortgage Lender to "re-size" the Loan, including, without limitation, an amendment to this Agreement, the Note, the Pledge Agreement and the other Loan Documents, amendments to, or replacements of, the Interest Rate Cap Agreement modifying the notional amounts to reflect the "re-sized" loan (provided that the forms of such amendments will be substantially on the same forms as similar transactions between Lender and Affiliates of Broadway Partners), and Borrower shall not be required to execute and deliver any documents or agreements which would (i) change the weighted average interest rate on the outstanding principal balances of the Note and the Mortgage Note from the weighted average interest rate of the Note and the Mortgage Note immediately prior to such resizing, the stated maturity or the amortization of principal set forth in the Note, (ii) modify or amend any other material or economic term of the Loan in a manner that has a material adverse effect on Borrower, or (ii) materially increase Borrower's obligations and liabilities under the Loan Documents or materially decrease the rights of Borrower under the Loan Documents. All costs and expenses incurred by Borrower and Lender in connection with compliance with this Section 9.5 shall be paid by Lender other than Borrower's legal fees and expenses which shall be paid by Borrower.

Section 9.6 Replacement Guarantor. Upon the occurrence of any of the events set forth in Sections 8.1(a)(vi), (vii), (xiv) or (xvii) hereof, Borrower may cause the applicable Guarantor to be substituted or replaced by a Replacement Guarantor prior to the time that the occurrence of any of the foregoing events becomes an Event of Default or if the occurrence of any of the foregoing events is an immediate Event of Default, within ten (10) days following such occurrence. Borrower (a) shall deliver or cause to be delivered to Lender, (i) financial statements or other information reasonably required by Lender with respect to such proposed Replacement Guarantor and (ii) such legal opinions as Lender may reasonably require, including but not limited to an Insolvency Opinion and (b) shall cause such proposed Replacement Guarantor to assume all of the obligations of the applicable Guarantor under the Guaranty and Environmental Indemnity, in a manner reasonably satisfactory to Lender, including, without limitation, by entering into an assumption agreement in form and substance satisfactory to Lender.

Section 9.7 Syndication.

9.7.1 Syndication. The provisions of this Section 9.7 shall only apply in the event that the Loan is syndicated in accordance with the provisions of this Section 9.7 set forth below.

9.7.2 Sale of Loan, Co-Lenders, Participations and Servicing . (a) Lender and any Co-Lender may, at their option, without Borrower's consent (but with notice to Borrower, which Lender or such Co-Lender shall endeavor (with no obligation to do so) to give to Borrower prior to such sale), sell with novation all or any part of their right, title and interest in, and to, and under the Loan (the **"Syndication"**), to one or more additional lenders (each a **"Co-Lender"**). Each additional Co-Lender shall enter into an assignment and assumption agreement (the **"Assignment and Assumption"**) assigning a portion of Lender's or Co-Lender's rights and obligations under the Loan, and pursuant to which the additional Co-Lender accepts such assignment and assumes the assigned obligations. From and after the effective date specified in the Assignment and Assumption (i) each Co-Lender shall be a party hereto and to each Loan Document to the extent of the applicable percentage or percentages set forth in the Assignment and Assumption and, except as specified otherwise herein, shall succeed to the rights and obligations of Lender and the Co-Lenders hereunder and thereunder in respect of the Loan, and (ii) Lender, as lender and each Co-Lender, as applicable, shall, to the extent such rights and obligations have been assigned by it pursuant to such Assignment and Assumption, relinquish its rights and be released from its obligations hereunder and under the Loan Documents.

(b) The liabilities of Lender and each of the Co-Lenders shall be several and not joint, and Lender's and each Co-Lender's obligations to Borrower under this Agreement shall be reduced by the amount of each such Assignment and Assumption. Neither Lender nor any Co-Lender shall be responsible for the Obligations of any other Co-Lender. Lender and each Co-Lender shall be liable to Borrower only for their respective proportionate shares of the Loan. If for any reason any of the Co-Lenders shall fail or refuse to abide by their obligations under this Agreement, Lender and the other Co-Lenders shall not be relieved of their obligations, if any, hereunder; notwithstanding the foregoing, Lender and the Co-Lenders shall have the right, but not the obligation, at their sole option, to make the defaulting Co-Lender's pro rata share of such advance pursuant to the Co-Lending Agreement.

(c) Borrower agrees that it shall, in connection with any sale of all or any portion of the Loan, whether in whole or to an additional Co-Lender or Participant, within ten (10) Business Days after requested by Agent, furnish Agent with the certificates required under Sections 5.1.10 and 5.1.13 hereof and such other information as reasonably requested by any additional Co-Lender or Participant in performing its due diligence in connection with its purchase of an interest in the Loan. Lender shall pay for any third party costs and expenses incurred by Borrower in connection with Borrower's complying with the requests made under this Section 9.7 other than Borrower's legal fees and expenses.

(d) Lender (or an Affiliate of Lender) shall act as administrative agent for itself and the Co-Lenders (together with any successor administrative agent, the **"Agent"**) pursuant to this Section 9.7. Borrower acknowledges that Lender, as Agent, shall have the sole and exclusive authority to execute and perform this Agreement and each Loan Document on behalf of itself, as Lender and as agent for itself and the Co-Lenders subject to the terms of the Co-Lending Agreement. Lender acknowledges that Lender, as Agent, shall retain the exclusive right to grant approvals and give consents with respect to the operating budgets required to be delivered hereunder and with respect to matters concerning the establishment and administration of the Mezzanine Deposit Account and the other Reserve Funds. Except as otherwise provided

herein, Borrower shall have no obligation to recognize or deal directly with any Co-Lender, and no Co-Lender shall have any right to deal directly with Borrower with respect to the rights, benefits and obligations of Borrower under this Agreement, the Loan Documents or any one or more documents or instruments in respect thereof. Borrower may rely conclusively on the actions of Lender as Agent to bind Lender and the Co-Lenders, notwithstanding that the particular action in question may, pursuant to this Agreement or the Co-Lending Agreement be subject to the consent or direction of some or all of the Co-Lenders. Lender may resign as Agent of the Co-Lenders, in its sole discretion or if required to by the Co-Lenders in accordance with the term of the Co-Lending Agreement, in each case without the consent of Borrower. Upon any such resignation, a successor Agent shall be determined pursuant to the terms of the Co-Lending Agreement. The term Agent shall mean any successor Agent.

(e) Notwithstanding any provision to the contrary in this Agreement, the Agent shall not have any duties or responsibilities except those expressly set forth herein (and in the Co-Lending Agreement) and no covenants, functions, responsibilities, duties, obligations or liabilities of Agent shall be implied by or inferred from this Agreement, the Co-Lending Agreement, or any other Loan Document, or otherwise exist against Agent.

(f) Except to the extent its obligations hereunder and its interest in the Loan have been assigned pursuant to one or more Assignments and Assumption, Lender, as Agent, shall have the same rights and powers under this Agreement as any other Co-Lender and may exercise the same as though it were not Agent, respectively. The term "Co-Lender" or "Co-Lenders" shall, unless otherwise expressly indicated, include Lender in its individual capacity. Lender and the other Co-Lenders and their respective Affiliates may accept deposits from, lend money to, act as trustee under indentures of, and generally engage in any kind of business with, Borrower, or any Affiliate of Borrower and any Person who may do business with or own securities of Borrower or any Affiliate of Borrower, all as if they were not serving in such capacities hereunder and without any duty to account therefor to each other.

(g) If required by any Co-Lender, Borrower hereby agrees to execute supplemental notes in the principal amount of such Co-Lender's pro rata share of the Loan substantially in the form of the Note, provided any such supplemental note does not represent any new indebtedness and a copy of the existing Note is returned to Borrower with a notation reflecting that such supplemental note has been issued, and such supplemental note shall (i) be payable to order of such Co-Lender, (ii) be dated as of the Closing Date, and (iii) mature on the Maturity Date. Such supplemental note shall provide that it evidences a portion of the existing indebtedness hereunder and under the Note and not any new or additional indebtedness of Borrower. The term "Note" as used in this Agreement and in all the other Loan Documents shall include all such supplemental notes. Such supplemental notes shall not increase any obligations or liabilities, or decrease any rights, of Borrower under the Loan Documents.

(h) Lender, as Agent, shall maintain at its domestic lending office or at such other location as Lender, as Agent, shall designate in writing to each Co-Lender and Borrower a copy of each Assignment and Assumption delivered to and accepted by it and a register for the recordation of the names and addresses of the Co-Lenders, the amount of each Co-Lender's proportionate share of the Loan and the name and address of each Co-Lender's agent for service of process (the **"Register"**). The entries in the Register shall be conclusive and binding for all

purposes, absent manifest error, and Borrower, Lender, as Agent, and the Co-Lenders may treat each Person whose name is recorded in the Register as a Co-Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection and copying by Borrower or any Co-Lender during normal business hours upon reasonable prior notice to the Agent. A Co-Lender may change its address and its agent for service of process upon written notice to Lender, as Agent, which notice shall only be effective upon actual receipt by Lender, as Agent, which receipt will be acknowledged by Lender, as Agent, upon request.

(i) Notwithstanding anything herein to the contrary, any financial institution or other entity may be sold a participation interest in the Loan by Lender or any Co-Lender without Borrower's consent (such financial institution or entity, a **"Participant"**) (x) if such sale is without novation and (y) if the other conditions set forth in this paragraph are met. No Participant shall be considered a Co-Lender hereunder or under the Note or the Loan Documents. No Participant shall have any rights under this Agreement, the Note or any of the Loan Documents and the Participant's rights in respect of such participation shall be solely against Lender or Co-Lender, as the case may be, as set forth in the participation agreement executed by and between Lender or Co-Lender, as the case may be, and such Participant. No participation shall relieve Lender or Co-Lender, as the case may be, from its obligations hereunder or under the Note or the Loan Documents and Lender or Co-Lender, as the case may be, shall remain solely responsible for the performance of its obligations hereunder. A Participant shall not be entitled to receive any greater payment under Sections 2.2.3 and 2.2.8 than the Lender or Co-Lender, as applicable, would have been entitled to receive with respect to the participation interest sold to such Participant, unless the sale of the participation interest to such Participant is made with Borrower's prior written consent. A Participant would not be entitled to the benefits of Section 2.2.8 unless Borrower is notified of the participation interest sold to such Participant and such Participant agrees, for the benefit of Borrower, to comply with Section 2.2.8 as though it were a Lender or a Co-Lender.

(j) Notwithstanding any other provision set forth in this Agreement, Lender or any Co-Lender may at any time create a security interest in all or any portion of its rights under this Agreement (including, without limitation, amounts owing to it in favor of any Federal Reserve Bank in accordance with Regulation A of the Board of Governors of the Federal Reserve System), provided that no such security interest or the exercise by the secured party of any of its rights thereunder shall release Lender or Co-Lender from its funding obligations hereunder.

Section 9.8 Intercreditor Agreement. (a) Lender, Mortgage Lender and the Other Mezzanine Lender are parties to a certain intercreditor agreement dated as of the date hereof (the **"Intererеditor Agreement"**) memorializing their relative rights and obligations with respect to the Mortgage Loan, the Loan, Mortgage Borrower, Borrower and the Property. Borrower hereby acknowledges and agrees that (i) such Intercreditor Agreement is intended solely for the benefit of Lender, Mortgage Lender and the Other Mezzanine Lender and (ii) Borrower, Mortgage Borrower and the Other Mezzanine Borrower are not intended third-party beneficiaries of any of the provisions therein and shall not be entitled to rely on any of the provisions contained therein. Lender, Mortgage Lender and the Other Mezzanine Lender shall have no obligation to disclose to Borrower the contents of the Intercreditor Agreement.

Borrower's obligations hereunder are independent of such Intercreditor Agreement and remain unmodified by the terms and provisions thereof.

(b) In the event Lender is required pursuant to the terms of the Intercreditor Agreement to pay over any payment or distribution of assets, whether in cash, property or securities which is applied to the Debt, including, without limitation, any proceeds of the Property previously received by Lender on account of the Loan to Mortgage Lender or to the Other Mezzanine Lender to be applied to the "Debt" under and as defined in the Mortgage Loan Agreement or the Other Mezzanine Loan Documents, then any amount so paid shall continue to be owing pursuant to the Loan Documents as part of the Debt notwithstanding the prior receipt of such payment by Lender.

Section 9.9 Discussions with Mortgage Lender and Other Mezzanine Lender. In connection with the exercise of its rights as set forth in the Loan Documents, Lender shall have the right at any time to discuss the Property, the Mortgage Loan, the Loan or any other matter directly with Mortgage Lender and/or the Other Mezzanine Lenders and/or their respective consultants, agents or representatives without notice to or permission from Borrower, Guarantor or any other Person, nor shall Lender have any obligation to disclose such discussions or the contents thereof with Borrower, Guarantor or any other Person.

Section 9.10 Independent Approval Rights. If any action, proposed action or other decision is consented to or approved by Mortgage Lender or the Other Mezzanine Lender, such consent or approval shall not, except as and to the extent herein provided otherwise, be binding or controlling on Lender. Borrower hereby acknowledges and agrees that (i) the risks of Mortgage Lender and the Other Mezzanine Lender in making the Mortgage Loan and the Other Mezzanine Loan are different from the risks of Lender in making the Loan, (ii) in determining whether to grant, deny, withhold or condition any requested consent or approval Mortgage Lender, the Other Mezzanine Lender and Lender may reasonably reach different conclusions, and (iii) except as and to the extent herein provided otherwise, Lender has an absolute independent right to grant, deny, withhold or condition any requested consent or approval based on its own point of view. Further, the denial by Lender of a requested consent or approval shall not create any liability or other obligation of Lender if the denial of such consent or approval results directly or indirectly in a default under the Mortgage Loan, and Borrower hereby waives any claim of liability against Lender arising from any such denial.

ARTICLE X

MISCELLANEOUS

Section 10.1 Survival. This Agreement and all covenants, agreements, representations and warranties made herein and in the certificates delivered pursuant hereto shall survive the making by Lender of the Loan and the execution and delivery to Lender of the Note, and shall continue in full force and effect so long as all or any of the Debt is outstanding and unpaid unless a longer period is expressly set forth herein or in the other Loan Documents. Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party. All covenants, promises and

agreements in this Agreement, by or on behalf of Borrower, shall inure to the benefit of the successors and assigns of Lender.

Section 10.2 Lender's Discretion. Whenever pursuant to this Agreement, Lender exercises any right given to it to approve or disapprove, or any arrangement or term is to be satisfactory to Lender, the decision of Lender to approve or disapprove or to decide whether arrangements or terms are satisfactory or not satisfactory shall (except as is otherwise specifically herein provided) be in the sole discretion of Lender and shall be final and conclusive.

Section 10.3 Governing Law. (a) THIS AGREEMENT SHALL BE DEEMED TO BE A CONTRACT ENTERED INTO PURSUANT TO THE LAWS OF THE STATE OF NEW YORK AND SHALL IN ALL RESPECTS BE GOVERNED, CONSTRUED, APPLIED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK (WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS), PROVIDED, HOWEVER, THAT WITH RESPECT TO THE CREATION, PERFECTION, PRIORITY AND ENFORCEMENT OF THE LIENS AND SECURITY INTERESTS CREATED BY THIS AGREEMENT, THE PLEDGE AGREEMENT AND THE OTHER LOAN DOCUMENTS, AND THE DETERMINATION OF DEFICIENCY JUDGMENTS, THE LAWS OF THE STATE WHERE THE PROPERTY IS LOCATED SHALL APPLY EXCEPT AS OTHERWISE PROVIDED IN THE APPLICABLE UNIFORM COMMERCIAL CODE.

(b) WITH RESPECT TO ANY CLAIM OR ACTION ARISING HEREUNDER OR UNDER THIS AGREEMENT, THE NOTE, OR THE OTHER LOAN DOCUMENTS, BORROWER (A) IRREVOCABLY SUBMITS TO THE NONEXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK AND THE UNITED STATES DISTRICT COURT LOCATED IN THE BOROUGH OF MANHATTAN IN NEW YORK, NEW YORK, AND APPELLATE COURTS FROM ANY THEREOF, AND (B) IRREVOCABLY WAIVES ANY OBJECTION WHICH IT MAY HAVE AT ANY TIME TO THE LAYING ON VENUE OF ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE NOTE OR THE OTHER LOAN DOCUMENTS BROUGHT IN ANY SUCH COURT, IRREVOCABLY WAIVES ANY CLAIM THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM. NOTHING IN THIS AGREEMENT, THE NOTE OR THE OTHER LOAN DOCUMENTS INSTRUMENT WILL BE DEEMED TO PRECLUDE LENDER FROM BRINGING AN ACTION OR PROCEEDING WITH RESPECT HERETO IN ANY OTHER JURISDICTION.

Section 10.4 Modification, Waiver in Writing. No modification, amendment, extension, discharge, termination or waiver of any provision of this Agreement, the Note, or of any other Loan Document, nor consent to any departure by Borrower therefrom, shall in any event be effective unless the same shall be in a writing signed by the party against whom enforcement is sought, and then such waiver or consent shall be effective only in the specific instance, and for the purpose, for which given. Except as otherwise expressly provided herein, no notice to, or demand on Borrower, shall entitle Borrower to any other or future notice or demand in the same, similar or other circumstances.

Section 10.5 Delay Not a Waiver. Neither any failure nor any delay on the part of Lender in insisting upon strict performance of any term, condition, covenant or agreement, or exercising any right, power, remedy or privilege hereunder, or under the Note or under any other Loan Document, or any other instrument given as security therefor, shall operate as or constitute a waiver thereof, nor shall a single or partial exercise thereof preclude any other future exercise, or the exercise of any other right, power, remedy or privilege. In particular, and not by way of limitation, by accepting payment after the due date of any amount payable under this Agreement, the Note or any other Loan Document, Lender shall not be deemed to have waived any right either to require prompt payment when due of all other amounts due under this Agreement, the Note or the other Loan Documents, or to declare a default for failure to effect prompt payment of any such other amount.

Section 10.6 Notices. All notices or other written communications hereunder shall be deemed to have been properly given (i) upon delivery, if delivered in person or by facsimile transmission with receipt acknowledged by the recipient thereof and confirmed by telephone by sender, (ii) one (1) Business Day after having been deposited for overnight delivery with any reputable overnight courier service, or (iii) three (3) Business Days after having been deposited in any post office or mail depository regularly maintained by the U. S. Postal Service and sent by registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

If to Borrower:

Addressed to Borrower
c/o Broadway Partners
375 Park Avenue, Suite 2107
New York, New York 10152
Attention: Jason P. Semmel, Esq. (Fax No. (212) 658-9379) and
Alan Rubenstein (Fax No. (646) 224-8145),
by separate notice to each

With a copy to:

Seyfarth Shaw, LLP
1270 Avenue of the Americas,
New York, New York 10020
Attention: Stephen Epstein, Esq.
Facsimile: (212)218-5526

After July 30, 2007:

620 Eighth Avenue
New York, New York 10018

And a copy to:

Broadway Real Estate Services, LLC
One Penn Plaza, Suite 3915
New York, New York 10119
Attention: Renee Regensberg
Facsimile: (646) 514-7470

If to Lender:

Morgan Stanley Mortgage Capital Holdings LLC
1221 Avenue of the Americas
New York, New York 10020
Attention: James Flaum and Kevin Swartz
Facsimile: (212) 507-4139/4146

With a copy to:

Cadwalader, Wickersham & Taft LLP
One World Financial Center
New York, New York 10281
Attention: John M. Zizzo, Esq.
Facsimile: (212)504-6666

or addressed as such party may from time to time designate by written notice to the other parties.

Either party by notice to the other may designate additional or different addresses for subsequent notices or communications.

Section 10.7 Trial by Jury. BORROWER AND LENDER HEREBY AGREE NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY JURY, AND WAIVE ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST WITH REGARD TO THE LOAN DOCUMENTS, OR ANY CLAIM, COUNTERCLAIM OR OTHER ACTION ARISING IN CONNECTION THEREWITH. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY BORROWER AND LENDER, AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE. LENDER AND BORROWER ARE HEREBY AUTHORIZED TO FILE A COPY OF THIS PARAGRAPH IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER BY BORROWER.

Section 10.8 Headings. The Article and/or Section headings and the Table of Contents in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

Section 10.9 Severability. Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under Applicable Law, but if any provision of this Agreement shall be prohibited by or invalid under Applicable Law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

Section 10.10 Preferences. In the event any payment by Borrower to Lender is deemed, or would be deemed, usurious, Lender shall have the continuing and exclusive right to apply or reverse and reapply any and all payments by Borrower to any portion of the obligations of Borrower hereunder. To the extent Borrower makes a payment or payments to Lender, which payment or proceeds or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, receiver or any other party under any bankruptcy law, State or federal law, common law or equitable cause, then, to the extent of such payment or proceeds received, the obligations hereunder or part thereof intended to be satisfied shall be revived and continue in full force and effect, as if such payment or proceeds had not been received by Lender.

Section 10.11 Waiver of Notice. Borrower shall not be entitled to any notices of any nature whatsoever from Lender except with respect to matters for which this Agreement or the other Loan Documents specifically and expressly provide for the giving of notice by Lender to Borrower and except with respect to matters for which Borrower is not, pursuant to applicable Legal Requirements, permitted to waive the giving of notice. Borrower hereby expressly waives the right to receive any notice from Lender with respect to any matter for which this Agreement or the other Loan Documents do not specifically and expressly provide for the giving of notice by Lender to Borrower.

Section 10.12 Remedies of Borrower. In the event that a claim or adjudication is made that Lender or its agents have acted unreasonably or unreasonably delayed acting in any case where by law or under this Agreement or the other Loan Documents, Lender or such agent, as the case may be, has an obligation to act reasonably or promptly, Borrower agrees that neither Lender nor its agents shall be liable for any monetary damages, and Borrower's sole remedies shall be limited to commencing an action seeking injunctive relief or declaratory judgment. The parties hereto agree that any action or proceeding to determine whether Lender has acted reasonably shall be determined by an action seeking declaratory judgment.

Section 10.13 Expenses; Indemnity. (a) Borrower covenants and agrees to pay or, if Borrower fails to pay, to reimburse, Lender within five (5) days of receipt of written notice from Lender for all reasonable out of pocket costs and expenses (including reasonable attorneys' fees and disbursements) actually incurred by Lender in connection with (i) the preparation, negotiation, execution and delivery of this Agreement and the other Loan Documents and the consummation of the transactions contemplated hereby and thereby and all the costs of furnishing all opinions by counsel for Borrower as more particularly set forth in the closing statement prepared in connection with the closing of the Loan; (ii) Borrower's ongoing performance of and compliance with Borrower's respective agreements and covenants contained in this Agreement and the other Loan Documents on its part to be performed or complied with after the Closing Date; (iii) intentionally deleted; (iv) the negotiation, preparation, execution, delivery and administration of any consents, amendments, waivers or other modifications to this

Agreement and the other Loan Documents and any other documents or matters requested by Borrower; (v) securing Borrower's compliance with any requests made pursuant to the provisions of this Agreement; (vi) the filing and recording fees and expenses, Title Insurance and reasonable fees and expenses of counsel incurred in creating and perfecting the Liens in favor of Lender pursuant to this Agreement and the other Loan Documents; (vii) enforcing or preserving any rights, in response to third party claims or the prosecuting or defending of any action or proceeding or other litigation, in each case against, under or affecting Borrower, Mortgage Borrower, this Agreement, the other Loan Documents, the Collateral or any other security given for the Loan; and (viii) enforcing any obligations of or collecting any payments due from Borrower under this Agreement, the other Loan Documents or with respect to the Collateral or in connection with any refinancing or restructuring of the credit arrangements provided under this Agreement in the nature of a "work out" or of any insolvency or bankruptcy proceedings; provided, however, that Borrower shall not be liable for the payment of any such costs and expenses to the extent the same arise by reason of the gross negligence, illegal acts, fraud or willful misconduct of Lender. Any cost and expenses due and payable to Lender may be paid from any amounts in the Mezzanine Deposit Account.

(b) Intentionally deleted.

(c) Borrower shall, at its sole cost and expense, protect, defend, indemnify, release and hold harmless Lender and the Indemnified Parties from and against any and all Losses (including, without limitation, reasonable attorneys' fees and costs incurred in the investigation, defense, and settlement of Losses incurred in correcting any prohibited transaction or in the sale of a prohibited loan, and in obtaining any individual prohibited transaction exemption under ERISA, the Code, any state statute or other similar law that may be required, in Lender's sole discretion) that Lender may incur, directly or indirectly, as a result of a default under Sections 4.1.8 or 5.2.8 hereof.

(d) Borrower covenants and agrees to pay for or, if Borrower fails to pay, to reimburse Lender for any reasonable out of pocket fees and expenses actually incurred by any Rating Agency in connection with any consent, approval, waiver or confirmation obtained from such Rating Agency pursuant to the terms and conditions of this Agreement or any other Loan Document after a Securitization has occurred, and Lender shall be entitled to require payment of such fees and expenses as a condition precedent to the obtaining of any such consent, approval, waiver or confirmation.

Section 10.14 Schedules and Exhibits Incorporated. The Schedules and Exhibits annexed hereto are hereby incorporated herein as a part of this Agreement with the same effect as if set forth in the body hereof.

Section 10.15 Offsets, Counterclaims and Defenses. Any assignee of Lender's interest in and to this Agreement, the Note and the other Loan Documents shall take the same free and clear of all offsets, counterclaims or defenses which are unrelated to such documents which Borrower may otherwise have against any assignor of such documents, and no such unrelated counterclaim or defense shall be interposed or asserted by Borrower in any action or proceeding brought by any such assignee upon such documents and any such right to interpose

or assert any such unrelated offset, counterclaim or defense in any such action or proceeding is hereby expressly waived by Borrower.

Section 10.16 No Joint Venture or Partnership: No Third Party Beneficiaries. (a) Borrower and Lender intend that the relationships created hereunder and under the other Loan Documents be solely that of borrower and lender. Nothing herein or therein is intended to create a joint venture, partnership, tenancy in common, or joint tenancy relationship between Borrower and Lender.

(b) This Agreement and the other Loan Documents are solely for the benefit of Lender and Borrower and nothing contained in this Agreement or the other Loan Documents shall be deemed to confer upon anyone other than Lender and Borrower any right to insist upon or to enforce the performance or observance of any of the obligations contained herein or therein. All conditions to the obligations of Lender to make the Loan hereunder are imposed solely and exclusively for the benefit of Lender and no other Person shall have standing to require satisfaction of such conditions in accordance with their terms or be entitled to assume that Lender will refuse to make the Loan in the absence of strict compliance with any or all thereof and no other Person shall under any circumstances be deemed to be a beneficiary of such conditions, any or all of which may be freely waived in whole or in part by Lender if, in Lender's sole discretion, Lender deems it advisable or desirable to do so.

Section 10.17 Publicity. All news releases, publicity or advertising by Borrower or their Affiliates through any media intended to reach the general public which refers to the Loan Documents or the financing evidenced by the Loan Documents, to Lender, Morgan Stanley, or any of their Affiliates shall be subject to the prior written approval of Lender, which shall not be unreasonably withheld. Notwithstanding the foregoing, disclosure required by any federal or State securities laws, rules or regulations, as determined by Borrower's counsel, shall not be subject to the prior written approval of Lender.

Section 10.18 Waiver of Marshalling of Assets. To the fullest extent permitted by Applicable Law, Borrower, for itself and its successors and assigns, waives all rights to a marshalling of the assets of Borrower, Borrower's partners and others with interests in Borrower, and of the Collateral, or to a sale in inverse order of alienation in the event of foreclosure of all or part of the Pledge Agreement, and agrees not to assert any right under any laws pertaining to the marshalling of assets, the sale in inverse order of alienation, homestead exemption, the administration of estates of decedents, or any other matters whatsoever to defeat, reduce or affect the right of Lender under the Loan Documents to a sale of the Collateral for the collection of the Debt without any prior or different resort for collection or of the right of Lender to the payment of the Debt out of the net proceeds of the Collateral in preference to every other claimant whatsoever.

Section 10.19 Waiver of Counterclaim. Borrower hereby waives the right to assert a counterclaim, other than a compulsory counterclaim, in any action or proceeding brought against it by Lender or its agents.

Section 10.20 Conflict: Construction of Documents; Reliance. In the event of any conflict between the provisions of this Agreement and any of the other Loan Documents, the

provisions of this Agreement shall control. The parties hereto acknowledge that they were represented by competent counsel in connection with the negotiation, drafting and execution of the Loan Documents and that such Loan Documents shall not be subject to the principle of construing their meaning against the party which drafted same. Borrower acknowledges that, with respect to the Loan, Borrower shall rely solely on its own judgment and advisors in entering into the Loan without relying in any manner on any statements, representations or recommendations of Lender or any parent, subsidiary or Affiliate of Lender. Lender shall not be subject to any limitation whatsoever in the exercise of any rights or remedies available to it under any of the Loan Documents or any other agreements or instruments which govern the Loan by virtue of the ownership by it or any parent, subsidiary or Affiliate of Lender of any equity interest any of them may acquire in Borrower, and Borrower hereby irrevocably waives the right to raise any defense or take any action on the basis of the foregoing with respect to Lender's exercise of any such rights or remedies. Borrower acknowledges that Lender engages in the business of real estate financings and other real estate transactions and investments which may be viewed as adverse to or competitive with the business of Borrower or its Affiliates.

Section 10.21 Brokers and Financial Advisors. Borrower hereby represents that it has dealt with no financial advisors, brokers, underwriters, placement agents, agents or finders other than Eastdil Secured L.L.C. (**"Eastdil"**) in connection with the transactions contemplated by this Agreement. Borrower hereby agrees to indemnify, defend and hold Lender harmless from and against any and all claims, liabilities, costs and expenses of any kind (including Lender's attorneys' fees and expenses) in any way relating to or arising from a claim by any Person (including, without limitation, Eastdil) that such Person acted on behalf of Borrower or Lender in connection with the transactions contemplated herein. Lender hereby represents that it has dealt with no financial advisors, brokers, underwriters, placement agents, agents or finders in connection with the transactions contemplated by this Agreement. Borrower shall be liable to pay all fees and commissions owed to Eastdil in connection with the Loan. The provisions of this Section 10.21 shall survive the expiration and termination of this Agreement and the payment of the Debt.

Section 10.22 Prior Agreements. This Agreement and the other Loan Documents contain the entire agreement of the parties hereto and thereto in respect of the transactions contemplated hereby and thereby, and all prior agreements among or between such parties, whether oral or written, between Borrower and/or its Affiliates and Lender are superseded by the terms of this Agreement and the other Loan Documents.

Section 10.23 Counterparts. Duplicate counterparts of any of the Loan Documents, other than the Note, may be executed and together will constitute a single instrument.

Section 10.24 Certain Additional Rights of Lender (VCOC). Notwithstanding anything which may be contained in this Agreement to the contrary, Lender shall have:

(a) to routinely consult with and advise Borrower's management regarding the significant business activities and business and financial developments of Borrower, provided, however, that such consultations shall not include discussions of environmental compliance programs or disposal of hazardous substances. Consultation meetings shall be held

via teleconference and should occur on a regular basis at least every ninety (90) days, with Lender having the right to call special meetings via teleconference at any reasonable time with reasonable notice. Notwithstanding the foregoing, all decisions regarding the management and operations of Borrower shall be made by the management of Borrower in their sole discretion, subject to the term of this Agreement. Lender's role shall be limited to that of an advisor or consultant.;

(b) the right, in accordance with the terms of this Agreement, to examine the books and records of Borrower at any time upon reasonable notice;

(c) the right, without restricting any other rights of Lender under this Agreement (including any similar right), to approve any acquisition by Borrower of any assets other than the Property and other than such assets as shall be used solely in connection with the management and operation of the Property, and

(d) the right, in accordance with the terms of this Agreement, to receive monthly, quarterly and year end financial reports, including balance sheets, statements of income, shareholder's equity and cash flow, a management report and schedules of outstanding indebtedness.

The rights described above may be exercised by any entity which owns and controls, directly or indirectly, substantially all of the interests in Lender.

Section 10.25 Direction of Mortgage Borrower or with Respect to the Property . Borrower and Lender hereby acknowledge and agree that, as to any clauses or provisions contained in this Agreement or any of the other Loan Documents to the effect that (i) Borrower shall cause Mortgage Borrower to act or to refrain from acting in any manner or (ii) Borrower shall cause to occur or not to occur, or otherwise be obligated in any manner with respect to, any matters pertaining to Mortgage Borrower or the Property, or (iii) other similar effect, such clause or provision, in each case, is intended to mean, and shall be construed as meaning, that Borrower has undertaken to act and is obligated to act only in Borrower's capacity as the sole member of Mortgage Borrower (which Mortgage Borrower, in turn, is the fee owner of the Property) but not directly with respect to Mortgage Borrower or the Property or in any other manner which would violate any of the covenants contained in Section 4.1.35 hereof or other similar covenants contained in Borrower's Organizational Documents.

Section 10.26 Compliance with Mortgage Loan Documents . Borrower shall (or shall cause Mortgage Borrower to): (a) pay all principal, interest and other sums required to be paid by Mortgage Borrower under and pursuant to the provisions of the Mortgage Loan Documents; (b) diligently perform and observe all of the terms, covenants and conditions of the Mortgage Loan Documents on the part of any Mortgage Borrower to be performed and observed, unless such performance or observance shall be waived in writing by Mortgage Lender; (c) promptly notify Lender of the giving of any notice by a Mortgage Lender to Mortgage Borrower of any default by Mortgage Borrower in the performance or observance of any of the terms, covenants or conditions of the Mortgage Loan Documents on the part of Mortgage Borrower to be performed or observed and deliver to Lender a true copy of each such notice; (d) deliver a true, correct and complete copy of all material notices, demands, requests or

material correspondence (including electronically transmitted items) given or received by Mortgage Borrower or Guarantor to or from a Mortgage Lender or its agent; and (e) not enter into or be bound by any amendments to any Mortgage Loan Documents that are not approved by Lender or otherwise permitted hereunder, which approval shall not be unreasonably withheld or delayed. Without limiting the foregoing, Borrower shall cause Mortgage Borrower to fund all reserves required to be funded pursuant to the Mortgage Loan Documents. In the event of a refinancing of a Mortgage Loan permitted by the terms of this Agreement, Borrower will cause all reserves on deposit with the applicable Mortgage Lender to be utilized by Mortgage Borrower to reduce the amount due and payable to the applicable Mortgage Lender or alternatively shall be remitted to Lender as a mandatory prepayment of the Loan.

Section 10.27 Mortgage Loan Defaults. (a) Without limiting the generality of the other provisions of this Agreement, and without waiving or releasing any Borrower from any of its obligations hereunder, if there shall occur any "Event of Default" under any of the Mortgage Loan Documents, Borrower hereby expressly agrees that Lender shall have the immediate right, without prior notice to Borrower, but shall be under no obligation: (i) to pay all or any part of the Mortgage Loan and any other sums that are then due and payable, and to perform any act or take any action on behalf of Borrower or Mortgage Borrower, to cause all of the terms, covenants and conditions of the applicable Mortgage Loan Documents on the part of Mortgage Borrower to be performed or observed thereunder to be promptly performed or observed; and (ii) to pay any other amounts and take any other action as Lender, in its sole and absolute discretion, shall deem advisable to protect or preserve the rights and interests of Lender in the Loan and/or the Collateral. All sums so paid and the costs and expenses incurred by Lender in exercising rights under this Section 10.27 (including attorneys' fees) (i) shall constitute additional advances of the Loan to Borrower, (ii) shall increase the then unpaid Principal, (iii) shall bear interest at the Default Rate for the period from the date that such costs or expenses were incurred to the date of payment to Lender, (iv) shall constitute a portion of the Debt, and (v) shall be secured by the applicable Pledge Agreements.

(b) Borrower hereby indemnifies Lender from and against all liabilities, obligations, losses, damages, penalties, assessments, actions, or causes of action, judgments, suits, claims, demands, costs, expenses (including reasonable attorneys' and other professional fees, whether or not suit is brought, and settlement costs) and disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against Lender as a result of the foregoing actions. Lender shall have no obligation to Borrower or Mortgage Borrower or any other Person to make any such payment or performance. Borrower shall not impede, interfere with, hinder or delay, and shall not permit Mortgage Borrower to impede, interfere with, hinder or delay, any effort or action on the part of Lender to cure any "Event of Default" under the Mortgage Loan Documents or any other default of the nature described in subsection (a) above that gives Lender the right to cure the same, or to otherwise protect or preserve Lender's interests in the Loan and the Collateral following any "Event of Default" under the Mortgage Loan Documents or any other default of the nature described in subsection (a) above that gives Lender the right to cure the same.

(c) During the continuance of any "Event of Default" by Mortgage Borrower under the Mortgage Loan Documents, such "Event of Default" shall constitute an Event of Default hereunder, without regard to any subsequent payment or performance of any such

obligations by Lender (unless the Mortgage Lender has waived such Event of Default). Mortgage Borrower hereby grants Lender and any person designated by Lender the right to enter upon the related Property at any time following the occurrence and during the continuance of any "Event of Default" under the applicable Mortgage Loan Documents or any other default of the nature described in subsection (a) above that gives Lender the right to cure the same, for the purpose of taking any such action or to appear in, defend or bring any action or proceeding to protect a Borrower's or Mortgage Borrower's and/or Lender's interest. Lender may take such action as Lender deems reasonably necessary or desirable to carry out the intents and purposes of this subsection (including communicating with Mortgage Lender with respect to any Mortgage Loan defaults), without prior notice to, or consent from, Borrower. Lender shall have no obligation to complete any cure or attempted cure undertaken or commenced by Lender.

(d) If Lender shall receive a copy of any notice of default under any of the Mortgage Loan Documents sent by a Mortgage Lender to Mortgage Borrower, such notice shall constitute full protection to Lender for any action taken or omitted to be taken by Lender, in good faith, in reliance thereon. As a material inducement to Lender's making the Loan, Mortgage Borrower hereby absolutely and unconditionally releases and waives all claims against Lender arising out of Lender's exercise of its rights and remedies provided in this Section 10.27, except for Lender's gross negligence or willful misconduct. In the event that Lender makes any payment in respect of a Mortgage Loan, Lender shall be subrogated to all of the rights of such Mortgage Lender under the applicable Mortgage Loan Documents against the Property, in addition to all other rights it may have under the Loan Documents.

Section 10.28 Mortgage Loan Estoppels. Borrower shall (or shall cause Mortgage Borrower to), from time to time, use reasonable efforts to obtain from Mortgage Lender such certificates of estoppel with respect to compliance by Mortgage Borrower with the terms of the as may be reasonably requested by Lender. In the event or to the extent that Mortgage Lender is not legally obligated to deliver such certificates of estoppel and is unwilling to deliver the same, or is legally obligated to deliver such certificates of estoppel but breaches such obligation, then Borrower shall not be in breach of this provision so long as Borrower furnishes to Lender an estoppel executed by Borrower and Mortgage Borrower expressly representing to Lender the information requested by Lender regarding compliance by Mortgage Borrower with the terms of the Mortgage Loan Documents. Each Borrower hereby indemnifies Lender from and against all liabilities, obligations, losses, damages, penalties, assessments, actions, or causes of action, judgments, suits, claims, demands, costs, expenses (including reasonably attorneys' and other professional fees, whether or not suit is brought and settlement costs) and disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against Lender based in whole or in part upon any fact, event, condition, or circumstances relating to the Mortgage Loan which was intentionally misrepresented in any material respect in, or which warrants disclosure and was intentionally omitted from such estoppel executed by Borrower and Mortgage Borrower.

Section 10.29 No Amendments to Mortgage Loan Documents. Without obtaining the prior written consent of Lender (not to be unreasonably withheld or delayed), Borrower shall not cause or permit Mortgage Borrower to (i) enter into any amendment or modification of any of the Mortgage Loan Documents (other than ministerial or *de minimis* modifications, which do not affect any of the economic terms therein or change any rights or

obligations of the parties thereunder) or (ii) grant to Mortgage Lender any consent or waiver. Borrower shall cause Mortgage Borrower to provide Lender with a copy of any amendment or modification to the Mortgage Loan Documents within five days after the execution thereof.

[NO FURTHER TEXT ON THIS PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their duly authorized representatives, all as of the day and year first above written.

BORROWER:

BROADWAY 500 WEST MONROE MEZZ I LLC,
a Delaware limited liability company

By: /s/ Illegible
Name:
Title:

LENDER:

MORGAN STANLEY MORTGAGE CAPITAL HOLDINGS LLC, a New York limited liability company

By: /s/ Jonathan L. Frey
Name: Jonathan L. Frey
Title: Vice President

SCHEDULE I

Rent Roll / Leases
(Attached)

500 West Monroe
Floor-by-Floor Detail Rent Roll
As of July 1, 2007

Name	Floor	Unit	Type	Sq Ft	Begin Date	Expir. Date	Current Charges: Chg Code		Monthly Amt	Annual PSF	Rent Increases: Charge Date	Monthly Amt	Annual PSF	Lease ID
Vacant - RO01				-					0.00	0.00				
ROOF				0		Monthly Amt:			0.00					
						Annual Amt:			0.00	0.00				
Cypress Communications, Inc.	LL02	0001	OTH	-	06/01/05	09/30/07								LCYPRC001
LL02				0		Monthly Amt:								
						Annual Amt:								
Vacant - 0910				468					0.00	0.00				
Marsh USA Inc.	FG09	0910	OTH	291	01/01/06	12/31/09	RNS	M	315.25	13.00				LMARSU001
							RNS	M			01/01/08	327.38	13.50	
							RNS	M			01/01/09	339.50	14.00	
Marsh USA Inc.	FG09	PM908	OTH	468	01/01/06	12/31/09	RNS	M	507.00	13.00				LMARSU001
							RNS	M			01/01/08	526.50	13.50	
							RNS	M			01/01/09	546.00	14.00	
Marsh USA Inc.	FG09	PM910	OTH	450	01/01/06	12/31/09	RNS	M	487.50	13.00				LMARSU001
							RNS	M			01/01/08	506.25	13.50	
							RNS	M			01/01/09	525.00	14.00	
FG09				1,677		Monthly Amt:			1,309.75					
						Annual Amt:			15,717.00	13.00				
Federal Deposit Insurance Corp	FG07	0710	OTH	294	08/01/04	MTM	RNS	M	306.53	12.50				LFEDEDE02
GATX Corporation	FG07	0715	OTH	458	11/20/03	11/15/08	RNS	M	390.08	10.00				LGATXC001
FG07				752		Monthly Amt:			695.83					
						Annual Amt:			8,329.96	10.94				
TNS MFO WorldGroup (dba)	FG08	0800	OTH	144	05/01/02	04/30/08	RNS	M	144.00	12.00				LNFORE02

500 West Monroe
Floor-by-Floor Detail Rent Roll
As of July 1, 2007

Name	Floor	Unit	Type	Sq Ft	Begin Date	Expir. Date	Current Charges: Chg Code		Current Charges: Monthly Amt	Current Charges: Annual PSF	Rent Increases: Charge Date	Rent Increases: Monthly Amt	Rent Increases: Annual PSF	Lease ID
FG06				144			Monthly Amt:		144.00					
							Annual Amt:		1,728.00	12.00				
Grubb & Ellis Company	FG05	0612	OTH	310	10/15/06	MTM	RNS	O						LGRUBEL03
Grubb & Ellis Company	FG05	0612	OTH	310	10/15/06	MTM	RNS	M	310.00	12.00				LGRUBEL03
GATX Corporation	FG06	0610	OTH	468	11/20/03	11/19/08	RNS	M	390.00	10.00				LGATXCO01
Marsh USA Inc.	FG05	0610	OTH	291	01/01/06	12/31/09	RNS	M	315.25	13.00				LMARSUS01
							RNS	M			01/01/08	327.38	13.50	
							RNS	M			01/01/09	339.50	14.00	
FG05				1,043			Monthly Amt:		1,015.25					
							Annual Amt:		12,183.00	11.40				
Grubb & Ellis Company	FG04	0412	OTH	144	10/15/06	MTM	RNS	O						LGRUBEL02
Grubb & Ellis Company	FG04	0412	OTH	144	10/15/05	MTM	RNS	M	144.00	12.00				LGRUBEL02
GATX Corporation	FG04	0410	OTH	291	11/20/03	11/19/08	RNS	M	242.50	10.00				LGATXCO01
Marsh USA Inc.	FG04	0416	OTH	468	01/01/06	12/31/09	RNS	M	526.67	13.00				LMARSUS01
							RNS	M			01/01/08	549.00	13.50	
							RNS	M			01/01/09	569.33	14.00	
FG04				923			Monthly Amt:		915.17					
							Annual Amt:		10,982.04	11.90				
Vacant - 0300				240					0.00	0.00				
Vacant - 0310				291					0.00	0.00				
GATX Corporation	FG03	0316	OTH	468	11/20/03	11/19/08	RNS	M	390.00	10.00				LGATXCO01
Marsh USA Inc.	FG03	0312	OTH	324	01/01/06	12/31/09	RNS	M	351.00	13.00				LMARSUS01
							RNS	M			01/01/08	364.50	13.50	
							RNS	M			01/01/09	378.00	14.00	

500 West Monroe
Floor-by-Floor Detail Rent Roll
As of July 1, 2007

Name	Floor	Unit	Type	Sq Ft	Begin Date	Expir. Date	Current Charges: Chg Code		Monthly Amt	Annual PSF	Rent Increases: Charge Date	Monthly Amt	Annual PSF	Lease ID
FG03				1,323			Monthly Amt:		741.00					
							Annual Amt:		8,892.00	11.25				
Vacant - 0220				-					0.00	0.00				
Captivate Network	FG02	0200	OTH	-	09/22/04	04/12/15	RSI	M						LCAPTIVE01
Marsh USA Inc.	FG02	0210	OTH	291	01/01/06	12/31/09	RNS	M	315.25	13.00				LMARSUS01
							RNS	M			01/01/08	327.38	13.50	
							RNS	M			01/01/09	339.50	14.00	
FG02				291			Monthly Amt:		315.25					
							Annual Amt:		3,783.00	12.98				
Vacant - 0101				2,363					0.00	0.00				
First American Bank	FF01	0102	OTH	-	05/25/06	MTH	RNR	M	500.00	6,000.00				LFIRSAM01
Children First Inc.	FF01	0105	RET	2,603	08/01/05	07/31/15	RNT	M	4,657.71	18.71				LCHILFI02
							RNT	M			08/01/07	4,159.14	16.12	
							RNT	M			08/01/08	4,283.11	16.65	
							RNT	M			08/01/09	4,369.68	25.14	
							RNT	M			08/01/10	4,478.54	20.65	
							RNT	M			08/01/11	4,585.36	21.16	
							RNT	M			08/01/12	4,705.58	21.69	
							RNT	M			08/01/13	4,823.32	22.24	
							RNT	M			08/01/14	4,943.80	22.79	
							EST	M	1,085.71	5.15				
							ESO	M	1,679.54	8.06				

500 West Monroe
Floor-by-Floor Detail Rent Roll
As of July 1, 2007

Name	Floor	Unit	Type	Sq Ft	Begin Date	Expir. Date	Current Charges				Rent Increases			Lease ID
							Chg Code		Monthly Amt	Annual PSF	Charge Date	Monthly Amt	Annual PSF	
Children First Inc.	FF01	0106	RET	2,757	08/01/05	07/31/15	RNT	M	4,297.27	18.71				LCHLFI02
							RNT	M			08/01/07	4,426.20	19.17	
							RNT	M			08/01/08	4,515.33	19.65	
							RNT	M			08/01/09	4,628.20	20.14	
							RNT	M			08/01/10	4,743.92	20.65	
							RNT	M			08/01/11	4,861.51	21.16	
							RNT	M			08/01/12	4,984.08	21.69	
							RNT	M			08/01/13	5,106.67	22.24	
							RNT	M			08/01/14	5,236.39	22.79	
							EST	M	2,109.82	9.18				
							ESO	M	1,897.02	8.69				
General Electric Capital Corp	FF01	0100	OTH	2,400	04/01/06	11/30/12	RNS	M	2,531.25	12.66				LGENEEL01
Marsh USA Inc.	FF01	LL105	OTH	312	01/01/06	12/31/09	RNS	M	338.00	13.00				LMARSUS01
							RNS	M			01/01/08	351.00	13.50	
							RNS	M			01/01/09	364.00	14.00	
MCImetro Access Transmission	FF01	0107	OTH	-	10/01/01	06/30/08	RNA	M	540.31	6,483.72				LMCIMAC01
Riverside Newsstand (Shs)	FF01	0104	RET	728	06/01/02	05/31/12	RNR	M	2,338.70	38.55				LXANTAN01
							RNR	M			06/01/08	2,409.07	39.71	
							RNR	M			06/01/09	2,481.27	40.90	
							RNR	M			06/01/10	2,555.69	42.13	
							RNR	M			06/01/11	2,632.33	43.39	
							EST	M	282.53	4.66				
							ESO	M	262.37	4.32				
UPS	FF01	DROP	OTH	-	04/05/06	04/30/08	RNR	A		600.00				LUNITPA01
Veritas Cals	FF01	0103	RET	5,662	10/25/04	05/31/15	RNR	M	7,801.06	16.42				LBAGICO01
							RNR	M			06/01/08	7,909.32	16.79	
							RNR	M			06/01/09	8,117.58	19.17	
							RNR	M			06/01/10	8,279.79	19.55	
							RNR	M			06/01/11	8,445.88	19.94	
							RNR	M			06/01/12	8,615.52	20.34	
							RNR	M			06/01/13	8,789.22	20.75	
							RNR	M			06/01/14	8,962.92	21.16	

500 West Monroe
Floor-by-Floor Detail Rent Roll
As of July 1, 2007

Name	Floor	Unit	Type	Sq Ft	Begin Date	Expir. Date	Current Charges: Chg Code		Monthly Amt	Annual PSF	Rent Increases: Change Date	Monthly Amt	Annual PSF	Lease ID
FF01				18,245			Monthly Amt:		30,821.79					
							Annual Amt:		371,561.48	26.76				
GATX Corporation	F044	4400	OFF	23,477	11/20/93	11/15/08	RNT	M	46,954.00	24.00				LGATXCO01
							ESC	M	14,872.87	7.60				
F044				23,477			Monthly Amt:		61,826.87					
							Annual Amt:		741,922.44	31.60				
GATX Corporation	F043	4300	OFF	23,371	11/20/93	11/15/08	RNT	M	46,742.00	24.00				LGATXCO01
							ESC	M	14,811.58	7.61				
F043				23,371			Monthly Amt:		61,553.58					
							Annual Amt:		738,642.96	31.61				
GATX Corporation	F042	4200	OFF	23,371	11/20/93	11/15/08	RNT	M	46,742.00	24.00				LGATXCO01
							ESC	M	14,811.58	7.61				
F042				23,371			Monthly Amt:		61,553.58					
							Annual Amt:		738,642.96	31.61				
GATX Corporation	F041	4100	OFF	25,923	11/20/93	11/15/08	RNT	M	51,846.00	24.00				LGATXCO01
							ESC	M	16,434.91	7.60				
F041				25,923			Monthly Amt:		68,280.91					
							Annual Amt:		819,250.92	31.60				
GATX Corporation	F040	4000	OFF	26,243	11/20/93	11/15/08	RNT	M	52,486.00	24.00				LGATXCO01
							ESC	M	16,633.79	7.61				
F040				26,243			Monthly Amt:		69,119.79					
							Annual Amt:		829,437.48	31.61				

500 West Monroe
Floor-by-Floor Detail Rent Roll
As of July 1, 2007

Name	Floor	Unit	Type	Sq Ft	Begin Date	Expir. Date	Current Charges: Chg Code		Monthly Amt	Annual PSF	Rent Increases: Charge Date	Monthly Amt	Annual PSF	Lease ID
GATX Corporation	F039	3900	OFF	26,532	11/20/93	11/19/08	RNT	M	53,064.00	24.00				LGATXCO01
							ESO	M	16,605.78	7.50				
Marsh USA Inc.	F039	3900	OFF	26,532	11/20/08	12/31/09	RNT	M			11/20/08	49,747.50	22.50	LMARSUS01
							EST	M			11/20/08			
							ESO	M			11/20/08			
F039				**26,532**			**Monthly Amt:**		**69,669.78**					
							Annual Amt:		**836,437.36**	**31.60**				
GATX Corporation	F038	3800	OFF	12,081	11/20/93	11/19/08	RNT	M	25,982.00	24.00				LGATXCO01
							ESO	M	8,224.36	7.60				
GATX Corporation	F038	3810	OFF	13,470	04/05/04	11/19/08	RNT	M	16,858.00	15.60				LGATXCO01
							ESO	M	8,533.00	7.60				
Marsh USA Inc.	F038	3800	OFF	5,523	11/20/08	12/31/09	RNT	M			11/20/08	10,355.62	22.50	LMARSUS01
							EST	M			11/20/08			
							ESO	M			11/20/08			
Marsh USA Inc.	F038	3810	OFF	13,470	11/20/08	12/31/09	RNT	M			11/20/08	25,256.25	22.50	LMARSUS01
							EST	M			11/20/08			
							ESO	M			11/20/08			
F038				**26,451**			**Monthly Amt:**		**61,576.35**					
							Annual Amt:		**738,916.66**	**27.94**				
Vacant - 3710				4,124					0.00	0.00				
GATX Corporation	F037	3720	OFF	12,844	02/11/88	11/19/08	RNT	M	20,871.50	19.50				LGATXCO01
							RNT	M			05/01/08	21,406.67	20.00	
							ESO	M	8,142.23	7.61				
Lee Hecht Harrison LLC	F037	3720	OFF	7,754	01/01/04	09/30/10	RNT	M	12,349.50	19.11				LLEEHR01
							RNT	M			06/01/07	12,726.97	19.70	
							RNT	M			06/01/08	14,306.17	22.14	
							RNT	M			06/01/09	14,739.98	22.83	
							EST	M	5,037.23	9.33				
							ESO	M	5,897.30	8.60				

500 West Monroe
Floor-by-Floor Detail Rent Roll
As of July 1, 2007

Name	Floor	Unit	Type	Sq Ft	Begin Date	Exp/v. Date	Current Charges: Chg Code		Monthly Amt	Annual PSF	Rent Increases: Charge Date	Monthly Amt	Annual PSF	Lease ID
Lee Hecht Harrison LLC	F037	3730	OFF	1,939	08/01/03	05/30/10	RNT	M	3,120.02	19.11				LLEEMEI01
							RNT	M			08/01/07	3,215.37	19.70	
							RNT	M			08/01/08	3,614.37	22.14	
							RNT	M			08/01/09	3,721.44	22.80	
							EST	M	1,522.87	9.33				
							ESO	M	1,414.24	8.66				
Marsh USA Inc.	F037	3700	OFF	12,844	11/20/06	10/31/09	RNT	M			11/20/08	24,082.50	22.50	LMARSUSI01
							EST	M			11/20/08			
							ESO	M			11/20/08			
F037				26,691			Monthly Amt:		39,044.89					
							Annual Amt:		708,538.68	31.41				
Marsh USA Inc.	F035	3500	OFF	26,692	05/30/08	12/31/09	RNT	M	50,047.50	22.50				LMARSUSI01
							RNT	M			05/01/08	51,159.68	23.00	
							RNT	M			05/01/09	52,271.82	23.50	
							EST	M	20,757.29	9.33				
							ESO	M	19,474.30	8.76				
F035				26,692			Monthly Amt:		99,279.09					
							Annual Amt:		1,083,349.06	48.59				
Federal Deposit Insurance Corp	F035	3500	OFF	25,998	03/18/04	06/21/09	RNT	M	55,248.75	25.50				LFEDEDE01
							ESO	M	2,171.81	1.00				
F035				25,998			Monthly Amt:		57,417.36					
							Annual Amt:		689,008.32	26.50				
UNUM Provident Corp	F034	3400	OFF	25,651	06/22/00	12/31/07	RNT	M	57,458.24	26.88				ULIN/MPR01
							RNT	M			09/03/07	59,169.68	27.69	
							EST	M	10,936.51	9.33				
							ESO	M	10,869.82	6.84				

500 West Monroe
Floor-by-Floor Detail Rent Roll
As of July 1, 2007

Name	Floor	Unit	Type	Sq Ft	Begin Date	Expir. Date	Current Charges: Chg Code		Monthly Amt	Annual PSF	Rent Increases: Change Date	Monthly Amt	Annual PSF	Lease ID
F034				25,691			Monthly Amt:		96,266.95					
							Annual Amt:		1,155,443.40	45.04				
Federal Deposit Insurance Corp	F033	3300	OFF	26,479	03/16/04	05/31/09	RNT	M	56,265.75	25.50				LFEDEDE01
							ESC	M	2,211.63	1.00				
F033				26,479			Monthly Amt:		58,477.38					
							Annual Amt:		701,728.56	26.50				
Vacant - 3200				27,092					0.00	0.00				
F032				27,092			Monthly Amt:		0.00					
							Annual Amt:		0.00	0.00				
Vacant - 3100				26,966					0.00	0.00				
F031				26,966			Monthly Amt:		0.00					
							Annual Amt:		0.00	0.00				
Marsh USA Inc.	F030	3000	OFF	26,745	04/01/04	12/31/09	RNT	M	40,117.50	18.00				LMARSUS01
							RNT	M			05/01/08	41,231.04	18.50	
							RNT	M			05/01/09	42,346.25	19.00	
							EST	M	20,501.77	9.20				
							ESC	M	19,234.58	8.63				
F030				26,745			Monthly Amt:		79,853.85					
							Annual Amt:		958,246.20	35.83				

500 West Monroe
Floor-by-Floor Detail Rent Roll
As of July 1, 2007

Name	Floor	Unit	Type	Sq Ft	Begin Date	Expir. Date	Current Charges: Chg Code		Monthly Amt	Annual PSF	Rent Increases: Charge Date	Monthly Amt	Annual PSF	Lease ID
Grubb & Ellis Company	FI20	2000	OFF	26,638	10/01/06	01/31/17	RNT	M	37,737.17	17.00				LGRUBEL01
							RNT	M			02/01/08	38,869.28	17.51	
							RNT	M			02/01/09	40,035.36	18.04	
							RNT	M			02/01/10	41,236.42	18.58	
							RNT	M			02/01/11	42,473.51	19.13	
							RNT	M			02/01/12	43,747.72	19.71	
							RNT	M			02/01/13	45,060.15	20.30	
							RNT	M			02/01/14	46,411.96	20.91	
							RNT	M			02/01/15	47,804.31	21.54	
							RNT	M			02/01/16	49,238.44	22.18	
							EST	M	20,441.19	9.21				
							ESO	M	19,177.73	8.64				
FI20				26,638			Monthly Amt:		77,356.09					
							Annual Amt:		928,273.08	34.85				
Grubb & Ellis Company	FI20	2000	OFF	26,638	01/17/06	01/31/17	RNT	M	38,869.28	17.51				LGRUBEL01
							RNT	M			05/01/08	40,035.36	18.04	
							RNT	M			05/01/09	41,236.42	18.58	
							RNT	M			05/01/10	42,473.51	19.13	
							RNT	M			05/01/11	43,747.72	19.71	
							RNT	M			05/01/12	45,060.15	20.30	
							RNT	M			05/01/13	46,411.96	20.91	
							RNT	M			05/01/14	47,804.31	21.54	
							RNT	M			05/01/15	49,238.44	22.18	
							RNT	M			05/01/16	50,715.60	22.85	
							EST	M	20,441.19	9.21				
							ESO	M	19,177.73	8.64				
FI20				26,638			Monthly Amt:		79,488.19					
							Annual Amt:		941,858.28	35.36				

500 West Monroe
Floor-by-Floor Detail Rent Roll
As of July 1, 2007

Name	Floor	Unit	Type	Sq Ft	Begin Date	Expir. Date	Current Charges: Chg Code		Monthly Amt	Annual PSF	Rent Increases: Charge Date	Monthly Amt	Annual PSF	Lease ID
Grubb & Ellis Company	F027	2700	OFF	10,212	01/23/05	01/31/17	RNT	M	14,901.01	17.51				LGRUBEL01
							RNT	M			05/01/08	15,348.54	18.04	
							RNT	M			05/01/09	15,808.48	18.58	
							RNT	M			05/01/10	16,282.74	19.13	
							RNT	M			05/01/11	16,771.22	19.71	
							RNT	M			05/01/12	17,274.35	20.30	
							RNT	M			05/01/13	17,792.59	20.91	
							RNT	M			05/01/14	18,326.36	21.54	
							RNT	M			05/01/15	18,876.15	22.18	
							RNT	M			05/01/16	19,442.44	22.85	
							EST	M	6,205.36	7.29				
							ESO	M	5,821.81	6.84				
Grubb & Ellis Company	F027	2730	OFF	3,922	11/01/06	01/31/17	RNT	M	5,556.17	17.00				LGRUBEL01
							RNT	M			02/01/08	5,722.85	17.51	
							RNT	M			02/01/09	5,896.07	18.04	
							RNT	M			02/01/10	6,072.56	18.58	
							RNT	M			02/01/11	6,253.32	19.13	
							RNT	M			02/01/12	6,441.89	19.71	
							RNT	M			02/01/13	6,634.72	20.30	
							RNT	M			02/01/14	6,834.89	20.91	
							RNT	M			02/01/15	7,038.99	21.54	
							RNT	M			02/01/16	7,249.16	22.18	
							EST	M	2,993.17	9.16				
							ESO	M	2,809.17	8.59				
TNS NFO WorldGroup (dba)	F027	2710	OFF	7,691	05/01/02	04/30/12	RNT	M	13,168.22	20.58				LNFOREG2
							RNT	M			05/01/08	13,563.66	21.19	
							RNT	M			05/01/09	13,581.02	21.19	
							RNT	M			05/01/10	13,901.48	21.69	
							RNT	M			05/01/11	14,221.94	22.19	
							EST	M	5,895.82	9.20				
							ESO	M	5,475.26	8.54				
TNS NFO WorldGroup (dba)	FC27	2720	OFF	2,159	07/26/04	04/30/12	RNT	M	2,752.73	15.30				LNFOAR02
							RNT	M			05/01/08	2,835.49	15.76	
							RNT	M			05/01/09	2,920.05	16.23	
							RNT	M			05/01/10	3,008.21	16.72	
							RNT	M			05/01/11	3,098.17	17.22	
							EST	M	1,678.37	9.33				
							ESO	M	1,568.65	8.66				

500 West Monroe
Floor-by-Floor Detail Rent Roll
As of July 1, 2007

Name	Floor	Unit	Type	Sq Ft	Begin Date	Expir. Date	Current Charges: Chg Code		Monthly Amt	Annual PSF	Rent Increases: Charge Date	Monthly Amt	Annual PSF	Lease ID
TNS NFO WorldGroup (dba)	F027	2740	OFF	2,725	04/20/04	04/30/12	RNT	M	3,475.65	15.30				LNFO/R002
							RNT	M			05/01/08	3,580.15	15.76	
							RNT	M			05/01/09	3,686.92	16.23	
							RNT	M			05/01/10	3,798.33	16.72	
							RNT	M			05/01/11	3,911.81	17.22	
							EST	M	2,119.31	9.33				
							ESO	M	1,906.14	8.66				
F027				25,710			Monthly Amt:		75,397.84					
							Annual Amt:		916,774.08	34.32				
C.V. Starr & Co.	F026	2600	OFF	16,434	05/01/06	04/30/13	RNT	M	24,651.00	18.00				LCVI/ST01
							RNT	M			05/01/08	25,335.75	18.50	
							RNT	M			05/01/09	26,020.50	19.00	
							RNT	M			05/01/10	26,705.25	19.50	
							RNT	M			05/01/11	27,390.00	20.00	
							RNT	M			05/01/12	28,074.75	20.50	
							EST	M	12,629.72	9.22				
							ESO	M	11,728.83	8.56				
CMT Derivatives, LLC	F026	2630	OFF	2,673	06/01/00	11/30/12	RNT	M	4,428.05	19.88				LCMT/CD01
							RNT	M			06/01/07	4,562.01	20.48	
							RNT	M			06/01/08	4,566.38	20.50	
							RNT	M			06/01/09	4,704.48	21.12	
							RNT	M			06/01/10	4,844.81	21.75	
							RNT	M			06/01/11	4,989.03	22.40	
							RNT	M			06/01/12	5,138.84	23.07	
							EST	M	2,077.70	9.33				
							ESO	M	1,964.82	8.82				
CMT Derivatives, LLC	F026	2650	OFF	2,196	06/01/03	11/30/12	RNT	M	3,637.87	19.88				LCMT/CD01
							RNT	M			06/01/07	3,747.82	20.48	
							RNT	M			06/01/08	3,751.50	20.50	
							RNT	M			06/01/09	3,864.96	21.12	
							RNT	M			06/01/10	3,980.25	21.75	
							RNT	M			06/01/11	4,099.20	22.40	
							RNT	M			06/01/12	4,221.81	23.07	
							EST	M	1,706.84	9.33				
							ESO	M	1,614.11	8.82				

500 West Monroe
Floor-by-Floor Detail Rent Roll
As of July 1, 2007

Name	Floor	Unit	Type	Sq Ft	Begin Date	Expir. Date	Current Charges: Chg Code		Monthly Amt	Annual PSF	Rent Increases: Charge Date	Monthly Amt	Annual PSF	Lease ID
James J. Glasser	F026	2660	OFF	901	05/01/07	11/30/12	RNT	M	1,426.58	19.00				LJAMEJG01
							RNT	M			05/01/08	1,469.38	19.57	
							RNT	M			05/01/09	1,513.46	20.16	
							RNT	M			05/01/10	1,558.87	20.76	
							RNT	M			05/01/11	1,605.63	21.38	
							RNT	M			05/01/12	1,653.80	22.03	
							EST	M	690.16	9.33				
							ESO	M	655.49	8.73				
Shorenstein Realty Services LP	F026	2630	OFF	4,684	01/20/06	07/31/07	RNT	M	5,636.50	19.50				LSHORR001
							EST	M	3,138.18	9.22				
							ESO	M	2,988.63	8.72				
Shorenstein Realty Services LP	F026	2626	OFF	875	05/01/06	07/31/07	RNT	M	1,421.88	19.50				LSHORR001
							EST	M	655.89	9.00				
							ESO	M	623.26	8.51				
F026				**27,163**			**Monthly Amt:**		**82,650.91**					
							Annual Amt:		**991,875.13**	**36.52**				
Marsh USA Inc.	F024	2400	OFF	26,316	05/01/02	12/31/09	RNT	M	39,477.00	18.00				LMARSU001
							RNT	M			05/01/08	40,573.58	18.53	
							RNT	M			05/01/09	41,673.17	19.00	
							EST	M	20,451.40	9.33				
							ESO	M	16,167.32	8.75				
F024				**26,316**			**Monthly Amt:**		**79,115.72**					
							Annual Amt:		**949,388.64**	**36.07**				
Marsh USA Inc.	F023	2300	OFF	26,316	05/01/02	12/31/09	RNT	M	39,477.00	18.00				LMARSU001
							RNT	M			05/01/08	40,573.58	18.53	
							RNT	M			05/01/09	41,673.17	19.00	
							EST	M	20,451.40	9.33				
							ESO	M	16,167.32	8.75				
F023				**26,316**			**Monthly Amt:**		**79,115.72**					
							Annual Amt:		**949,388.64**	**36.07**				

500 West Monroe
Floor-by-Floor Detail Rent Roll
As of July 1, 2007

Name	Floor	Unit	Type	Sq Ft	Begin Date	Expir. Date	Current Charges: Chg Code		Monthly Amt	Annual PSF	Rent Increases: Charge Date	Monthly Amt	Annual PSF	Lease ID
Marsh USA Inc.	F022	2200	OFF	26,316	05/01/02	12/31/09	RNT	M	39,477.00	18.00				LMARSU001
							RNT	M			05/01/08	40,573.58	18.50	
							RNT	M			05/01/09	41,670.17	19.00	
							EST	M	20,451.40	9.33				
							ESO	M	16,167.32	8.75				
F022				26,316			Monthly Amt:		79,115.72					
							Annual Amt:		949,388.64	36.07				
Marsh USA Inc.	F021	2100	OFF	26,316	05/01/02	12/31/09	RNT	M	39,477.00	18.00				LMARSU001
							RNT	M			05/01/08	40,573.58	18.50	
							RNT	M			05/01/09	41,670.17	19.00	
							EST	M	20,451.40	9.33				
							ESO	M	16,167.32	8.75				
F021				26,316			Monthly Amt:		79,115.72					
							Annual Amt:		949,388.64	36.07				
Vacant - 2030				5,836					0.00	0.00				
Vacant - 2040				1,848					0.00	0.00				
Arbour Group L.L.C.	F020	2020	OFF	5,840	11/01/02	04/30/08	RNT	M	5,265.03	10.53				LARBOGR01
							EST	M	4,625.83	9.25				
							ESO	M	4,378.36	8.76				

500 West Monroe
Floor-by-Floor Detail Rent Roll
As of July 1, 2007

Name	Floor	Unit	Type	Sq Ft	Begin Date	Expir. Date	Current Charges: Chg Code		Monthly Amt	Annual PSF	Rent Increases: Charge Date	Monthly Amt	Annual PSF	Lease ID
CraftMaster Manufacturing, Inc	F020	2010	OFF	3,258	08/01/02	07/31/17	RNT	M	5,424.57	19.98				LCRAFMA01
							RNT	M			08/01/08	6,152.19	22.66	
							RNT	M			08/01/09	6,336.75	23.34	
							RNT	M			08/01/10	6,526.86	24.04	
							RNT	M			08/01/11	6,722.66	24.76	
							RNT	M			08/01/12	6,924.34	25.50	
							RNT	M			08/01/13	7,132.07	26.27	
							RNT	M			08/01/14	7,346.04	27.05	
							RNT	M			08/01/15	7,566.41	27.87	
							RNT	M			08/01/16	7,793.41	28.71	
							RNF	M			08/01/07			
							EST	M	2,482.14	9.14				
							EST	M			08/01/08			
							ESO	M	2,347.28	8.65				
							ESO	M			08/01/08			
CraftMaster Manufacturing, Inc	F020	2015	OFF	1,342	12/01/02	07/31/17	RNT	M	2,176.51	19.48				LCRAFMA01
							RNT	M			08/01/08	2,534.14	22.66	
							RNT	M			08/01/09	2,610.17	23.34	
							RNT	M			08/01/10	2,688.47	24.04	
							RNT	M			08/01/11	2,769.13	24.76	
							RNT	M			08/01/12	2,852.20	25.50	
							RNT	M			08/01/13	2,937.77	26.27	
							RNT	M			08/01/14	3,025.90	27.06	
							RNT	M			08/01/15	3,116.68	27.87	
							RNT	M			08/01/16	3,210.18	28.71	
							RNF	M			08/01/07			
							EST	M	1,022.05	9.14				
							EST	M			08/01/08			
							ESO	M	966.33	8.64				
							ESO	M			08/01/08			
Informatica Corporation	F020	2000	OFF	7,413	07/16/05	10/31/12	RNT	M	8,648.50	14.00				LINFOCO01
							RNT	M			11/01/07	8,557.35	14.50	
							RNT	M			11/01/08	8,286.25	15.00	
							RNT	M			11/01/09	9,575.13	15.50	
							RNT	M			11/01/10	9,864.00	16.00	
							RNT	M			11/01/11	10,152.88	16.50	
							EST	M	5,661.02	9.20				
							ESO	M	5,373.22	8.70				

500 West Monroe
Floor-by-Floor Detail Rent Roll
As of July 1, 2007

Name	Floor	Unit	Type	Sq Ft	Begin Date	Expir. Date	Current Charges: Chg Code		Current Charges: Monthly Amt	Current Charges: Annual PSF	Rent Increases: Charge Date	Rent Increases: Monthly Amt	Rent Increases: Annual PSF	Lease ID
F020				25,737			Monthly Amt:		48,418.24					
							Annual Amt:		581,018.48	22.18				
General Electric Capital Corp	F019	1900	OFF	26,318	12/01/01	11/30/12	RNT	M	38,380.42	17.50				LGENEEL01
							RNT	M			06/01/08	40,573.58	18.50	
							RNT	M			06/01/09	42,766.75	19.50	
							RNT	M			06/01/10	43,863.33	20.00	
							RNT	M			06/01/11	44,959.92	20.50	
							ESO	M	18,650.41	8.50				
F019				26,318			Monthly Amt:		57,030.83					
							Annual Amt:		684,369.96	26.00				
Vacant - 1818				5,842					0.00	0.00				
C.H. Starr & Co.	F018	1875	OTH	500	05/01/06	04/30/13	RNS	M	541.67	13.00				LCHISTR01
							RNS	M			05/01/08	562.50	13.50	
							RNS	M			05/01/09	583.33	14.00	
							RNS	M			05/01/10	604.17	14.50	
							RNS	M			05/01/11	625.00	15.00	
							RNS	M			05/01/12	645.83	15.50	
General Electric Capital Corp	F018	1800	OFF	21,033	12/01/01	11/30/12	RNT	M	30,673.12	17.50				LGENEEL01
							RNT	M			06/01/08	32,425.87	18.50	
							RNT	M			06/01/09	34,178.62	19.50	
							RNT	M			06/01/10	35,055.00	20.00	
							RNT	M			06/01/11	35,931.37	20.50	
							ESO	M	14,634.85	8.46				
F018				27,375			Monthly Amt:		45,049.84					
							Annual Amt:		512,595.68	23.51				

500 West Monroe
Floor-by-Floor Detail Rent Roll
As of July 1, 2007

Name	Floor	Unit	Type	Sq Ft	Begin Date	Expir. Date	Current Charges					Rent Increases				Lease ID
							Chg Code		Monthly Amt	Annual PSF		Charge Date	Monthly Amt	Annual PSF		
General Electric Capital Corp	F017	1700	OFF	28,048	12/01/91	11/30/12	RNT	M	40,900.33	17.50						LGENEEL01
							RNT	M				06/01/08	43,240.67	18.50		
							RNT	M				06/01/09	45,579.00	19.50		
							RNT	M				06/01/10	46,745.67	20.00		
							RNT	M				06/01/11	47,915.33	20.50		
							ESO	M	19,782.45	8.46						
F017				28,048			Monthly Amt:		60,683.78							
							Annual Amt:		728,229.36	25.96						
General Electric Capital Corp	F016	1600	OFF	28,128	12/01/91	11/30/12	RNT	M	41,020.00	17.50						LGENEEL01
							RNT	M				06/01/08	43,364.00	18.50		
							RNT	M				06/01/09	45,708.00	19.50		
							RNT	M				06/01/10	46,880.00	20.00		
							RNT	M				06/01/11	48,052.00	20.50		
							ESO	M	19,838.75	8.46						
F016				28,128			Monthly Amt:		60,858.75							
							Annual Amt:		730,305.00	25.96						
General Electric Capital Corp	F015	1500	OFF	28,128	12/01/91	11/30/12	RNT	M	41,020.00	17.50						LGENEEL01
							RNT	M				06/01/08	43,364.00	18.50		
							RNT	M				06/01/09	45,708.00	19.50		
							RNT	M				06/01/10	46,880.00	20.00		
							RNT	M				06/01/11	48,052.00	20.50		
							ESO	M	19,838.75	8.46						
F015				28,128			Monthly Amt:		60,858.75							
							Annual Amt:		730,305.00	25.96						
General Electric Capital Corp	F014	1400	OFF	28,128	12/01/91	11/30/12	RNT	M	41,020.00	17.50						LGENEEL01
							RNT	M				06/01/08	43,364.00	18.50		
							RNT	M				06/01/09	45,708.00	19.50		
							RNT	M				06/01/10	46,880.00	20.00		
							RNT	M				06/01/11	48,052.00	20.50		
							ESO	M	19,838.75	8.46						

500 West Monroe
Floor-by-Floor Detail Rent Roll
As of July 1, 2007

Name	Floor	Unit	Type	Sq Ft	Begin Date	Expir. Date	Current Charges: Chg Code		Monthly Amt	Annual PSF	Rent Increases: Charge Date	Monthly Amt	Annual PSF	Lease ID
F014				28,128			Monthly Amt:		68,859.75					
							Annual Amt:		730,305.00	25.96				
General Electric Capital Corp	F013	1300	OFF	28,128	12/01/91	11/30/12	RNT	M	41,020.00	17.50				LGENBEL01
							RNT	M			06/01/08	43,364.00	18.50	
							RNT	M			06/01/09	45,708.00	19.50	
							RNT	M			06/01/10	46,860.00	20.00	
							RNT	M			06/01/11	48,052.00	20.50	
							ESO	M	19,839.75	8.46				
F013				28,128			Monthly Amt:		68,859.75					
							Annual Amt:		730,305.00	25.96				
General Electric Capital Corp	F012	1200	OFF	28,208	12/01/91	11/30/12	RNT	M	41,136.67	17.50				LGENBEL01
							RNT	M			06/01/08	43,487.33	18.50	
							RNT	M			06/01/09	45,838.00	19.50	
							RNT	M			06/01/10	47,013.33	20.00	
							RNT	M			06/01/11	48,166.67	20.50	
							ESO	M	19,895.72	8.46				
F012				28,208			Monthly Amt:		81,032.39					
							Annual Amt:		732,388.68	25.96				
General Electric Capital Corp	F011	1100	OFF	46,314	12/01/91	11/30/12	RNT	M	67,541.25	17.50				LGENBEL01
							RNT	M			06/01/08	71,400.75	18.50	
							RNT	M			06/01/09	75,260.25	19.50	
							RNT	M			06/01/10	77,190.00	20.00	
							RNT	M			06/01/11	79,119.75	20.50	
							ESO	M	32,665.81	8.46				
F011				46,314			Monthly Amt:		100,207.06					
							Annual Amt:		1,202,484.72	25.96				

500 West Monroe
Floor-by-Floor Detail Rent Roll
As of July 1, 2007

Name	Floor	Unit	Type	Sq Ft	Begin Date	Expir. Date	Current Charges: Chg Code		Monthly Amt	Annual PSF	Rent Increases: Charge Date	Monthly Amt	Annual PSF	Lease ID
General Electric Capital Corp	F010	1000	OFF	46,554	12/01/91	11/30/12	RNT	M	67,891.25	17.50				LGENEEL01
							RNT	M			06/01/08	71,770.75	18.50	
							RNT	M			06/01/09	75,650.25	19.50	
							RNT	M			06/01/10	77,580.00	20.00	
							RNT	M			06/01/11	79,526.75	20.50	
							ESC	M	32,835.30	8.46				
F010				46,554			Monthly Amt:		100,726.54					
							Annual Amt:		1,208,718.68	25.96				
Active Leases				888,518			Monthly Amt:		2,260,125.34					
Vacancy				75,060			Annual Amt:		27,362,004.06	30.80				
Total Sq Ft				963,572										

Charge Code Frequencies:
M - Monthly A - Annual
Q - Quarterly O - One-time
S - Semi-annual

Tenants shown in *italics* represent leased spaces with future start dates. SF is not included in totals.

SCHEDULE II

[Reserved]
(Attached)

SCHEDULE III

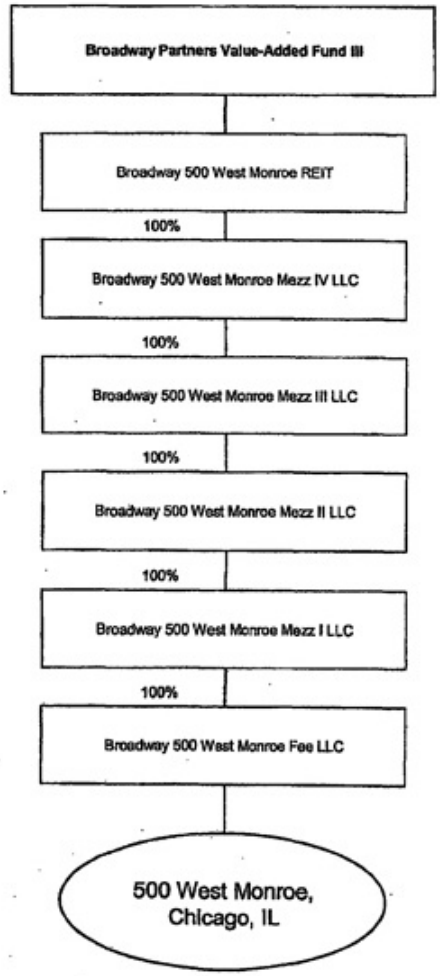
Required Repairs

SCHED. III-1

SCHEDULE IV

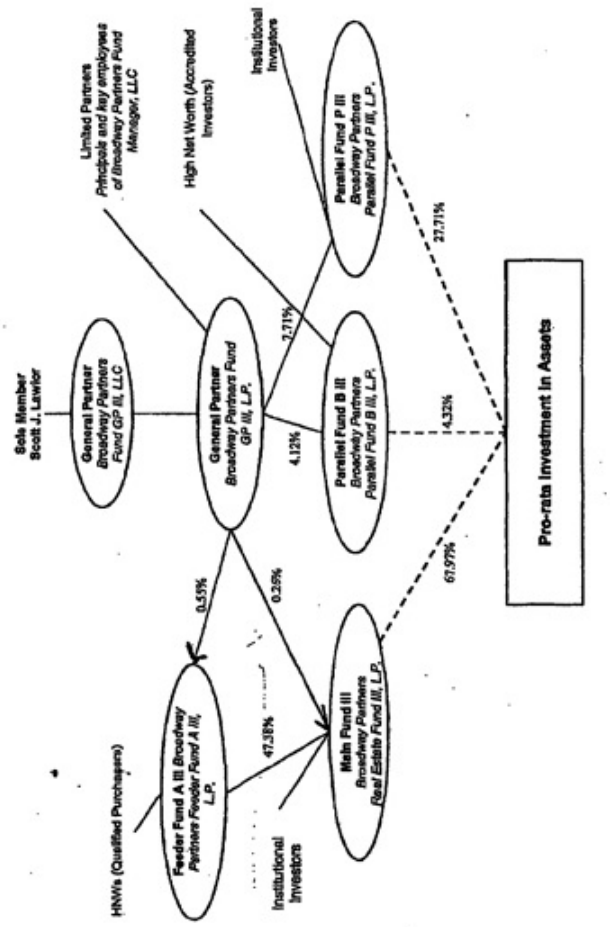
Organizational Chart of Borrower
(Attached)

500 West Monroe Ownership Structure Chart
(Draft June 20, 2007)



Dated as of June 19, 2007

Broadway Partners Value-Added Fund III
Structure Chart



SCHEDULE V

Forms of Certificates for Financial Reporting

SCHED. V-I

SCHEDULE V-A

Form of Certificate with respect to Annual and Quarterly Financials

SCHED. V-A-1

[Mezz A]

SCHEDULE V-A

CERTIFICATE WITH RESPECT TO ANNUAL AND QUARTERLY FINANCIALS

This Certificate with Respect to Annual or Quarterly Financials (this "Certificate") dated _____, 20__ is given to Morgan Stanley Mortgage Capital Holdings LLC (together with its successors and assigns, "Lender") by Broadway 500 West Monroe Mezz I LLC ("Borrower") in connection with that certain Mezzanine A Loan Agreement between Lender and Borrower dated July 11, 2007 (the "Loan Agreement"). The capitalized terms not defined in this Certificate shall have the definitions ascribed to them in the Loan Agreement.

1. To the best of Borrower's knowledge:

(a) The attached financial statement presents fairly the financial condition and the results of operations of Borrower, Mortgage Borrower and the Property being reported upon and has been prepared in accordance with [GAAP/another accounting basis].

(b) as of the date hereof [select one of the following options]:

_____ there exists no Event of Default under the Loan Documents or Mortgage Loan Documents executed and delivered by, or applicable to, Borrower,

_____ there exists an Event of Default under the Loan Documents or Mortgage Loan Documents executed and delivered by, or applicable to, Borrower or Mortgage Borrower, described as follows: [Describe the nature of the Event of Default, the period of time it has existed and the action being taken as of the date hereof to remedy same.]

BORROWER:

BROADWAY 500 WEST MONROE MEZZ I LLC,
a Delaware limited liability company

By: _____
Name:
Title: Authorized Signatory

SCHEDULE V-A-1

RENT ROLL

SCHEDULE V-A-2

NET CASH FLOW SCHEDULE

SCHEDULE V-B

Form of Certificate with respect to Monthly Financials

SCHED. V-B-1

SCHEDULE V-B

CERTIFICATE WITH RESPECT TO MONTHLY FINANCIALS

This Certificate with Respect to Monthly Financials (this "Certificate") dated _____, 20__ is given to Morgan Stanley Mortgage Capital Holdings LLC (together with its successors and assigns, "Lender") by Broadway 500 West Monroe Mezz I LLC ("Borrower") in connection with that certain Mezzanine A Loan Agreement between Lender and Borrower dated July 11, 2007 (the "Loan Agreement"). The capitalized terms not defined in this Certificate shall have the definitions ascribed to them in the Loan Agreement.

Borrower hereby certifies to Lender that the information contained in (a) the rent roll attached hereto as Exhibit VB-l and (b) to the best of Borrower's knowledge, the Net Cash Flow Schedule attached hereto as Exhibit VB-1 is true, correct, accurate and complete and that the attached Net Cash Flow Schedule fairly presents the financial condition and results of the operations of Borrower, Mortgage Borrower, the Property, and the Collateral (subject in each case to normal year-end adjustments), in each case for the period set forth therein.

BORROWER:

BROADWAY 500 WEST MONROE MEZZ I LLC,
a Delaware limited liability company

By:_____
Name:
Title: Authorized Signatory

SCHEDULE V-B-1

RENT ROLL

SCHEDULE V-B-2

NET CASH FLOW SCHEDULE

SCHEDULE VI

Litigation

SCHED. VI-1

SCHEDULE VII

Intentionally Deleted

SCHEDULE VIII

Intentionally Deleted

SCHEDULE IX

Form of Certificate for Required Repairs
or
for Replacements from the Rollover/Replacement Reserve Funds

SCHED. IX-1

SCHEDULE IX

OFFICER'S CERTIFICATE WITH RESPECT TO LEASING EXPENSES FROM THE ROLLOVER/REPLACEMENT RESERVE FUND

This Officer's Certificate with Respect to Leasing Expenses from the Rollover/Replacement Reserve Fund (this "Certificate") dated _____, 20__ is given to Morgan Stanley Mortgage Capital Holdings LLC (together with its successors and assigns, "Lender") by Broadway 500 West Monroe Mezz I LLC ("Borrower") in connection with that certain Mezzanine A Loan Agreement between Lender and Borrower dated July 11, 2007 (the "Loan Agreement"). The capitalized terms not defined in this Certificate shall have the definitions ascribed to them in the Loan Agreement.

1. Borrower designates the following lease as the lease ("Lease") with respect to which this certificate relates: Lease dated _____ between _____ as landlord and _____ as tenant (as amended).

2. A disbursement in the amount of $ _____ from the Rollover/Replacement Reserve Fund is hereby requested.

3. Borrower certifies that the aforesaid Leasing Expenses have been incurred by Borrower.

BORROWER:

BROADWAY 500 WEST MONROE MEZZ I LLC,
a Delaware limited liability company

By: _____
Name:
Title: Authorized Signatory

[If disbursement relates to tenant improvement or leasing commission obligations, attach copies of paid or to be paid invoices. If required by Lender, attach lien waivers and releases from all parties furnishing more than $250,000 (the receipt of such lien waivers shall be a condition to the requested disbursement only if the aggregate amount of all such required lien waivers not received by Lender (including those in connection with all prior disbursements under Section 7.4 of the Loan Agreement) equals or exceeds $250,000).]

SCHEDULE X

Form of Draw Request

SCHED. X-1

SCHEDULE X

DRAW REQUEST

The undersigned, pursuant to that certain Mezzanine A Loan Agreement dated July 11, 2007 between Morgan Stanley Mortgage Capital Holdings LLC (together with its successors and assigns, "Lender") and Broadway 500 West Monroe Mezz I LLC ("Borrower") (the "Loan Agreement") hereby requests a disbursement in the amount of $_____ from the Rollover/Replacement Reserve Fund.

The capitalized terms not defined herein shall have the definitions ascribed to them in the Loan Agreement.

Date:_____, 20__

BORROWER:

BROADWAY 500 WEST MONROE MEZZ I LLC,
a Delaware limited liability company

By:_____
Name:
Title: Authorized Signatory

OFFICER'S CERTIFICATE
WITH RESPECT TO LEASING EXPENSES
FROM THE ROLLOVER/REPLACEMENT RESERVE FUND
(to be attached)

SCHEDULE XI

Intentionally Deleted

SCHEDULE XII

[Reserved]

SCHEDULE XIII

Material Agreements

NONE

SCHEDULE XIV

Form of Rate Cap Confirmation

BEAR STEARNS

BEAR STEARNS FINANCIAL PRODUCTS INC.
383 MADISON AVENUE
NEW YORK, NEW YORK 10179
212-272-4009

DATE: July 11, 2007

TO: Broadway 500 West Monroe Mezz I LLC
ATTENTION: Tyler Wiggers
TELEPHONE: 212-810-4038
FACSIMILE: 646-607-7894

CC: Brian McLaughlin
Chatham Financial
FAX: 610-925-3125

FROM: Derivatives Documentation
TELEPHONE: 212-272-2711
FACSIMILE: 212-272-9857

SUBJECT: Fixed Income Derivatives Confirmation and Agreement

REFERENCE NUMBER: FXNCC9798

This Transaction is entered into in connection with a Collateral Assignment of Interest Rate Cap Agreement between Broadway 500 West Monroe Mezz I LLC and Morgan Stanley Mortgage Capital Holdings LLC, with an Acknowledgement by Bear Stearns Financial Products Inc.

The purpose of this letter agreement ("Agreement") is to confirm the terms and conditions of the Transaction entered into on the Trade Date specified below (the "Transaction") between Bear Stearns Financial Products Inc. ("BSFP") and Broadway 500 West Monroe Mezz I LLC, a limited liability company organized under the laws of Delaware ("Counterparty"). This Agreement, which evidences a complete and binding agreement between you and us to enter into the Transaction on the terms set forth below, constitutes a "Confirmation" as referred to in the "ISDA Form Master Agreement" (as defined below), as well as a "Schedule" as referred to in the ISDA Form Master Agreement.

1. This Agreement is subject to the *2000 ISDA Definitions* (the "Definitions"), as published by the International Swaps and Derivatives Association, Inc. ("ISDA"). You and we have agreed to enter into this Agreement in lieu of negotiating a Schedule to the 1992 ISDA Master Agreement (Multicurrency—Cross Border) form (the "ISDA Form Master Agreement") but, rather, an ISDA Form Master Agreement shall be deemed to have been executed by you and us on the date we entered into the Transaction. In the event of any inconsistency between the provisions of this Agreement and the Definitions or the ISDA Form Master Agreement, this Agreement shall prevail for purposes of the Transaction.

2. The terms of the particular Transaction to which this Confirmation relates are as follows:

Type of Transaction:	Rate Cap

Notional Amount:	USD 65,600,000
Trade Date:	July 10, 2007
Effective Date:	July 11, 2007
Termination Date:	August 15, 2009

Fixed Amount (Premium):

Fixed Rate Payer:	Counterparty
Fixed Rate Payer Payment Date:	July 12, 2007
Fixed Amount:	USD 215,300

Floating Amounts:

Floating Rate Payer:	BSFP
Cap Rate:	5.50000%
Floating Rate Payer Period End Dates:	The 15th calendar day of each month during the Term of this Transaction, commencing August 15, 2007 and ending on the Termination Date, with No Adjustment.
Floating Rate Payer Payment Dates:	Three Business Days prior to the 9th calendar day of each month during the Term of this Transaction, commencing three Business Days prior to August 9, 2007 and ending three Business Days prior to August 9, 2009; provided that such ninth calendar day shall first be adjusted in accordance with the Preceding Business Day Convention.
Floating Rate Option:	USD-LIBOR-BBA; provided, however, that all references in Sections 7.1(w)(xvii) and 7.1(w)(xx) of the Definitions to “on the day that is two London Banking Days preceding that Reset Date” shall be deleted and replaced with “on the day that is two New York and London Banking Days preceding that Reset Date”.

	Designated Maturity:	One month
	Floating Rate Day Count Fraction:	Actual/360
	Reset Dates:	The first day of each Calculation Period.
	Compounding:	Inapplicable
	Business Days:	New York
	Business Day Convention:	Preceding
	Rounding:	Notwithstanding anything to the contrary in Section 8.1 of the Definitions, the Floating Rate Option shall be rounded upward, if necessary, to the nearest one-thousandth (1/1000th) of a percentage point.
3.	Additional Provisions:	1) Each party hereto is hereby advised and acknowledges that the other party has engaged in (or refrained from engaging in) substantial financial transactions and has taken (or refrained from taking) other material actions in reliance upon the entry by the parties into the Transaction being entered into on the terms and conditions set forth herein and in the Confirmation relating to such Transaction, as applicable. This paragraph (1) shall be deemed repeated on the trade date of each Transaction.
4.	Downgrade Event.	In the event that BSFP's long-term unsecured and unsubordinated debt rating is withdrawn or reduced below "AA-" by Standard and Poor's Ratings Services, Inc. ("S&P"), or any successor thereto or its long-term unsecured and unsubordinated debt rating is withdrawn or reduced below "Aa3" by Moody's Investors Service, Inc., ("Moody's") or any successor thereto (and together with S&P, the "Rating Agencies", and such rating thresholds, "Approved Rating Thresholds"), then within 30 days after such rating withdrawal or downgrade, BSFP shall, either (i) at its own expense, seek another entity to replace BSFP as party to this Agreement that meets or exceeds the Approved Rating Thresholds on terms substantially similar to this Agreement, or (ii) post collateral on terms acceptable to the Rating Agencies,; provided that, notwithstanding such a

downgrade, withdrawal or qualification, unless and until BSFP transfers the Transaction to a replacement counterparty pursuant to the foregoing clause (ii), BSFP will continue to perform its obligations under the Transaction. Failure to satisfy the foregoing shall constitute an Additional Termination Event as defined by Section 5(b)(v) of the ISDA Master Agreement, with BSFP as the Affected Party.

Notwithstanding the foregoing, in the event that BSFP's long-term unsecured and unsubordinated debt rating is reduced below "BBB-" by S&P or "Baa3" by Moody's, then within 20 days after such rating downgrade, BSFP shall, at its own expense, secure another entity to replace BSFP as party to this Agreement that meets or exceeds the Approved Rating Thresholds on terms substantially similar to this Agreement; provided that, notwithstanding such a downgrade, unless and until BSFP transfers the Transaction to a replacement counterparty pursuant to the foregoing, BSFP will continue to perform its obligations under the Transaction. Failure to satisfy the foregoing shall constitute an Additional Termination Event as defined by Section 5(b)(v) of the ISDA Master Agreement, with BSFP as the Affected Party.

5. Provisions Deemed Incorporated in a Schedule to the ISDA Form Master Agreement:

1) The parties agree that subparagraph (ii) of Section 2(c) of the ISDA Form Master Agreement will apply to any Transaction.

2) *Termination Provisions*. For purposes of the ISDA Form Master Agreement:

(a) "Specified Entity" is not applicable to BSFP or Counterparty for any purpose.

(b) "Specified Transaction" is not applicable to BSFP or Counterparty for any purpose, and, accordingly, Section 5(a)(v) shall not apply to BSFP or Counterparty.

(c) The "Cross Default" provisions of Section 5(a)(vi) will not apply to BSFP or to Counterparty.

(d) The "Credit Event Upon Merger" provisions of Section 5(b)(iv) will not apply to BSFP or Counterparty.

(e) The "Automatic Early Termination" provision of Section 6(a) will not apply to BSFP or to Counterparty.

(f) Payments on Early Termination. For the purpose of Section 6(e):

(i) Market Quotation will apply.

(ii) The Second Method will apply.

(g) "Termination Currency" means United States Dollars.

3) Tax Representations. Not applicable

4) *Limitation on Events of Default*. Notwithstanding the terms of Sections 5 and 6 of the ISDA Form Master Agreement, if at any time and so long as the Counterparty has satisfied in full all its payment obligations under Section 2(a)(i) of the ISDA Form Master Agreement and has at the time no future payment obligations, whether absolute or contingent, under such Section, then unless BSFP is required pursuant to appropriate proceedings to return to the Counterparty or otherwise returns to the Counterparty upon demand of the Counterparty any portion of any such payment, (a) the occurrence of an event described in Section 5(a) of the ISDA Form Master Agreement with respect to the Counterparty shall not constitute an Event of Default or Potential Event of Default with respect to the Counterparty as Defaulting Party and (b) BSFP shall be entitled to designate an Early Termination Date pursuant to Section 6 of the ISDA Form Master Agreement only as a result of the occurrence of a Termination Event set forth in either Section 5(b)(i) or 5(b)(ii) of the ISDA Form Master Agreement with respect to BSFP as the Affected Party, or Section 5(b)(iii) of the ISDA Form Master Agreement with respect to BSFP as the Burdened Party.

5) *Documents to be Delivered*. For the purpose of Section 4(a) of the ISDA Form Master Agreement:

(1) Tax forms, documents, or certificates to be delivered are:

Party required to deliver document	Form/Document/ Certificate	Date by which to be delivered
BSFP and the Counterparty	Any document required or reasonably requested to allow the other party to make payments under this Agreement without any deduction or withholding for or on the account of any Tax or with such deduction or withholding at a reduced rate	Promptly after the earlier of (i) reasonable demand by either party or (ii) learning that such form or document is required

(2) Other documents to be delivered are:

Party required to deliver document	Form/Document/ Certificate	Date by which to be delivered	Covered by Section 3(d) Representation
BSFP and the Counterparty	Any documents required by the delivery of this receiving party to evidence the authority of the delivering party or its Credit Support Provider, if any, for it to execute and deliver this Agreement, any Confirmation, and any Credit Support Documents to which it is a party, and to evidence the authority of the delivering party or its Credit Support Provider to perform its obligations under this Agreement, such Confirmation and/or Credit Support Document, as the case	Upon the execution and Agreement and such Confirmation	Yes

Party required to deliver document	**Form/Document/ Certificate** maybe	**Date by which to be delivered**	**Covered by Section 3(d) Representation**
BSFP and the Counterparty	A certificate of an authorized officer of the party, as to the incumbency and authority of the respective officers of the party signing this Agreement, any relevant Credit Support Document, or any Confirmation, as the case may be	Upon the execution and delivery of this Agreement and such Confirmation	Yes
BSFP	Legal opinion(s) with respect to such party and its Credit Support Provider, if any, for it reasonably satisfactory in form and substance to the other party relating to the enforceability of the party's obligations under this Agreement.	Upon the execution and delivery of this Agreement and any Confirmation	No

6) *Miscellaneous*. Miscellaneous

(a) Address for Notices: For the purposes of Section 12(a) of the ISDA Form Master Agreement:

Address for notices or communications to BSFP:

Address: 383 Madison Avenue, New York, New York 10179
Attention: DPC Manager
Facsimile: (212)272-5823

with a copy to:

Address: One Metrotech Center North, Brooklyn, New York 11201
Attention: Derivative Operations - 7th Floor

Facsimile: (212)272-1634

(For all purposes)

Address for notices or communications to the Counterparty:

Address: Broadway 500 West Monroe Mezz I LLC
375 Park Ave
Suite 2107
New York, NY 10152
Attention: Tyler Wiggers
Facsimile: (646) 607-7894
Phone: (212)810-4038

with a copy to:

Address: Chatham Financial Corporation
235 Whitehorse Lane
Kennett Square, PA 19348
Attention: Brian McLaughlin
Facsimile: (610) 925-3125
Phone: (484) 731-0210

(For all purposes)

(b) Process Agent. For the purpose of Section 13(c) of the ISDA Form Master Agreement:

BSFP appoints as its
Process Agent: Not Applicable

The Counterparty appoints as its
Process Agent; Not Applicable

(c) Offices. The provisions of Section 10(a) of the ISDA Form Master Agreement will not apply to this Agreement; neither BSFP nor the Counterparty have any Offices other than as set forth in the Notices Section and BSFP agrees that, for purposes of Section 6(b) of the ISDA Form Master Agreement, it shall not in future have any Office other than one in the United States.

(d) Multibranch Party. For the purpose of Section 10(c) of the ISDA Form Master Agreement:

BSFP is not a Multibranch Party.

The Counterparty is not a Multibranch Party.

(e) Calculation Agent. The Calculation Agent is BSFP.

(f) Credit Support Document, Not applicable for either BSFP or the Counterparty.

(g) Credit Support Provider.

BSFP: Not Applicable

The Counterparty: Not Applicable

(h) Governing Law. The parties to this Agreement hereby agree that the law of the State of New York shall govern their rights and duties in whole.

(i) Severability. If any term, provision, covenant, or condition of this Agreement, or the application thereof to any party or circumstance, shall be held to be invalid or unenforceable (in whole or in part) for any reason, the remaining terms, provisions, covenants, and conditions hereof shall continue in full force and effect as if this Agreement had been executed with the invalid or unenforceable portion eliminated, so long as this Agreement as so modified continues to express, without material change, the original intentions of the parties as to the subject matter of this Agreement and the deletion of such portion of this Agreement will not substantially impair the respective benefits or expectations of the parties.

The parties shall endeavor to engage in good faith negotiations to replace any invalid or unenforceable term, provision, covenant or condition with a valid or enforceable term, provision, covenant or condition, the economic effect of which comes as close as possible to that of the invalid or unenforceable term, provision, covenant or condition.

(j) Consent to Recording. Each party hereto consents to the monitoring or recording, at any time and from time to time, by the other party of any and all communications between officers or employees of the parties, waives any further notice of such monitoring or recording, and agrees to notify its officers and employees of such monitoring or recording.

(k) Waiver of Jury Trial. Each party waives any right it may have to a trial by jury in respect of any Proceedings relating to this Agreement or any Credit Support Document.

(I) BSFP will not unreasonably withhold or delay its consent to an assignment of this Agreement to any other third party.

(m) For purposes of Section 6(e) of the ISDA Form Master Agreement, set-off and counterclaim will not apply.

(n) BSFP is a U.S. entity and no withholding tax is payable. In the event that BSFP is no longer a U.S. entity or its obligations or this Agreement is transferred to a non-U.S. entity then the following provisions will apply and the Termination Events in Sections 5(b)(ii) and 5(b)(iii) will no longer be exercisable by BSFP:

(a) Section 2(d)(i)(4) of the ISDA Form Master Agreement is amended by (i) deleting the words "However, X will not be required to pay any additional amount to Y to the extent that it would not be required to be paid but for: "; and (ii) deleting subsections (A) and (B).

(b) Section 2(d)(ii) of the ISDA Form Master Agreement will not apply to Counterparty.

(c) Section 4(e) of the ISDA Form Master Agreement will not apply to the Counterparty.

(d) The definition of "Indemnifiable Tax" contained in Section 14 of the ISDA Form Master Agreement is deleted and is replaced with the following: "'Indemnifiable Tax' means any and all withholding tax."

7) "Affiliate". Neither party shall be deemed to have any Affiliates for purposes of this Agreement.

8) The ISDA Form Master Agreement is hereby amended as follows:

(a) Counterparty shall be precluded from payment of any out-of-pocket expenses required under Section 11 of the ISDA Form Master Agreement and incurred by BSFP related to the enforcement and protection of BSFP's rights under the Agreement with respect to this Transaction;

(b) BSFP covenants that it will not present or institute a petition for Counterparty's bankruptcy in respect of this Transaction (nor will BSFP join in any such petition) for 365 days after the Loan (as defined herein) is paid in full. The "Loan" means the loan made under the Loan Agreement dated as of July 11, 2007 (as amended, modified or supplemented and in effect from time to time), by and between Counterparty, as borrower and Morgan Stanley Mortgage Capital Holdings LLC as lender.

9) Section 3 of the ISDA Form Master Agreement is hereby amended by adding at the end thereof the following subsection (g):

"(g) Relationship Between Parties.

Each party represents to the other party on each date when it enters into a Transaction that:-

(1) Nonreliance. It is not relying on any statement or representation of the other party regarding the Transaction (whether written or oral), other than the representations expressly made in this Agreement or the Confirmation in respect of that Transaction.

(2) Evaluation and Understanding.

(i) It has the capacity to evaluate (internally or through independent professional advice) the Transaction and has made its own decision to enter into the Transaction; and

(ii) It understands the terms, conditions and risks of the Transaction and is willing and able to accept those terms and conditions and to assume those risks, financially and otherwise.

(3) Purpose. It is entering into the Transaction for the purposes of managing its borrowings or investments, hedging its underlying assets or liabilities or in connection with a line of business.

(4) Principal. It is entering into the Transaction as principal, and not as agent or in any other capacity, fiduciary or otherwise."

NEITHER THE BEAR STEARNS COMPANIES INC. NOR ANY SUBSIDIARY OR AFFILIATE OF THE BEAR STEARNS COMPANIES INC. OTHER THAN BSFP IS AN OBLIGOR OR A CREDIT SUPPORT PROVIDER ON THIS AGREEMENT.

6. Account Details and Settlement Information:

Payments to BSFP:
Citibank, N.A., New York
ABA Number 021-0000-89, for the account of
Bear, Stearns Securities Corp.
Account Number: 0925-3186, for further credit to
Bear Stearns Financial Products Inc.
Sub-account Number: 102-04654-1-3
Attention: Derivatives Department

Payments to Counterparty:
[Please provide]

This Agreement may be executed in several counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

Counterparty hereby agrees to check this Confirmation and to confirm that the foregoing correctly sets forth the terms of the Transaction by signing in the space provided below and returning to BSFP a facsimile of the fully-executed Confirmation to **212-272-9857**. For inquiries regarding U.S. Transactions, please contact **Derivatives Documentation** by telephone at **212-272-2711**. For all other inquiries please contact **Derivatives Documentation** by telephone at **353-1-402-6233.** Originals will be provided for your execution upon your request.

We are very pleased to have executed this Transaction with you and we look forward to completing other transactions with you in the near future.

Very truly yours,

BEAR STEARNS FINANCIAL PRODUCTS INC.

By: /s/ Leticia Chevere
Name: Leticia Chevere
Title: Authorized Signatory

Counterparty, acting through its duly authorized signatory, hereby agrees to, accepts and confirms the terms of the foregoing as of the Trade Date.

BROADWAY 500 WEST MONROE MEZZ I LLC, a
Delaware limited liability company

By: _____
Name:
Title:

lm

SCHEDULE XV

Market Rent

	Base Rental	TI/LC's (New Leases and Replacement Leases with New Tenants)	TI/LC's (Replacement Leases with Existing Tenants)	Free Rent
Floors 1-19:				
5-year term:	$20.00 per SF per annum	$40.00 per SF	$25.00 per SF	8 months
10-year term:	$20.00 per SF per annum	$75.00 per SF	$44.00 per SF	15 months
Floors 20-35:				
5-year term:	$22.00 per SF per annum	$40.00 per SF	$25.00 per SF	8 months
10-year term:	$22.00 per SF per annum	$75.00 per SF	$44.00 per SF	15 months
Floors 36 and above:				
5-year term:	$25.00 per SF per annum	$40.00 per SF	$25.00 per SF	8 months
10-year term:	$25.00 per SF per annum	$75.00 per SF	$44.00 per SF	15 months
Retail:				
5-year term:	$30.00 per SF per annum	$22.00 per SF +4.5% of total base rent	$12.00 per SF + 4.5% of total base	None.
10-year term:	$30.00 per SF per annum	$22.00 per SF + 4.5% of total base rent	$12.00 per SF + 4.5% of total base rent	None.

PLEDGE AND SECURITY AGREEMENT

(MEZZANINE A LOAN)

PLEDGE AND SECURITY AGREEMENT (MEZZANINE A LOAN) (this "**Agreement**"), dated as of 11th day of July, 2007, by **BROADWAY 500 WEST MONROE MEZZ I LLC**, a New York limited liability company, having an office at c/o Broadway Partners, LLC, 375 Park Avenue, Suite 2107, New York, New York 10152 ("**Borrower**"), in favor of **MORGAN STANLEY MORTGAGE CAPITAL HOLDINGS LLC**, a New York limited liability company, having an address at 1221 Avenue of the Americas, New York, New York 10020, as Lender (collectively, with its successors and assigns, "**Lender**").

RECITALS

WHEREAS, MORGAN STANLEY MORTGAGE CAPITAL HOLDINGS LLC, as mortgage lender ("**Mortgage Lender**") is the holder of a loan in the maximum principal amount of ONE HUNDRED FIFTY MILLION AND 00/100 DOLLARS ($150,000,000.00) (the " **Mortgage Loan**") to BROADWAY 500 WEST MONROE FEE LLC, a Delaware limited liability company (" **Mortgage Borrower**"), which Mortgage Loan is evidenced by that certain Promissory Note dated as of the date hereof made by Mortgage Borrower in favor of Mortgage Lender (as the same may be amended, restated, supplemented, split, consolidated or otherwise modified from time to time, the " **Note**"), and is secured by, among other things, a first priority Mortgage, Assignment of Leases and Rents, Fixture Filing and Security Agreement dated as of the date hereof, made by Mortgage Borrower in favor of Mortgage Lender, (as the same may be amended, restated, supplemented or otherwise modified from time to time, the " **Mortgage**") which Mortgage encumbers, among other things, the real property as more fully described therein (the " **Property**");

WHEREAS, Borrower owns 100% of the membership interests in Mortgage Borrower;

WHEREAS, Borrower is indebted to Lender with respect to a loan in the maximum principal amount of up to SIXTY-FIVE MILLION SIX HUNDRED THOUSAND AND 00/100 DOLLARS ($65,600,000.00), or so much thereof as may be advanced pursuant to the Loan Agreement (defined below) (the "**Loan**"), which Loan is evidenced by the Note (as defined in the Loan Agreement); and

NOW, THEREFORE, in consideration of the premises and to induce Lender to make the Loan and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower hereby agrees with Lender as follows:

1. Defined Terms. As used in this Agreement, the following terms have the meanings set forth in or incorporated by reference below:

"**Agreement**" means this Pledge and Security Agreement (Mezzanine A Loan), as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

"**Article 8 Matter**" shall have the meaning set forth in Section 19 hereof.

"**Borrower**" shall have the meaning set forth in the Preamble hereto.

"**Code**" means the Uniform Commercial Code from time to time in effect in the State of New York or the State of Delaware, as applicable.

"**Collateral**" shall have the meaning set forth in Section 2 hereof.

"**Debt**" shall have the meaning set forth in the Loan Agreement.

"**Event of Default**" shall have the meaning set forth in the Loan Agreement.

"**Lender**" shall have the meaning set forth in the Preamble hereto.

"**Lien**" shall have the meaning set forth in the Loan Agreement.

"**Loan"** has the meaning ascribed to such term in the Recitals.

"**Loan Agreement**" means that certain Mezzanine A Loan Agreement of even date herewith between Borrower and Lender, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"**Loan Documents**" means the Note, the Loan Agreement, this Agreement, the UCC-1 Financing Statements, the Guaranty of Recourse Obligations of Borrower (Mezzanine A Loan), the Environmental Indemnity Agreement (Mezzanine A Loan), the Subordination of Management Agreement (Mezzanine A Loan), the Mezzanine Cash Management Agreement and the other documents and instruments entered into in connection with the Loan.

"**Mezzanine Cash Management Agreement**" means the Mezzanine A Cash Management Agreement, of even date herewith, among Borrower, Lender and Key Bank, National Association, as agent, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"**Mortgage Borrower**" has the meaning ascribed to such term in the Recitals.

"**Mortgage Borrower's Certificate of Formation**" means the certificate of formation of Mortgage Borrower, dated March 27, 2007, and issued by the Secretary of State of the State of Delaware.

"**Mortgage Borrower Company Agreement**" means the limited liability company agreement of Mortgage Borrower, dated the date hereof.

"**Mortgage Borrower Formation Documents**" means the Mortgage Borrower Company Agreement, Mortgage Borrower's Certificate of Formation and its other Organizational Documents.

"**Mortgage Lender**" shall have the meaning set forth in the Recitals hereto.

"**Net Liquidation Proceeds After Debt Service**" shall have the meaning set forth in the Loan Agreement.

"**Organizational Documents**" shall have the meaning set forth in the loan Agreement.

"**Pledged Interests**" means the limited liability company membership interests of Borrower in Mortgage listed on Schedule I attached hereto, together with all membership interests, capital stock or other equity interests of, and all other right, title and interest now owned or hereafter acquired by, Borrower in and to, Mortgage Borrower, together with (a) all options, warrants, and other rights now or hereafter acquired by Borrower in respect of such membership interests, capital stock or other equity interests (whether in connection with any capital increase, recapitalization, reclassification, or reorganization of Mortgage Borrower or otherwise) and all other property, rights or instruments of any description at any time issued or issuable as an addition to or in substitution for such membership interests, capital stock or other equity interests; (b) all certificates, instruments, or other writings representing or evidencing interests in Mortgage Borrower, and all accounts and general intangibles arising out of, or in connection with, the interests in Mortgage Borrower; (c) any and all moneys or property due and to become due to Borrower now or in the future in respect of the interests in Mortgage Borrower, or to which Borrower may now or in the future be entitled in its capacity as a member, shareholder or other equity holder of Mortgage Borrower, whether by way of a dividend, distribution, return of capital or otherwise; (d) all other claims which Borrower now has or may in the future acquire in its capacity as a member, shareholder or other equity holder of Mortgage Borrower against Mortgage Borrower and its property; and (e) all rights of Borrower under the Mortgage Borrower Formation Documents (and all other agreements, if any, to which Borrower is a party from time to time which relate to its ownership of the interests Mortgage Borrower), including, without limitation, all voting and consent rights of Borrower arising thereunder or otherwise in connection with Borrower's ownership of the interests in Mortgage Borrower.

"**Proceeds**" shall mean (i) Borrower's share, right, title and interest in and to all distributions, monies, fees, payments, compensations and proceeds now or hereafter becoming due and payable to Borrower by Mortgage Borrower with respect to the Pledged Interests whether payable as profits, dividends, distributions, asset distributions, repayment of loans or capital or otherwise and including all "proceeds" as such term is defined in Section 9-102(a)(64) of the Code; (ii) all contract rights, general intangibles, claims, powers, privileges, benefits and remedies of Borrower relating to the foregoing; and (iii) all cash or non-cash proceeds of any of the foregoing.

"**Property**" shall have the meaning set forth in the Recitals hereto.

"**Special Damages**" shall have the meaning set forth in Section 19(j) hereof.

Capitalized terms used herein but not otherwise defined herein shall have the respective meanings ascribed to them in the Loan Agreement.

(i) The words "hereof", "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement, and section, subsection, schedule and exhibit references are to this Agreement unless otherwise specified.

(ii) The word "including" when used in this Agreement shall be deemed to be followed by the words "but not limited to."

2. Pledge; Grant of Security Interest. Borrower hereby pledges and grants to Lender, as collateral security for the prompt and complete payment and performance when due by Borrower (whether at the stated maturity, by acceleration or otherwise) of the Debt, a first priority security interest in all of Borrower's right, title and interest to the following (the **"Collateral"**):

(i) all Pledged Interests;

(ii) all right, title and interest of Borrower in, to and under any policy of insurance payable by reason of loss or damage to the Pledged Interests and any other Collateral;

(iii) all "accounts", "general intangibles", "instruments" and "investment property" (in each case as defined in the Code) constituting or relating to the foregoing; and

(iv) any Net Liquidation Proceeds After Debt Service; and

(v) to the extent not otherwise part of the Pledged Interests, all Proceeds, income and profits thereof and all property received in exchange or substitution thereof, of any of the foregoing property of Borrower (including, without limitation, any proceeds of insurance thereon).

Mortgage Borrower has evidenced its acknowledgement and consent to the pledge and grant given hereby, by execution and delivery of an Acknowledgement and Consent in the form attached hereto as Exhibit A.

3. Certificates and Powers. Concurrently with the execution and delivery of this Agreement, Borrower shall deliver to Lender each original certificate evidencing the Pledged Interests (which certificates shall constitute "security certificates" (as defined in the Code)), together with an undated limited liability company membership power with respect to each such certificate, duly executed in blank.

4. Representations and Warranties. Borrower represents and warrants as of the date hereof that:

(a) no authorization, consent of or notice to any other Person (including, without limitation, any member, partner, shareholder or creditor of Borrower or Mortgage Borrower) that has not been obtained, is required in connection with the execution, delivery, performance, validity or enforceability of this Agreement including, without limitation, the assignment and transfer by Borrower of any of the Collateral to Lender or the subsequent transfer thereof by Lender pursuant to the terms hereof;

(b) the Pledged Interests listed on Schedule I attached hereto have been duly and validly issued and are fully paid and non-assessable and constitute all of the issued and

outstanding equity interests in Mortgage Borrower (other than the non-economic "springing member" interest) and have been delivered to Lender concurrently herewith;

(c) Borrower is the sole record and beneficial owner of, and has good and marketable title to, the Pledged Interests listed on Schedule I attached hereto free of any and all Liens or options in favor of, or claims of, any other Person, except the Lien created by this Agreement, and the Pledged Interests have not previously been assigned, sold, transferred, pledged or encumbered (except pursuant to this Agreement);

(d) upon delivery of the "security certificate" (as defined in Section 8-102(a)(16) of the Code) representing the Pledged Interests endorsed to Lender or in blank by an effective endorsement, the Lien granted pursuant to this Agreement will constitute a valid, perfected first priority Lien on the Pledged Interests constituting the membership interests in Mortgage Borrower and related Proceeds pursuant to the. New York UCC, enforceable as such against all creditors of Borrower and any Persons purporting to purchase any Pledged Interests and related Proceeds from Borrower, free from any adverse claim;

(e) upon the filing of the UCC-l financing statements referred to in Section 12 with the Secretary of State of the State of Delaware, the Lien granted pursuant to this Agreement will constitute a valid, perfected first priority Lien on all Collateral (other than the Pledged Interests constituting the membership interests in Mortgage Borrower and related Proceeds) pursuant to the UCC, enforceable as such against all creditors of Borrower and any Persons purporting to purchase any such Collateral (other than the Pledged Interests constituting the membership interests in Mortgage Borrower and related Proceeds) from Borrower, free from any adverse claim;

(f) the principal place of business and chief executive office of Borrower is located at the address set forth on Schedule II attached hereto;

(g) the exact legal name of Borrower is set forth on Schedule II attached hereto;

(h) Borrower is organized under the laws of the State of Delaware;

(i) there currently exist no certificates, instruments or writings representing the Pledged Interests other than the certificates delivered to Lender;

(j) the equity interests in Mortgage Borrower have been validly issued and fully paid for as provided in the Mortgage Borrower Company Agreement;

(k) there are no options, warrants or other agreements (other than the Mortgage Borrower's Certificate of Formation) with respect to the Collateral outstanding;

(l) intentionally deleted;

(m) Schedule II states Borrower's (1) name as indicated on the public record in Borrower's jurisdiction of organization, (2) type of entity, (3) organizational identification number, (4) principal place of business and chief executive office, (5) jurisdiction of

incorporation or formation, (6) name under which Borrower does business, if other than its legal name, and (7) address for the past six years, or if less, the date since which it has been so located;

(n) the Pledged Interests (i) are "securities" within the meaning of Sections 8-102(a)(15) and 8-103 of the Code, (ii) are "financial assets" (within the meaning of Section 8-102(a)(9) of the Code) and (iii) are not credited to a "securities account" (within the meaning of Section 8-501 (a) of the Code); and

(o) the Mortgage Borrower Company Agreement and the certificates evidencing the Pledged Company Interests each states that the Pledged Company Interests are "securities" as such term is defined in Article 8 of the UCC as in effect in the state of Delaware.

5. Covenants. Borrower covenants and agrees with Lender that, from and after the date of this Agreement until the Debt (exclusive of any indemnification or other obligations which are expressly stated in any of the Loan Documents to survive satisfaction of the Note) is paid in full:

(a) Acknowledgements of Parties. If Borrower shall, as a result of its ownership of the Pledged Interests, become entitled to receive or shall receive a membership certificate (including, without limitation, any certificate representing a distribution or a dividend in connection with any reclassification, increase or reduction of capital or any certificate issued in connection with any reorganization), option or rights, whether in addition to, in substitution of, as a conversion of, or in exchange for any of the Pledged Interests, or otherwise in respect thereof, Borrower shall accept the same as Lender's agent, hold the same in trust for Lender and deliver the same forthwith to Lender in the exact form received, duly endorsed by Borrower to Lender, if required, together with an undated membership interest power covering such certificate duly executed in blank and with, if Lender so requests, signature guaranteed, to be held by Lender hereunder as additional security for the Debt. Any sums paid upon or in respect of the Pledged Interests upon the liquidation or dissolution of Mortgage Borrower shall be paid over to Lender to be held by it hereunder as additional security for the Debt, and in case any distribution of capital shall be made on or in respect of the Pledged Interests or any property shall be distributed upon or with respect to the Pledged Interests pursuant to the recapitalization or reclassification of the capital of Mortgage Borrower or pursuant to the reorganization thereof, the property so distributed shall be delivered to Lender to be held by it, subject to the terms hereof, as additional security for the Debt. If any sums of money or property so paid or distributed in respect of the Pledged Interests shall be received by Borrower, Borrower shall, until such money or property is paid or delivered to Lender, hold such money or property in trust for Lender, segregated from other funds of Borrower, as additional security for the Debt.

(b) Without the prior written consent of Lender, Borrower shall not, directly or indirectly (i) vote to enable, or take any other action to permit, Mortgage Borrower to issue any equity interests or to issue any other securities convertible into or granting the right to purchase or exchange for any equity interests in Mortgage Borrower, or (ii) except as permitted by the Loan Agreement, sell, assign, transfer, exchange or otherwise dispose of, or grant any option with respect to, the Collateral, or (iii) create, incur, authorize or permit to exist any Lien or option in favor of, or any claim of any Person with respect to, any of the Collateral, or any interest therein, except for the Lien provided for by this Agreement. Borrower shall defend the

right, title and interest of Lender in and to the Collateral against the claims and demands of all Persons whomsoever and shall take all such other action as is necessary to remove any Lien or claim on or to the Collateral other than those created hereby or otherwise permitted under the Loan Documents.

(c) At any time and from time to time, upon the written request of Lender, and at the sole expense of Borrower, Borrower shall promptly and duly give, execute, deliver, file and/or record such further instruments and documents and take such further actions as Lender may reasonably request for the purposes of obtaining, creating, perfecting, validating or preserving the full benefits of this Agreement and of the rights and powers herein granted including without limitation filing UCC financing, amendment or continuation statements, provided that the amount of the Debt shall not be increased thereby nor any other terms or provisions of the Loan materially altered and provided that Borrower's obligations and liabilities under the Loan Documents shall not be increased nor its rights under the Loan Documents decreased. Borrower hereby authorizes Lender to file any such financing statement, or amendment or continuation statement, without the signature of Borrower, to the extent permitted by law. If any amount payable under or in connection with any of the Collateral shall be or become evidenced by any promissory note, other instrument or chattel paper, such note, instrument or chattel paper shall be promptly delivered to Lender, duly endorsed in a manner satisfactory to Lender, to be held as Collateral pursuant to this Agreement.

(d) Borrower shall not amend or modify the Mortgage Borrower Company Agreement in any material respect other than as permitted in accordance with the Loan Agreement.

(e) Borrower will furnish to Lender from time to time statements and schedules further identifying and describing the Pledged Interests and such other reports in connection with the Pledged Interests as Lender may reasonably request, all in reasonable detail.

(f) Borrower will not (A) change the location of its chief executive office or principal place of business from that specified in Section 4(e), or (B) change its name, identity or structure, or (C) reorganize under the laws of another jurisdiction, unless (i) it shall have given thirty (30) days' prior written notice to such effect to Lender, (ii) all action reasonably necessary or advisable, in Lender's reasonable opinion, to protect and perfect the Liens and security interests intended to be created hereunder with respect to the Pledged Interests shall have been taken and (iii) it shall have provided Lender with an updated "Eagle 9" UCC Policy or other comparable UCC insurance policy acceptable to Lender (except in connection with the event described in (A) above).

(g) Borrower shall pay, and save Lender harmless from, any and all liabilities with respect to, or resulting from any delay in paying, any and all stamp, excise, sales or other taxes which may be payable or determined to be payable with respect to any of the Collateral or in connection with any of the transactions contemplated by this Agreement.

(h) Borrower shall not enter into any agreement whereby it transfers or cedes its voting rights in Mortgage Borrower or otherwise restricts its voting rights in any way.

(i) Intentionally deleted.

(j) Borrower shall notify Lender of any contemplated change to the information provided on Schedule II hereof, at least thirty (30) days prior to such change taking effect.

(k) Borrower shall not take any action to (i) cause the Pledged Interests not to be (A) "securities" (within the meaning of Sections 8-102(a)(15) and 8-103 of the Code) or (B) "financial assets" (within the meaning of Section 8-102(a)(9) of the Code) or (ii) credit the Pledged Interests to a "securities account" (within the meaning of Section 8-501(a) of the Code).

6. Certain Understandings of Parties; Registration of Pledge: Control of Pledged Collateral. Etc .

(a) The parties acknowledge and agree that (i) all of the Pledged Interests (A) have been "certificated" and are "certificated securities" within the meaning of Section 8-102(a)(14) of the Code, (B) the membership certificates delivered to Lender on the date hereof representing the Pledged Interests constitute a "security certificate", (C) are "securities" (as defined in Section 8-102(a)(15) of the Code) governed by Article 8 of the Code, (ii) are not and will not be dealt in or traded on securities exchanges or securities markets, and (iii) during the term of this Agreement, the Pledged Interests are not and will not be "investment company securities" within the meaning of Section 8-103 of the Code.

(b) In the event that Lender assigns its interest in the Loan in accordance with the Loan Agreement, upon Lender's written request Borrower will promptly execute and deliver or cause Mortgage Borrower to execute and deliver, as applicable, a revised version of the document attached as Exhibit A in favor of the assignee thereof.

7. Cash Dividends: Voting Rights. Subject to the Mortgage Cash Management Agreement (relating to the application of distributions to pay the Loan) and the provisions of the Mezzanine Cash Management Agreement, unless an Event of Default shall have occurred and be continuing, Borrower shall be permitted to receive all profits, losses, income, surplus, return on capital, and equity interest distributions and all other proceeds paid in the normal course of business of Mortgage Borrower and to exercise all voting, consent, administration, management and other powers, rights and remedies of Borrower with respect to the Pledged Interests or other Collateral, provided that no vote shall be cast or right exercised or other action taken which, in Lender's reasonable judgment, would impair the Collateral or which would be inconsistent with or result in any violation of any provision of the Loan Agreement, the Note, this Agreement or any other Loan Documents.

8. Rights of Lender.

(a) If an Event of Default shall occur and be continuing, Lender shall have the right to receive any and all income, distributions, proceeds or other property received or paid in respect of the Pledged Interests or other Collateral and make application thereof to the Debt, in such order as Lender, in its sole discretion, may elect, in accordance with the Loan Documents. If an Event of Default shall occur and be continuing, then all certificates representing Pledged Interests at Lender's option, shall be registered in the name of Lender or its nominee (if not already so registered), and Lender or its nominee may thereafter exercise (i) all voting and all

equity and other rights pertaining to the Pledged Interests and (ii) any and all rights of conversion, exchange, and subscription and any other rights, privileges or options pertaining to such Pledged Interests as if it were the absolute owner thereof (including, without limitation, the right to exchange at its discretion any and all of the Pledged Interests upon the merger, consolidation, reorganization, recapitalization or other fundamental change in the organizational structure of Mortgage Borrower or upon the exercise by Borrower or Lender of any right, privilege or option pertaining to such Pledged Interests, and in connection therewith, the right to deposit and deliver any and all of the Pledged Interests with any committee, depositary, transfer agent, registrar or other designated agency upon such terms and conditions as it may determine), all without liability except to account for property actually received by it, but Lender shall have no duty to exercise any such right, privilege or option and shall not be responsible for any failure to do so or delay in so doing.

(b) The rights of Lender under this Agreement shall not be conditioned or contingent upon the pursuit by Lender of any right or remedy against Borrower or against any other Person which may be or become liable in respect of all or any part of the Debt or against any other security therefor, guarantee thereof or right of offset with respect thereto. To the extent permitted by applicable law, Lender shall not be liable for any failure to demand, collect or realize upon all or any part of the Collateral or for any delay in doing so, nor shall it be under any obligation to sell or otherwise dispose of any Collateral upon the request of Borrower or any other Person or to take any other action whatsoever with regard to the Collateral or any part thereof.

(c) Upon satisfaction in full of the Debt and payment of all amounts owed on the Note, Lender's rights under this Agreement shall terminate and Lender shall deliver to Borrower the certificates and stock powers executed by Borrower in connection herewith and Lender shall deliver to Pledgor UCC-3 termination statements or similar documents and agreements to terminate all of Lender's rights under this Agreement and all other Loan Documents.

(d) Borrower also authorizes Lender, at any time and from time to time, to execute, in connection with the sale provided for in Sections 9 or 10 hereof, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral.

(e) The powers conferred on Lender hereunder are solely to protect Lender's interest in the Collateral and shall not impose any duty upon Lender to exercise any such powers. Lender shall be accountable only for amounts that it actually receives as a result of the exercise of such powers, and neither it nor any of its officers, directors, employees or Lender shall be responsible to Borrower for any act or failure to act hereunder, except for its or their gross negligence or willful misconduct.

(f) If Borrower fails to perform or comply with any of its agreements contained herein and Lender, as provided for by the terms of this Agreement, shall itself perform or comply, or otherwise cause performance or compliance, with such agreement, the reasonable expenses of Lender incurred in connection with such performance or compliance, together with interest at the Default Rate if such expenses are not paid on demand within five (5) days of written demand therefor, shall be payable by Borrower to Lender on demand and shall constitute obligations secured hereby.

9. Remedies. If an Event of Default shall occur and be continuing, Lender may exercise, in addition to all other rights and remedies granted in this Agreement and in any other instrument or agreement securing, evidencing or relating to the Debt:

(a) all rights and remedies of a secured party under the Code and such additional rights and remedies to which a secured party is entitled at law or in equity, including, without limitation, the right, to the maximum extent permitted by law, to exercise all voting, consensual and other powers of ownership pertaining to the Collateral as if Lender were the sole and absolute owner thereof (and Borrower agrees to take all such action as may be reasonably appropriate to give effect to such right);

(b) Lender may make any reasonable compromise or settlement deemed desirable with respect to any of the Collateral and may extend the time of payment, arrange for payment in installments, or otherwise modify the terms of, any of the Collateral;

(c) Lender in its discretion may, in its name or in the name of Borrower or otherwise, demand, sue for, collect, direct payment of or receive any money or property at any time payable or receivable on account of or in exchange for any of the Collateral, but shall be under no obligation to do so.

Without limiting the generality of the foregoing, Lender, without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below or otherwise required hereby) to or upon Borrower, Mortgage Borrower or any other Person (all and each of which demands, presentments, protests, advertisements and notices, or other defenses, are hereby waived to the extent permitted under applicable law), may in such circumstances forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and/or may forthwith sell, assign, give option or options to purchase or otherwise dispose of and deliver the Collateral or any part thereof (or contract to do any of the foregoing), in one or more parcels at public or private sale or sales, in the over-the-counter market, at any exchange, broker's board or office of Lender or elsewhere upon such terms and conditions as it may deem advisable and at such prices as it may deem best in its sole discretion, for cash or on credit or for future delivery without assumption of any credit risk. Lender shall have the right, without notice or publication, to adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for such sale, and any such sale may be made at any time or place to which the same may be adjourned without further notice. Lender shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of the Collateral so sold, free of any right or equity of redemption of Borrower, which right or equity of redemption is hereby waived or released (but only to the extent permitted by applicable law). Lender shall apply any Proceeds from time to time held by it and the net proceeds of any such collection, recovery, receipt, appropriation, realization or sale, after deducting all reasonable costs and expenses of every kind incurred therein or incidental to the care or safekeeping of any of the Collateral or in any way relating to the Collateral or the rights of Lender hereunder, including, without limitation, reasonable attorneys' fees and disbursements, to the payment in whole or in part of the Debt, in such order as specified in Section 9-615 of the Code, and only after such application and after the payment by Lender of any other amount required by any provision of law, including, without limitation, Sections 9-610 and 9-615 of the

Code, need Lender account for the surplus, if any, to Borrower. To the extent permitted by applicable law, Borrower waives all claims, damages and demands it may acquire against Lender arising out of the exercise by Lender of any of its rights hereunder, except for any claims, damages and demands it may have against Lender arising from the willful misconduct, bad faith or gross negligence of Lender or its affiliates, or any agents or employees of the foregoing. If any notice of a proposed sale or other disposition of the Collateral shall be required by law, such notice shall be deemed reasonable and proper if given at least fifteen (15) days before such sale or other disposition.

(d) Notwithstanding anything else herein to the contrary, Lender shall be entitled to exercise its rights under Section 8 hereof to register the certificates representing the Pledged Interests in the name of Lender or its nominee (if not already so registered) or this Section 9(d) to collect, receive, appropriate and realize upon the Collateral only upon the expiration of a period often (10) Business Days commencing on the date on which notice of such intention to exercise any of such rights shall have been given by Lender to Borrower in accordance with Section 19(e) hereof, which notice may, at Lender's option, be included within any notice furnished by Lender to Borrower under Section 10.6 of the Loan Agreement.

(e) The rights, powers, privileges and remedies of Lender under this Agreement are cumulative and shall be in addition to all rights, powers, privileges and remedies available to Lender at law or in equity. All such rights, powers and remedies shall be cumulative and may be exercised successively or concurrently without impairing the rights of Lender hereunder.

10. Private Sales. (a) Borrower recognizes that Lender may be unable to effect a public sale of any or all of the Pledged Interests, by reason of certain prohibitions contained in the Securities Act of 1933, as amended, and applicable state securities laws or otherwise, and may be compelled to resort to one or more private sales thereof to a restricted group of purchasers which will be obliged to agree, among other things, to acquire such securities for their own account for investment and not with a view to the distribution or resale thereof. Borrower acknowledges and agrees that any such private sale may result in prices and other terms less favorable to Lender than if such sale were a public sale and, notwithstanding such circumstances, agrees that any such private sale shall not be deemed to have been made in a commercially unreasonable manner solely by virtue of being a private sale. Lender shall be under no obligation to delay a sale of any of the Pledged Interests for the period of time necessary to permit Mortgage Borrower or Borrower to register such securities for public sale under the Securities Act of 1933, as amended, or under applicable state securities laws, even if Mortgage Borrower or Borrower would agree to do so.

(b) Borrower further shall use its commercially reasonable efforts to do or cause to be done all such other acts as may be reasonably necessary to make any sale or sales of all or any portion of the Pledged Interests pursuant to this Section 10 valid and binding and in compliance with any and all other requirements of applicable law. Borrower further agrees that a breach of any of the covenants contained in this Section 10 will cause irreparable injury to Lender, that Lender has no adequate remedy at law in respect of such breach and, as a consequence, that each and every covenant contained in this Section 10 shall be specifically enforceable against Borrower, and Borrower hereby waives and agrees not to assert any defenses against an action for specific performance of such covenants except for a defense that no Event of Default has

occurred under the Loan Agreement, or any defense relating to Lender's willful misconduct or bad faith.

(c) Lender shall not incur any liability as a result of the sale of any Collateral, or any part thereof, at any private sale conducted in a commercially reasonable manner, it being agreed that some or all of the Collateral is or may be of one or more types that threaten to decline speedily in value and that are not customarily sold in a recognized market. Borrower hereby waives any claims against Lender arising by reason of the fact that the price at which any of the Collateral may have been sold at such a private sale was less than the price which might have been obtained at a public sale or was less than the aggregate amount of the Debt, even if Lender accepts the first offer received and does not offer any Collateral to more than one offeree, provided that Lender has acted in a commercially reasonable manner in conducting such private sale.

11. Limitation on Duties Regarding Collateral. Lender's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession, under Section 9-207 of the Code or otherwise, shall be to use reasonable care. Borrower hereby agrees that Lender shall be deemed to have used reasonable care with respect to Collateral in its possession if it deals with such Collateral in the same manner as Lender deals with similar securities and property for its own account. Neither Lender nor any of its directors, officers, employees or agents shall be liable for failure to demand, collect or realize upon any of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of Borrower or otherwise.

12. Financing Statements; Other Documents. On the date hereof, Borrower hereby authorizes Lender to file UCC-1 financing statements with respect to the Collateral. Borrower agrees to deliver any other document or instrument which Lender may reasonably request with respect to the Collateral for the purposes of obtaining or preserving the full benefits of this Agreement and of the rights and powers herein granted.

13. Attorney-in-Fact. Without limiting any rights or powers granted by this Agreement to Lender, Lender is hereby appointed, which appointment as attorney-in-fact is irrevocable and coupled with an interest, the attorney-in-fact of Borrower for the purpose of carrying out the provisions of this Agreement or the Loan Agreement and taking any action in connection therewith and executing any instruments which Lender may deem reasonably necessary or advisable to accomplish the purposes hereof including, without limitation:

(a) to ask, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Collateral;

(b) to receive, endorse and collect any drafts or other instruments, documents and chattel paper in connection with clause (a) above;

(c) to file any claims or take any action or institute any proceedings that Lender may reasonably deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of Lender, with respect to any of the Collateral; and

(d) to execute, in connection with the sale provided for in Section 9 or 10, any endorsement, assignments, or other instruments of conveyance or transfer with respect to the Collateral, including, without limitation, to transfer or cause the transfer of the Collateral, or any part thereof, on the books of the Mortgage Borrower or other entity issuing such Collateral, to the name of Lender or any nominee.

Lender hereby agrees only to exercise the power of attorney powers set forth in the immediately preceding sentence only upon the occurrence and continuation of an Event of Default.

If so requested by Lender, Borrower shall ratify and confirm any such sale or transfer by executing and delivering to Lender at Borrower's expense all proper deeds, bills of sale, instruments of assignment, conveyance of transfer and releases as may reasonably be designated in any such request.

14. Intentionally Deleted.

15. Construction. All covenants, representations, terms and conditions contained in this Agreement applicable to Mortgage Borrower, Pledged Interests or any Mortgage Borrower Formation Documents shall be deemed to apply to Mortgage Borrower, Pledged Interests or the Mortgage Borrower Formation Documents, individually (and to the extent applicable to the type of Collateral in question). It shall constitute an Event of Default (as defined in the Loan Agreement) if any covenant, representation, term or condition contained in this Agreement applicable to Mortgage Borrower, Pledged Interests or Mortgage Borrower Formation Documents (and to the extent applicable to the type of Collateral in question) is breached (beyond any applicable notice and cure periods) with respect to Mortgage Borrower, Pledged Interests or Mortgage Borrower Formation Documents.

16. Non-Recourse. The provisions of Section 9.4 of the Loan Agreement are hereby incorporated by reference into this Agreement as to the liability of Borrower hereunder to the same extent and with the same force as if fully set forth herein.

17. Indemnity. Borrower agrees that the terms and provisions of Section 10.13 of the Loan Agreement are hereby incorporated by reference into this Agreement to the same extent and with the same force as if fully set forth herein.

18. Intentionally Deleted.

19. Miscellaneous.

(a) Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

(b) Headings. The headings used in this Agreement are for convenience of reference only and are not to affect the construction hereof or be taken into consideration in the interpretation hereof.

(c) No Waiver; Cumulative Remedies. Lender shall not by any act (except by a written instrument pursuant to Section 19(d)), delay, indulgence, omission or otherwise be deemed to have waived any right or remedy hereunder or to have acquiesced in any default or in any breach of any of the terms and conditions hereof. No failure to exercise, nor any delay in exercising, on the part of Lender, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by Lender of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which Lender would otherwise have on any future occasion. The rights, remedies, powers and privileges herein provided are cumulative, may be exercised singly or concurrently and are not exclusive of any rights, remedies, powers or privileges provided by law.

(d) Waivers and Amendments; Successors and Assigns. None of the terms or provisions of this Agreement may be waived, amended, or otherwise modified except by a written instrument executed by the party against which enforcement of such waiver, amendment, or modification is sought. This Agreement shall be binding upon and shall inure to the benefit of Borrower and the respective successors and assigns of Borrower and shall inure to the benefit of Lender and its successors and assigns; provided Borrower shall not have any right to assign its rights hereunder except in accordance with the Loan Agreement. The rights of Lender under this Agreement shall automatically be transferred to any permitted transferee to which Lender transfers the Note and Loan Agreement.

(e) Notices. Notices by Lender to Borrower to be effective shall be in writing (including by facsimile transmission), addressed or transmitted to Borrower at the address or facsimile number of Borrower set forth in the Loan Agreement, and shall be deemed to have been duly given or made in accordance with the terms and provisions of Section 10.6 of the Loan Agreement.

(f) Governing Law.

(i) **THIS AGREEMENT WAS NEGOTIATED IN THE STATE OF NEW YORK, AND MADE BY BORROWER AND ACCEPTED BY LENDER IN THE STATE OF NEW YORK, AND THE PROCEEDS OF THE NOTE SECURED HEREBY WERE DISBURSED FROM THE STATE OF NEW YORK, WHICH STATE THE PARTIES AGREE HAS A SUBSTANTIAL RELATIONSHIP TO THE PARTIES AND TO THE UNDERLYING TRANSACTION EMBODIED HEREBY, AND IN ALL RESPECTS, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, THIS AGREEMENT AND THE OBLIGATIONS ARISING HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK**

APPLICABLE TO CONTRACTS MADE AND PERFORMED IN SUCH STATE (WITHOUT REGARD TO PRINCIPLES OF CONFLICT LAWS) AND ANY APPLICABLE LAW OF THE UNITED STATES OF AMERICA. TO THE FULLEST EXTENT PERMITTED BY LAW, BORROWER HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES ANY CLAIM TO ASSERT THAT THE LAW OF ANY OTHER JURISDICTION GOVERNS THIS AGREEMENT AND THE NOTE, AND THIS AGREEMENT AND THE NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK PURSUANT TO SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW.

(ii) ANY LEGAL SUIT, ACTION OR PROCEEDING AGAINST LENDER OR BORROWER ARISING OUT OF OR RELATING TO THIS AGREEMENT MAY AT LENDER'S OPTION BE INSTITUTED IN ANY FEDERAL OR STATE COURT IN THE CITY OF NEW YORK, COUNTY OF NEW YORK, PURSUANT TO SECTION 5-1402 OF THE NEW YORK GENERAL OBLIGATIONS LAW, AND BORROWER WAIVES ANY OBJECTIONS WHICH IT MAY NOW OR HEREAFTER HAVE BASED ON VENUE AND/OR FORUM NON CONVENIENS OF ANY SUCH SUIT, ACTION OR PROCEEDING, AND BORROWER HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY SUCH COURT IN ANY SUIT, ACTION OR PROCEEDING. BORROWER DOES HEREBY DESIGNATE AND APPOINT:

Broadway Partners
375 Park Avenue, Suite 2107
New York, New York 10152
Attention: Jason P. Semmel, Esq. (Fax No. (212) 658-9379)
and Alan Rubenstein ((Fax No. (646) 224-8145), by
separate notice to each

AS ITS AUTHORIZED AGENT TO ACCEPT AND ACKNOWLEDGE ON ITS BEHALF SERVICE OF ANY AND ALL PROCESS WHICH MAY BE SERVED IN ANY SUCH SUIT, ACTION OR PROCEEDING IN ANY FEDERAL OR STATE COURT IN NEW YORK, NEW YORK, AND AGREES THAT SERVICE OF PROCESS UPON SAID AGENT AT SAID ADDRESS AND WRITTEN NOTICE OF SAID SERVICE MAILED OR DELIVERED TO BORROWER IN THE MANNER PROVIDED HEREIN SHALL BE DEEMED IN EVERY RESPECT EFFECTIVE SERVICE OF PROCESS UPON BORROWER IN ANY SUCH SUIT, ACTION OR PROCEEDING IN THE STATE OF NEW YORK. BORROWER (I) SHALL GIVE PROMPT NOTICE TO LENDER OF ANY CHANGED ADDRESS OF ITS AUTHORIZED AGENT HEREUNDER, (II) MAY AT ANY TIME AND FROM TIME TO TIME DESIGNATE A SUBSTITUTE AUTHORIZED AGENT WITH AN OFFICE IN NEW YORK, NEW YORK (WHICH SUBSTITUTE AGENT AND OFFICE SHALL BE DESIGNATED AS THE PERSON AND ADDRESS FOR SERVICE OF PROCESS), AND (III) SHALL PROMPTLY DESIGNATE SUCH A SUBSTITUTE IF ITS

AUTHORIZED AGENT CEASES TO HAVE AN OFFICE IN NEW YORK, NEW YORK OR IS DISSOLVED WITHOUT LEAVING A SUCCESSOR.

(g) Agents. Lender may employ agents and attorneys-in-fact in connection herewith and shall not be responsible for their actions except for the gross negligence or willful misconduct of any such agents or attorneys-in-fact selected by it in good faith.

(h) Irrevocable Authorization and Instruction to Mortgage Borrower . Borrower hereby authorizes and instructs Mortgage Borrower and any servicer of the Loan to comply with any instruction received by it from Lender in writing that is in accordance with the terms of this Agreement, without any other or further instructions from Borrower, and Borrower agrees that Mortgage Borrower and any servicer shall be fully protected in so complying, absent gross negligence, bad faith or willful misconduct.

(i) Counterparts. This Agreement may be executed in any number of counterparts and all the counterparts taken together shall be deemed to constitute one and the same instrument.

(j) WAIVER OF JURY TRIAL, DAMAGES, JURISDICTION. BORROWER AND LENDER EACH HEREBY AGREES TO WAIVE ITS RIGHTS TO A JURY TRIAL ON ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT, THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT, OR ANY DEALINGS BETWEEN BORROWER AND LENDER. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. BORROWER AND LENDER EACH ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO LENDER TO ENTER INTO A BUSINESS RELATIONSHIP WITH BORROWER. BORROWER REPRESENTS AND WARRANTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT SUCH WAIVER IS KNOWINGLY AND VOLUNTARILY GIVEN FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED, EITHER ORALLY OR IN WRITING, AND THE WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, REPLACEMENTS, REAFFIRMATIONS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT, OR ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

WITH RESPECT TO ANY ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT, BORROWER SHALL AND HEREBY DOES SUBMIT TO THE NON-EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK AND THE FEDERAL COURTS OF THE UNITED STATES OF AMERICA LOCATED IN THE STATE OF NEW YORK (AND ANY APPELLATE COURTS

TAKING APPEALS THEREFROM). BORROWER HEREBY WAIVES AND AGREES NOT TO ASSERT, AS A DEFENSE IN ANY ACTION, SUIT OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT, (A) THAT IT IS NOT SUBJECT TO SUCH JURISDICTION OR THAT SUCH ACTION, SUIT OR PROCEEDING MAY NOT BE BROUGHT OR IS NOT MAINTAINABLE IN THOSE COURTS OR THAT THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS MAY NOT BE ENFORCED IN OR BY THOSE COURTS OR THAT IT IS EXEMPT OR IMMUNE FROM EXECUTION, (B) THAT THE ACTION, SUIT OR PROCEEDING IS BROUGHT IN AN INCONVENIENT FORUM OR (C) THAT THE VENUE OF THE ACTION, SUIT OR PROCEEDING IS IMPROPER. IN THE EVENT ANY SUCH ACTION, SUIT, PROCEEDING OR LITIGATION IS COMMENCED, BORROWER AGREES THAT SERVICE OF PROCESS MAY BE MADE, AND PERSONAL JURISDICTION OVER BORROWER OBTAINED, BY SERVICE OF A COPY OF THE SUMMONS, COMPLAINT AND OTHER PLEADINGS REQUIRED TO COMMENCE SUCH LITIGATION UPON BORROWER AT THE ADDRESS OF BORROWER AND TO THE ATTENTION OF SUCH PERSON AS SET FORTH IN THIS SECTION 19.

(k) No claim may be made by Borrower against Lender, its affiliates and its respective directors, officers, employees, or attorneys for any special, indirect or consequential damages (**"Special Damages"**) in respect of any breach or wrongful conduct (whether the claim therefor is based on contract, tort or duty imposed by law) in connection with, arising out of, or in any way related to the transactions contemplated or relationship established by this Agreement, or any act, omission or event occurring in connection herewith or therewith; and to the fullest extent permitted by law Borrower hereby waives, releases and agrees not to sue upon any such claim for Special Damages, whether or not accrued and whether or not known or suspected to exist in its favor.

(l) Irrevocable Proxy. Solely with respect to Article 8 Matters (as defined hereinafter), Borrower hereby irrevocably grants and appoints Lender, from the date of this Agreement until the termination of this Agreement in accordance with its terms, as Borrower's true and lawful proxy, for and in Borrower's name, place and stead to vote the Pledged Interests, whether directly or indirectly, beneficially or of record, now owned or hereafter acquired, with respect to such Article 8 Matters only to the extent that an Article 8 Matter was put to vote by a party other than Lender. The proxy granted and appointed in this Section 18(1) shall include the right to sign Borrower's name (as a member of Mortgage Borrower) to any consent, certificate or other document relating to an Article 8 Matter and the Pledged Interests that applicable law may permit or require to cause the Pledged Interests to be voted in accordance with the preceding sentence. Borrower hereby represents and warrants that there are no other proxies and powers of attorney with respect to an Article 8 Matter that Borrower has granted or appointed. Borrower will not give a subsequent proxy or power of attorney or enter into any other voting agreement with respect to the Pledged Interests with respect to any Article 8 Matter and any attempt to do so with respect to an Article 8 Matter shall be void and of no effect. The proxies and powers granted by the Borrower pursuant to this Agreement are coupled with an interest and are given to secure the performance of the Borrower's obligations. As used herein, **"Article 8 Matter"** means any action, decision, determination or election by Mortgage Borrower or its member(s) prior to the termination of this Agreement that Mortgage Borrower's membership interests or

other equity interests, or any of them, will "opt out" from being a "security" as defined in and governed by Article 8 of the Uniform Commercial Code.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized officers as of the date set forth above.

BORROWER:

BROADWAY 500 WEST MONROE MEZZ I LLC, a Delaware limited liability company

By: /s/ Illegible
Name:
Title:

LENDER:

MORGAN STANLEY MORTGAGE CAPITAL HOLDINGS LLC, a New York limited liability company

By: /s/ Steven R. Maeglin
Name: Steven R. Maeglin
Title: Vice President

EXHIBIT A

FORM OF ACKNOWLEDGMENT AND CONSENT

BROADWAY 500 WEST MONROE FEE LLC ("Mortgage Borrower") hereby acknowledges receipt of a copy of that certain Pledge and Security Agreement (the **"Pledge Agreement")** granted by **BROADWAY 500 WEST MONROE MEZZ I LLC,** a Delaware limited liability company **("Borrower")** to and for the benefit of Lender (as defined therein) and agrees that Borrower is bound thereby. Mortgage Borrower agrees to notify Lender promptly in writing of the occurrence of any of the events described in Section 5(a) of the Pledge Agreement.

Dated: July ___, 2007

BROADWAY 500 WEST MONROE FEE LLC,
a Delaware limited liability company

By: _____
Name:
Title:

Dated: July ___, 2007

BROADWAY 500 WEST MONROE FEE LLC,
a Delaware limited liability company

By: /s/ Illegible
Name:
Title:

SCHEDULE I

DESCRIPTION OF PLEDGED INTERESTS

Issuer	Owner	Class of [Membership/Partnership] Interest	Percentage of [Membership/Partnership] Interests
Broadway 500 West Monroe Fee LLC	Borrower	Member	100%

SCHEDULE II

Borrowers	Chief Executive Office/Principal Place of Business	Type of Entity	Organizational Identification Number	Jurisdiction of Incorporation or Formation	Name under which Borrower does business, if other than its legal name	Date located at present address if less than six years
Broadway 500 West Monroe Mezz I LLC	c/o Broadway Partners, LLC 375 Park Avenue Suite 2107 New York, New York 10152	Delaware limited liability company	4378782	Delaware	N/A	N/A

MEZZANINE A CASH MANAGEMENT AGREEMENT

Dated: as of July 11, 2007

among

BROADWAY 500 WEST MONROE MEZZ I LLC,
as Borrower,

and

MORGAN STANLEY MORTGAGE CAPITAL HOLDINGS LLC,
as Lender,

and

KEYCORP REAL ESTATE CAPITAL MARKETS, INC.,
as Agent

MEZZANINE A CASH MANAGEMENT AGREEMENT

MEZZANINE A CASH MANAGEMENT AGREEMENT (this "Agreement"),. dated as of July 11, 2007, among **BROADWAY 500 WEST MONROE MEZZ I LLC**, a Delaware limited liability company ("Borrower"), **MORGAN STANLEY MORTGAGE CAPITAL HOLDINGS LLC**, a New York limited liability company ("Lender"), and **KEYCORP REAL ESTATE CAPITAL MARKETS, INC.** ("Agent").

W I T N E S S E T H:

WHEREAS, pursuant to a certain Mezzanine A Loan Agreement (as same may be amended, restated, supplemented or otherwise modified from time to time, the "Loan Agreement") dated the date hereof between Borrower and Lender, Lender has made a loan to Borrower in the principal amount of up to $65,600,000.00, or so much thereof as may be advanced pursuant to the Loan Agreement;

WHEREAS, pursuant to a certain Loan Agreement (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Mortgage Loan Agreement") dated as of the date hereof between BROADWAY 500 WEST MONROE FEE LLC, a Delaware limited liability company ("Mortgage Borrower") and MORGAN STANLEY MORTGAGE CAPITAL HOLDINGS LLC, a New York limited liability company ("Mortgage Lender"). Mortgage Lender has made a loan to Mortgage Borrower in the principal amount of $150,000,000.00 (the " Mortgage Loan"):

WHEREAS, pursuant to the Mortgage Loan Agreement and the Mortgage Cash Management Agreement (as defined below) entered into in connection therewith all funds after required disbursements will be periodically transferred to the Mezzanine Collection Account (as defined below); and

WHEREAS, pursuant to this Agreement, and in accordance with the Organizational Documents of Mortgage Borrower, Mortgage Borrower shall direct the deposit of Mortgage Borrower dividends and other distributions to Borrower (collectively, " Mortgage Borrower Distributions") equal to amounts owed from time to time on the Mezzanine Obligations (as defined below) to the Mezzanine A Deposit Account (as defined below), and Borrower intends to make payment on the Mezzanine Obligations from the amounts in the Mezzanine A Deposit Account.

NOW, THEREFORE, in consideration of the covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

I. DEFINITIONS

Capitalized terms not otherwise defined herein shall have the meaning set forth in the Loan Agreement. As used herein, the following terms shall have the following definitions:

"Accounts": means, collectively, the Mezzanine A Deposit Account, the Mezzanine Debt Service Account, the Mezzanine B Collection Account and the Rollover/Replacement Reserve Account.

"Agent": KeyCorp Real Estate Capital Markets, Inc., as agent under this Agreement, together with its successors and assigns.

"Agreement": this Mezzanine A Cash Management Agreement dated as of the date hereof among Borrower, Lender and Agent, as amended, restated, supplemented or otherwise modified from time to time.

"Borrower": Broadway 500 West Monroe Mezz I LLC, a Delaware limited liability company, together with its successors and permitted assigns.

"Collateral" as defined in Section 5.2(a).

"Eligible Account": shall mean a separate and identifiable account from all other funds held by the holding institution that is either (a) an account or accounts maintained with a federal or State chartered depository institution or trust company which complies with the definition of Eligible institution or (b) a segregated trust account or accounts maintained with a federal or State chartered depository institution or trust company acting in its fiduciary capacity which, in the case of a State chartered depository institution or trust company, is subject to regulations substantially similar to 12 C.F.R. § 9.10(b), having in either case a combined capital and surplus of at least $50,000,000 and subject to supervision or examination by federal and State authority. An Eligible Account will not be evidenced by a certificate of deposit, passbook or other instrument.

"Eligible Institution": shall mean a depository institution or trust company, insured by the Federal Deposit Insurance Corporation, (a) the short term unsecured debt obligations or commercial paper of which are rated at least A 1+ by S&P, P 1 by Moody's and F 1+ by Fitch in the case of accounts in which funds are held for thirty (30) days or less, or (b) the long term unsecured debt obligations of which are rated at least "AA" by Fitch and S&P and "Aa2" by Moody's in the case of accounts in which funds are held for more than thirty (30) days.

"Lender": Morgan Stanley Mortgage Capital Holdings LLC, a New York limited liability company, together with its successors and assigns.

"Mezzanine A Deposit Account ": as defined in Section 2.1(a).

"Mezzanine B Collection Account ": as defined in Section 2.1(c).

"Mezzanine Collection Account ": as defined in the Mortgage Cash Management Agreement.

"Mezzanine Debt Service Account": as defined in Section 2.1(b).

"Mezzanine Obligations": as defined in Section 5.2(a)

"Mortgage Borrower": Broadway 500 West Monroe Fee LLC, a Delaware limited liability company, together with its successors and permitted assigns.

"Mortgage Borrower Distributions": as defined in the Recitals hereto.

"Mortgage Cash Management Agreement": means that certain Cash Management Agreement dated as of the date hereof among Mortgage Lender, Mortgage Borrower, Agent, and Broadway Real Estate Services, LLC, as property manager, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Mortgage Lender": Morgan Stanley Mortgage Capital Holdings LLC, a New York limited liability company, together with its successors and assigns.

"Permitted Investments": shall mean any one or more of the following obligations or securities acquired at a purchase price of not greater than par, including those issued by Servicer, the trustee under any Securitization or any of their respective Affiliates, payable on demand or having a maturity date not later than the Business Day immediately prior to the next occurring Payment Date following the date of acquiring such investment and meeting one of the appropriate standards set forth below:

(i) obligations of, or obligations fully guaranteed as to payment of principal and interest by, the United States or any agency or instrumentality thereof provided such obligations are backed by the full faith and credit of the United States of America including, without limitation, obligations of: the U.S. Treasury (all direct or fully guaranteed obligations), the Farmers Home Administration (certificates of beneficial ownership), the General Services Administration (participation certificates), the U.S. Maritime Administration (guaranteed Title XI financing), the Small Business Administration (guaranteed participation certificates and guaranteed pool certificates), the U.S. Department of Housing and Urban Development (local authority bonds) and the Washington Metropolitan Area Transit Authority (guaranteed transit bonds); provided, however, that the investments described in this clause must (A) have a predetermined fixed dollar of principal due at maturity that cannot vary or change, (B) if rated by S&P, must not have an "r" highlighter affixed to their rating, (C) if such investments have a variable rate of interest, such interest rate must be tied to a single interest rate index plus a fixed spread (if any) and must move proportionately with that index, and (D) such investments must not be subject to liquidation prior to their maturity;

(ii) Federal Housing Administration debentures;

(iii) obligations of the following United States government sponsored agencies: Federal Home Loan Mortgage Corp. (debt obligations), the Farm Credit System (consolidated systemwide bonds and notes), the Federal Home

Loan Banks (consolidated debt obligations), the Federal National Mortgage Association (debt obligations), the Financing Corp. (debt obligations), and the Resolution Funding Corp. (debt obligations); provided, however, that the investments described in this clause must (A) have a predetermined fixed dollar of principal due at maturity that cannot vary or change, (B) if rated by S&P, must not have an "r" highlighter affixed to their rating, (C) if such investments have a variable rate of interest, such interest rate must be tied to a single interest rate index plus a fixed spread (if any) and must move proportionately with that index, and (D) such investments must not be subject to liquidation prior to their maturity;

(iv) federal funds, unsecured certificates of deposit, time deposits, bankers' acceptances and repurchase agreements with maturities of not more than 365 days of any bank, the short term obligations of which at all times are rated in the highest short term rating category by each Rating Agency (or, if not rated by all Rating Agencies, rated by at least one Rating Agency in the highest short term rating category and after a Securitization otherwise acceptable to each other Rating Agency, as confirmed in writing that such investment would not, in and of itself, result in a downgrade, qualification or withdrawal of the initial, or, if higher, then current ratings assigned to the Securities); provided, however, that the investments described in this clause must (A) have a predetermined fixed dollar of principal due at maturity that cannot vary or change, (B) if rated by S&P, must not have an "r" highlighter affixed to their rating, (C) if such investments have a variable rate of interest, such interest rate must be tied to a single interest rate index plus a fixed spread (if any) and must move proportionately with that index, and (D) such investments must not be subject to liquidation prior to their maturity;

(v) fully Federal Deposit Insurance Corporation insured demand and time deposits in, or certificates of deposit of, or bankers' acceptances with maturities of not more than 365 days and issued by, any bank or trust company, savings and loan association or savings bank, the short term obligations of which at all times are rated in the highest short term rating category by each Rating Agency (or, if not rated by all Rating Agencies,, rated by at least one Rating Agency in the highest short term rating category and after a Securitization, otherwise acceptable to each other Rating Agency, as confirmed in writing that such investment would not, in and of itself, result in a downgrade, qualification or withdrawal of the initial, or, if higher, then current ratings assigned to the Securities); provided, however, that the investments described in this clause must (A) have a predetermined fixed dollar of principal due at maturity that cannot vary or change, (B) if rated by S&P, must not have an "r" highlighter affixed to their rating, (C) if such investments have a variable rate of interest, such interest rate must be tied to a single interest rate index plus a fixed spread (if any) and must move proportionately with that index, and (D) such investments must not be subject to liquidation prior to their maturity;

(vi) debt obligations with maturities of not more than 365 days and at all times rated by each Rating Agency (or, if not rated by all Rating Agencies, rated by at least one Rating Agency and after a Securitization, otherwise acceptable to each other Rating Agency, as confirmed in writing that such investment would not, in and of itself, result in a downgrade, qualification or withdrawal of the initial, or, if higher, then current ratings assigned to the Securities) in its highest long term unsecured rating category; provided, however, that the investments described in this clause must (A) have a predetermined fixed dollar of principal due at maturity that cannot vary or change, (B) if rated by S&P, must not have an "r" highlighter affixed to their rating, (C) if such investments have a variable rate of interest, such interest rate must be tied to a single interest rate index plus a fixed spread (if any) and must move proportionately with that index, and (D) such investments must not be subject to liquidation prior to their maturity;

(vii) commercial paper (including both non interest bearing discount obligations and interest bearing obligations payable on demand or on a specified date not more than one year after the date of issuance thereof) with maturities of not more than 365 days and that at all times is rated by each Rating Agency (or, if not rated by all Rating Agencies, rated by at least one Rating Agency and after a Securitization, otherwise acceptable to each other Rating Agency, as confirmed in writing that such investment would not, in and of itself, result in a downgrade, qualification or withdrawal of the initial, or, if higher, then current ratings assigned to the Securities) in its highest short term unsecured debt rating; provided, however, that the investments described in this clause must (A) have a predetermined fixed dollar of principal due at maturity that cannot vary or change, (B) if rated by S&P, must not have an "r" highlighter affixed to their rating, (C) if such investments have a variable rate of interest, such interest rate must be tied to a single interest rate index plus a fixed spread (if any) and must move proportionately with that index, and (D) such investments must not be subject to liquidation prior to their maturity;

(viii) units of taxable money market funds, with maturities of not more than 365 days and which funds are regulated investment companies, seek to maintain a constant net asset value per share and invest solely in obligations backed by the full faith and credit of the United States, which funds have the highest rating available from each Rating Agency (or, if not rated by all Rating Agencies, rated by at least one Rating Agency and after a Securitization, otherwise acceptable to each other Rating Agency, as confirmed in writing that such investment would not, in and of itself, result in a downgrade, qualification or withdrawal of the initial, or, if higher, then current ratings assigned to the Securities) for money market funds; and

(ix) any other security, obligation or investment which has been approved as a Permitted Investment in writing by (a) Lender and (b) after a Securitization, each Rating Agency, as evidenced by a written confirmation that the designation of such security, obligation or investment as a Permitted

Investment will not, in and of itself, result in a downgrade, qualification or withdrawal of the initial, or, if higher, then current ratings assigned to the Securities by such Rating Agency;

provided, however, that no obligation or security shall be a Permitted Investment if (A) such obligation or security evidences a right to receive only interest payments or (B) the right to receive principal and interest payments on such obligation or security are derived from an underlying investment that provides a yield to maturity in excess of 120% of the yield to maturity at par of such underlying investment

"Rollover/Replacement Reserve Account": as defined in Section 2.1(d).

"UCC": as defined in Section 5.1(a)(iv).

II. THE ACCOUNTS

Section 2.1 Establishment of Accounts. Agent hereby acknowledges and confirms that it has established and shall maintain the following Accounts:

(a) An account into which funds shall be transferred pursuant to the Mortgage Cash Management Agreement (the " Mezzanine A Deposit Account"):

(b) An account (which may be a subaccount of the Mezzanine A Deposit Account) into which Mortgage Borrower Distributions shall be made for the payment of Debt Service under the Loan (the "Mezzanine Debt Service Account"):

(c) An account (which may be a subaccount of the Mezzanine A Deposit Account) into which Mortgage Borrower Distributions shall be made for the payment of the sums required to be deposited pursuant to Section 3.3(a)(iv) hereof (the " Mezzanine B Collection Account") and

(d) An account (which may be a subaccount of the Mezzanine A Deposit Account) into which Borrower shall deposit, or cause to be deposited, Lease Termination Payments and sums required to be deposited pursuant to the Loan Agreement for the payment of Leasing Expenses, Replacements and Required Repairs (the "Rollover/Replacement Reserve Account").

Section 2.2 Deposits into Mezzanine A Deposit Account. Pursuant to the Mortgage Cash Management Agreement, funds shall be periodically transferred from the Mezzanine Collection Account to the Mezzanine A Deposit Account. Mortgage Borrower from time to time may deposit funds into the Mezzanine A Deposit Account from other sources of Mortgage Borrower, but not from Rents that are to be deposited into the Deposit Account established pursuant to the Mortgage Cash Management Agreement.

Section 2.3 Account Names.

(a) The Accounts shall be in the name of Borrower, for the benefit of Lender, as secured party; provided, however, that in the event Lender transfers or assigns the Loan, Agent,

at Lender's request, shall change the name of the Accounts to the name of the transferee or assignee. In the event Lender retains a Servicer to service the Loan, Agent, at Lender's request, shall comply with the instructions of Servicer, as agent for Lender.

Section 2.4 Eligible Accounts/Characterization of Accounts . Agent shall maintain each Account as an Eligible Account. Each Account is and shall be treated either as a "securities account" as such term is defined in Section 8-501 (a) of the UCC or a "deposit account" as defined in Section 9-102(a)(29) of the UCC. Agent acknowledges and agrees that the Accounts are intended to be securities accounts. In its capacity as a "securities intermediary" (within the meaning of Section 8-102(a)(14) of the UCC), Agent hereby agrees that each item of property (whether investment property, financial asset, securities, instrument, cash or other property) credited to each Account shall be treated as a "financial asset" within the meaning of Section 8-102(a)(9) of the UCC. Agent shall, subject to the terms of this Agreement, treat Lender as entitled to exercise the rights that comprise any financial asset credited to each related Account. All securities or other property underlying any financial assets credited to each Account shall be registered in the name of Agent, indorsed to Agent or in blank or credited to another securities account maintained in the name of Agent and in no case will any financial asset credited to any Account be registered in the name of Borrower, payable to the order of Borrower or specially indorsed to Borrower.

Section 2.5 Permitted Investments. Sums on deposit in the Accounts shall not be invested except in Permitted Investments. Except during the existence of any Event of Default, Borrower shall have the right to direct Agent to invest sums on deposit in the Accounts in Permitted Investments; provided, however, in no event shall Borrower direct Agent to make a Permitted Investment if the maturity date of that Permitted Investment is later than the date on which the invested sums are required for payment of Debt Service. Borrower hereby irrevocably authorizes and directs Agent to apply any income earned from Permitted Investments to the Mezzanine Deposit Account. The amount of actual losses sustained on a liquidation of a Permitted Investment shall be deposited into the Mezzanine Deposit Account by Borrower no later than one (1) Business Day following such liquidation. Borrower shall be responsible for payment of any federal, state or local income or other tax applicable to income earned from Permitted Investments. The Accounts shall be assigned the federal tax identification number of Borrower, which number is 26-0432247.

III. DEPOSITS

Section 3.1 Initial Deposits. Borrower shall not be required to make any initial deposits into the Accounts.

Section 3.2 Additional Deposits. Borrower shall make such additional deposits into the Accounts as may be required by the Loan Agreement. In the event that on any Payment Date the amounts in the Mezzanine Debt Service Account are insufficient to pay the Debt Service due on such date, Borrower shall deposit funds in the amount of such insufficiency into the Mezzanine Debt Service Account not later than the time specified in Section 2.3.4 of the Loan Agreement (which deposit shall be made from funds of Borrower and not from Rents that are to be deposited into the Deposit Account established pursuant to the Mortgage Cash Management Agreement).

Section 3.3 Disbursements from the Mezzanine A Deposit Account .

(a) Agent shall withdraw all available funds on deposit in the Mezzanine A Deposit Account on every Business Day of each calendar month and disburse such funds in the following amounts and order of priority:

(i) First, funds sufficient to pay the Debt Service for the next calendar month shall be deposited into the Mezzanine Debt Service Account;

(ii) Second, funds sufficient to pay any interest accruing at the Default Rate and late payment charges, if any, shall be deposited into the Mezzanine Debt Service Account;

(iii) Third, funds sufficient to pay any other amounts then payable under the Loan shall be deposited into the Mezzanine Debt Service Account;

(iv) Fourth, if any of the Mezzanine Loan B, Mezzanine Loan C, and/or Mezzanine Loan D are outstanding, and provided no Event of Default exists, all amounts remaining in the Mezzanine A Deposit Account after deposits for items (i) through (iii) above shall be deposited in the Mezzanine B Collection Account; and

(v) Fifth, if none of the Mezzanine Loan B, the Mezzanine Loan C, and the Mezzanine Loan D are outstanding, and provided no Event of Default exists, all amounts remaining in the Mezzanine A Deposit Account after deposits for items (i) through (iii) above shall be paid to or as directed by Borrower.

(b) Notwithstanding the foregoing, upon the occurrence of a Liquidation Event on any date other than a Payment Date, Agent shall disburse the related Net Liquidation Proceeds After Debt Service to Lender within one (1) Business Day of its receipt thereof.

(c) Any funds deposited into the Mezzanine Debt Service Account pursuant to Section 3.3(a)(i) through (iii) above shall be deemed to be a Mortgage Borrower Distribution, except to the extent such funds are paid from additional deposits made by Borrower pursuant to Section 3.2 above.

IV. WITHDRAWALS

Section 4.1 Withdrawals From Mezzanine Debt Service Account . Lender shall have the right to withdraw funds from the Mezzanine Debt Service Account to pay the monthly Debt Service amount on or after the Payment Date such Debt Service is due, together with any late payment charges, interest accruing at the Default Rate, and other amounts then payable under the Loan, subject to Section 4.4 hereof.

Section 4.2 Withdrawals from the Rollover/Replacement Reserve Account . Agent shall disburse funds on deposit in the Rollover/Replacement Reserve Account in accordance with the written request of Borrower approved in writing by Lender. Lender shall so approve provided all the procedures and requirements set forth in Section 7.4 or Section 2.1.5, as applicable, of the Loan Agreement for such withdrawal have been complied with.

Section 4.3 Withdrawals from the Mezzanine B Collection Account. Provided no Event of Default exists, on each Payment Date Agent shall withdraw from the Mezzanine B Collection Account, all amounts then remaining in the Mezzanine B Collection Account and, (i) for so long as the Mezzanine Loan B is outstanding, deposit the same into the Mezzanine B Deposit Account (as defined in the Mezzanine B Loan Agreement, such disbursements being deemed distributions from Borrower to Mezzanine Borrower B), (ii) if the Mezzanine Loan B is not then outstanding, deposit the same into the Mezzanine C Deposit Account (as defined in the Mezzanine C Loan Agreement) for so long as the Mezzanine Loan C is then outstanding (such disbursements being deemed distributions from Borrower to Mezzanine Borrower B and from Mezzanine Borrower B to Mezzanine Borrower C), and (iii) if neither the Mezzanine Loan B nor the Mezzanine Loan C is outstanding, deposit the same into the Mezzanine D Deposit Account (as defined in the Mezzanine D Loan Agreement), for so long as the Mezzanine Loan D is then outstanding (such disbursements being deemed distributions from Borrower to Mezzanine Borrower B, from Mezzanine Borrower B to Mezzanine Borrower C and from Mezzanine Borrower C to Mezzanine Borrower D).

Section 4.4 Insufficiency of Funds. The insufficiency of funds on deposit in the Accounts shall not absolve Borrower of the obligation to make any payments, as and when due pursuant to this Agreement, the Loan Agreement and the other Loan Documents, and such obligations shall be separate and independent, and not conditioned on any event or circumstance whatsoever. Lender shall use commercially reasonable efforts to notify Borrower of any such insufficiency, but failure to give such notice shall not be a defense by Borrower against any enforcement of any remedies Lender may have under the Loan Documents.

Section 4.5 Sole Dominion and Control. Borrower acknowledges and agrees that the Accounts are subject to the sole dominion, control and discretion of Lender, its authorized agents or designees, including Agent, subject to the terms hereof. Borrower shall not have the right of withdrawal with respect to Accounts except with the prior written consent of Lender. Agent shall have the right and agrees to comply with instructions originated by Lender with respect to the disposition of funds in the Accounts, in each case without the further consent of Borrower or any other Person. Agent shall comply with all "entitlement orders" (as defined in Section 8-102(a)(8) of the UCC) and instructions originated by Lender directing transfer or redemptions of any financial asset relating to any Account without further consent by Borrower or any other Person.

Section 4.6 Distributions. Transfers of Borrower's funds from any of the Accounts to or for the benefit of any Mezzanine Borrower B shall constitute distributions to Mezzanine Borrower B, and must comply with the requirements as to distributions of the Delaware Limited Liability Company Act. The provisions of this Cash Management Agreement and the other Loan Documents shall not create a debtor-creditor relationship between Borrower and any Mezzanine Lender.

V. PLEDGE OF ACCOUNTS

Section 5.1 Intentionally Omitted.

Section 5.2 Security for Mezzanine Obligations. (a) To secure the full and punctual payment and performance of all obligations of Borrower now or hereafter existing with respect to the Loan, whether for principal, interest, fees, expenses or otherwise, and all obligations of Borrower now or hereafter existing under the Loan Agreement, the Note, the Pledge Agreement and all other Loan Documents (all such obligations, collectively, the " Mezzanine Obligations"), Borrower hereby grants to Lender a first priority continuing security interest in and to the following property of Borrower, whether now owned or existing or hereafter acquired or arising and regardless of where located (all of the same, collectively, the " Collateral"):

(i) the Accounts and all cash, checks, drafts, certificates and instruments, if any, from time to time deposited or held in the Accounts, including, without limitation, all deposits or wire transfers made to the Accounts;

(ii) any and all Permitted Investments;

(iii) all interest, dividends, cash, instruments, investment property and other property from time to time received, receivable or otherwise payable in respect of, or in exchange for, any or all of the foregoing; and

(iv) to the extent not covered by clauses (i), (ii) or (iii) above, all "proceeds" (as defined under the Uniform Commercial Code as in effect in the State of New York (the "UCC")) of any or all of the foregoing.

(b) Lender and Agent, as agent for Lender, shall have with respect to the Collateral, in addition to the rights and remedies herein set forth, all of the rights and remedies available to a secured party under the UCC, as if such rights and remedies were fully set forth herein.

Section 5.3 Rights on Default. Upon the occurrence of an Event of Default, Lender shall promptly notify Agent of such Event of Default and, without notice from Agent or Lender, (a) Borrower shall have no further right in respect of (including, without limitation, the right to instruct Lender or Agent to transfer from) the Accounts, (b) Lender may direct Agent to liquidate and transfer any amounts then in the Accounts invested in Permitted Investments to the Mezzanine Deposit Account or reinvest such amounts in other Permitted Investments as Lender may reasonably determine is necessary to perfect or protect any security interest granted or purported to be granted hereby or to enable Agent, as agent for Lender, or Lender to exercise and enforce Lender's rights and remedies hereunder with respect to any Collateral, and (c) Lender may apply any Collateral to any Mezzanine Obligations in such order of priority as Lender may determine.

Section 5.4 Financing Statement; Further Assurances. Borrower hereby authorizes Lender to file a financing statement or statements in connection with the Collateral in the form required by Lender to properly perfect Lender's security interest therein. Borrower agrees that at any time and from time to time, at the expense of Borrower, Borrower will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or desirable, or that Agent or Lender may reasonably request, in order to

perfect and protect any security interest granted or purported to be granted hereby (including, without limitation, any security interest in and to any Permitted Investments) or to enable Agent or Lender to exercise and enforce its rights and remedies hereunder with respect to any Collateral.

Section 5.5 Termination of Agreement. This Agreement shall create a continuing security interest in the Collateral and shall remain in full force and effect until payment in full of the Mezzanine Obligations. Upon payment and performance in full of the Mezzanine Obligations, this Agreement shall terminate and Borrower shall be entitled to the return, upon its request and at its expense, of such of the Collateral as shall not have been sold or otherwise applied pursuant to the terms hereof, and Agent and/or Lender shall execute such instruments and documents as may be reasonably requested by Borrower to evidence such termination and the release of the lien hereof.

VI. RIGHTS AND DUTIES OF LENDER AND AGENT

Section 6.1 Reasonable Care. Beyond the exercise of reasonable care in the custody thereof or as otherwise expressly provided herein, neither Agent nor Lender shall have any duty as to any Collateral in its possession or control as agent therefor or bailee thereof or any income thereon or the preservation of rights against any Person or otherwise with respect thereto. Agent and Lender each shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral in its possession if the Collateral is accorded treatment substantially equal to that which Agent or Lender accords its own property, it being understood that Lender shall not be liable or responsible for any loss or damage to any of the Collateral, or for any diminution in value thereof, by reason of the act or omission of Agent or Lender, their respective Affiliates, agents, employees or bailees, except to the extent that such loss or damage results from such Person's gross negligence or willful misconduct, provided that nothing in this Article VI shall be deemed to relieve Agent from the duties and standard of care which, as a commercial bank, it generally owes to depositors. Neither Lender nor Agent shall have any liability for any loss resulting from the investment of funds in Permitted Investments in accordance with the terms and conditions of this Agreement.

Section 6.2 Indemnity. Agent, in its capacity as agent hereunder, shall be responsible for the performance only of such duties as are specifically set forth herein, and no duty shall be implied from any provision hereof. Agent shall not be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect hereof, or to advance any of its own monies. Borrower shall indemnify and hold Agent and Lender, their respective employees and officers harmless from and against any loss, cost or damage (including, without limitation, reasonable attorneys' fees and disbursements) incurred by Agent or Lender in connection with the transactions contemplated hereby, except to the extent that such loss or damage results from Agent's or Lender's gross negligence or willful misconduct.

Section 6.3 Reliance. Agent shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bond or other paper, document or signature believed by it to be genuine, and it may be assumed that any person purporting to act on behalf of any Person giving any of the foregoing in connection with the provisions hereof has

been duly authorized to do so. Agent may consult with counsel, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder and in good faith in accordance therewith. Agent shall not be liable for any act or omission done or omitted to be done by Agent in reliance upon any instruction, direction or certification received by Agent and without gross negligence or willful or reckless misconduct.

Section 6.4 Resignation of Agent. (a) Agent shall have the right to resign as Agent hereunder upon thirty (30) days' prior written notice to Borrower and Lender, and in the event of such resignation, Borrower shall appoint a successor Agent which must be an Eligible Institution. No such resignation by Agent shall become effective until a successor Agent shall have accepted such appointment and executed an instrument by which it shall have assumed all of the rights and obligations of Agent hereunder. If no such successor Agent is appointed within sixty (60) days after receipt of the resigning Agent's notice of resignation, the resigning Agent may petition a court for the appointment of a successor Agent.

(b) In connection with any resignation by Agent, (i) the resigning Agent shall, at the sole cost of Borrower, (A) duly assign, transfer and deliver to the successor Agent this Agreement and all cash and Permitted Investments held by it hereunder, (B) execute and/or authorize such financing statements and other instruments as may be necessary to assign to the successor Agent the security interest in the Collateral existing in favor of the retiring Agent hereunder and to otherwise give effect to such succession and (C) take such other actions as may be reasonably required by Lender or the successor Agent in connection with the foregoing and (ii) the successor Agent shall establish in its name, as secured party, cash collateral accounts, which shall become the Accounts for purposes of this Agreement upon the succession of such Agent.

(c) Lender at its sole discretion shall have the right, upon thirty (30) days notice to Agent, to substitute Agent with a successor Agent that satisfies the requirements of an Eligible Institution or to have one or more of the Accounts held by another Eligible Institution, provided that such successor Agent shall perform the duties of Agent pursuant to the terms of this Agreement.

Section 6.5 Lender Appointed Attorney-In-Fact. Borrower hereby irrevocably constitutes and appoints Lender as Borrower's true and lawful attorney-in-fact, with full power of substitution, to execute, acknowledge and deliver any instruments and to exercise and enforce every right, power, remedy, option and privilege of Borrower with respect to the Collateral, and do in the name, place and stead of Borrower, all such acts, things and deeds for and on behalf of and in the name of Borrower, which Borrower could or might do or which Agent or Lender may deem necessary or desirable to more fully vest in Lender the rights and remedies provided for herein and to accomplish the purposes of this Agreement. The foregoing powers of attorney are irrevocable and coupled with an interest. If Borrower fails to perform any agreement herein contained and such failure shall continue for five (5) Business Days after notice of such failure is given to Borrower, Lender may perform or cause performance of any such agreement, and any reasonable expenses of Lender and Agent in connection therewith shall be paid by Borrower.

Section 6.6 Acknowledgment of Lien/Offset Rights. Agent hereby acknowledges and agrees that (a) the Accounts shall be held by Agent in the name of Lender, (b) all funds held in the Accounts shall be held for the benefit of Lender, (c) all Permitted Investments credited to the Mezzanine Deposit Account are held for the benefit of Lender, (d) Borrower has granted to Lender a first priority security interest in the Collateral, (e) Agent shall not disburse any funds or transfer Permitted Investments, as the case may be, from the Accounts except as provided herein, and (f) Agent shall invest and reinvest any balance of the Accounts in Permitted Investments. Agent hereby waives any right of offset, banker's lien or similar rights against, or any assignment of, or security interest or other interest in, the Collateral.

VII. REMEDIES

Section 7.1 Remedies. Upon the occurrence of an Event of Default, Lender or Agent, as agent for Lender, may:

(a) without notice to Borrower, except as required by law, and at any time or from time to time, charge, set-off and otherwise apply all or any part of the Collateral against the Mezzanine Obligations or any part thereof;

(b) in its sole discretion, at any time and from time to time, exercise any and all rights and remedies available to it under this Agreement, and/or as a secured party under the UCC and/or under any other applicable law; and

(c) demand, collect, take possession of, receive, settle, compromise, adjust, sue for, foreclose or realize upon the Collateral (or any portion thereof) as Lender may determine in its sole discretion.

Section 7.2 Waiver. Borrower hereby expressly waives, to the fullest extent permitted by law, presentment, demand, protest or any notice of any kind in connection with this Agreement or the Collateral. Borrower acknowledges and agrees that ten (10) days' prior written notice of the time and place of any public sale of the Collateral or any other intended disposition thereof shall be reasonable and sufficient notice to Borrower within the meaning of the UCC.

VIII. MISCELLANEOUS

Section 8.1 Transfers and Other Liens. Borrower agrees that it will not (a) sell or otherwise dispose of any of the Collateral or (b) create or permit to exist any Lien upon or with respect to all or any of the Collateral, except for the Lien granted under this Agreement.

Section 8.2 Lender's Right to Perform Borrower's Obligations; No Liability of Lender. If Borrower fails to perform any of the covenants or obligations contained herein, and such failure shall continue for a period five (5) Business Days after Borrower's receipt of written notice thereof from Lender, Lender may itself perform, or cause performance of, such covenants or obligations, and the reasonable expenses of Lender incurred in connection therewith shall be payable by Borrower to Lender.

Section 8.3 No Waiver. The rights and remedies provided in this Agreement and the other Loan Documents are cumulative and may be exercised independently or concurrently, and are not exclusive of any other right or remedy provided at law or in equity. No failure to exercise or delay by Agent or Lender in exercising any right or remedy hereunder or under the Loan Documents shall impair or prohibit the exercise of any such rights or remedies in the future or be deemed to constitute a waiver or limitation of any, such right or remedy or acquiescence therein. Every right and remedy granted to Agent and/or Lender hereunder or by law may be exercised by to Agent and/or Lender at any time and from time to time, and as often as to Agent and/or Lender may deem it expedient. Any and all of Agent's and/or Lender's rights with respect to the lien and security interest granted hereunder shall continue unimpaired, and Borrower shall be and remain obligated in accordance with the terms hereof, notwithstanding ((a) any proceeding of Borrower under the Federal Bankruptcy Code or any bankruptcy, insolvency or reorganization laws or statutes of any state, (b) the release or substitution of Collateral at any time, or of any rights or interests therein or (c) any delay, extension of time, renewal compromise or other indulgence granted by the to Agent and/or Lender in the event of an default, with respect to the Collateral or otherwise hereunder. No delay or extension of time by to Agent and/or Lender in exercising any power of sale, option or other right or remedy hereunder, and no notice or demand which may be given to or made upon Borrower to Agent and/or Lender, shall constitute a waiver thereof, or limit, impair or prejudice to Agent's and/or Lender's right, without notice or demand, to take any action against Borrower or to exercise an other power of sale, option or any other right or remedy.

Section 8.4 Expenses. The Collateral shall secure, and Borrower shall pay to Agent and Lender and/or Agent's and Lender's counsel on demand, from time to time, all costs and expenses (including, but not limited to, reasonable attorneys' fees and disbursements, an transfer, recording and filing fees, taxes and other charges) of, or incidental to, the creation or perfection of any lien or security interest granted or intended to be granted hereby, the custody, care, sale, transfer, administration, collection of or realization on the Collateral, or in any way relating to the enforcement, protection or preservation of the rights or remedies of Agent and/or Lender under this Agreement, the Loan Agreement, the Note, the Pledge Agreement, or the other Loan Documents. Standard and customary fees and charges associated with the Accounts shall be included on a monthly consolidated account analysis statement which Agent shall submit to Borrower for Borrower's payment. This statement shall set forth the fees and charges payable for such month, including, but not limited to, reasonable fees and reasonable expenses incurred in connection with this Agreement and be accompanied by reasonably detailed supporting documentation. Agent shall be entitled to charge the Accounts for such fees and expenses a indicated by the analysis statement.

Section 8.5 Entire Agreement. This Agreement constitutes the entire and final agreement between the parties with respect to the subject matter hereof and may not be changed, terminated or otherwise varied, except by a writing duly executed by the parties.

Section 8.6 No Waiver. No waiver of any term or condition of this Agreement, whether by delay, omission or otherwise, shall be effective unless in writing and signed by the party sought to be charged, and then such waiver shall be effective only in the specific instance and for the purpose for which given.

Section 8.7 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto, their respective successors and permitted assigns.

Section 8.8 Notices. All notices, demands, requests, consents, approvals and other communications (any of the foregoing, a " Notice") required, permitted, or desired to be given hereunder shall be in writing sent by telefax or by registered or certified mail, postage prepaid, return receipt requested or delivered by hand or reputable overnight courier addressed to the party to be so notified at its address hereinafter set forth, or to such other address as such party may hereafter specify in accordance with the provisions of this Section 8.8. Any such Notice shall be deemed to have been received three (3) days after the date such Notice is mailed or on the date of sending by telefax or delivery by hand or the next day if sent by an overnight commercial courier addressed to the parties as follows:

If to Lender:	Morgan Stanley Mortgage Capital Holdings, LLC 1221 Avenue of the Americas New York, New York 10020 Attention: James Flaum & Kevin Swartz Fax No.: (212) 507-4139/4146
With a copy to:	Cadwalader, Wickersham & Taft LLP One World Financial Center New York, NY 10281 Arm: John M. Zizzo, Esq. Fax No.: (212) 504-6666
If to Borrower:	Addressed to Borrower c/o Broadway Partners 375 Park Avenue, Suite 2107 New York, New York 10152 Attention: Jason P. Semmel, Esq. (Fax No. (212) 658-9379) and Alan Rubenstein ((Fax No. (646) 224-8145), by separate notice to each
With a copy to:	Seyfarth Shaw LLP 1270 Avenue of the Americas New York, New York 10020 Attention: Stephen Epstein, Esq. Fax No.: (212) 218-5526
	After July 30, 2007: 620 Eighth Avenue New York, New York 10018

And a copy to:	c/o Broadway Partners 375 Park Avenue, Suite 2107 New York, New York 10152 Attention: Jonathon K. Yormak Fax No.: (212) 658-9392
If to Agent:	KeyBank Real Estate Capital 1717 Main Street, Suite 1000 Dallas, TX 75201 Attention: Servicing
With a copy to:	KeyBank Real Estate Capital 911 Main Street, Suite 1500 Kansas City, MO 64105 Attention: Cash Management Fax No.: (816) 221-8051

Section 8.9 Captions. All captions in this Agreement are included herein for convenience of reference only and shall not constitute part of this Agreement for any other purpose.

Section 8.10 Governing Law. This Agreement shall be governed by and construed and enforced in all respects in accordance with the laws of the State of New York without regard to conflicts of law principles of such State. Regardless of any provision in any other agreement, for purposes of the UCC, New York shall be deemed to be the "bank's jurisdiction" and the "securities intermediary's jurisdiction" of the Agent (within the meaning of Sections 8-110 and 9-304 of the UCC), respectively.

Section 8.11 Counterparts. This Agreement may be executed in any number of counterparts.

Section 8.12 Exculpation. Notwithstanding anything to the contrary contained in this Agreement, the liability of Borrower hereunder shall be limited as set forth in Section 9.4 of the Loan Agreement and the provisions of Section 9.4 of the Loan Agreement are hereby incorporated into this Agreement as if fully set forth herein.

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

BORROWER:

BROADWAY 500 WEST MONROE MEZZ I LLC

By /s/ Illegible
Name:
Title:

LENDER:

MORGAN STANLEY MORTGAGE CAPITAL HOLDINGS LLC, a New York limited liability company

By: /s/ Jonathan L. Frey
Name: Jonathan L. Frey
Title: Vice President

AGENT:

KEYCORP REAL ESTATE CAPITAL MARKETS, INC.

By: /s/ Andy Lindenman

Name: Andy Lindenman

Title: Vice President

ENVIRONMENTAL INDEMNITY AGREEMENT

(MEZZANINE A LOAN)

ENVIRONMENTAL INDEMNITY AGREEMENT (MEZZANINE A LOAN) (this **"Agreement"**) made as of the 11th day of July, 2007, by **BROADWAY 500 WEST MONROE MEZZ I LLC,** a Delaware limited liability company, having its principal place of business c/o Broadway Partners, 375 Park Avenue, Suite 2107, New York, New York 10152 (**"Borrower"**). **BROADWAY PARTNERS PARALLEL FUND B III, L.P.,** a Delaware limited partnership, having an address c/o Broadway Partners, 375 Park Avenue, Suite 2107, New York, New York 10152, **BROADWAY PARTNERS PARALLEL FUND P III, L.P.,** a Delaware limited partnership, having an address c/o Broadway Partners, 375 Park Avenue, Suite 2107, New York, New York 10152 and **BROADWAY PARTNERS REAL ESTATE FUND III, L.P.,** a Delaware limited partnership, having an address c/o Broadway Partners, 375 Park Avenue, Suite 2107, New York, New York 10152 (hereinafter individually and collectively referred to as **"Guarantor"**; Borrower and Guarantor hereinafter referred to, individually and collectively, as the context may require, as **"Indemnitor"**), in favor of **MORGAN STANLEY MORTGAGE CAPITAL HOLDINGS LLC,** a New York limited liability company, having an address at 1221 Avenue of the Americas, New York, New York 10020 (**"Indemnitee"**) and other Indemnified Parties (as defined in the Loan Agreement).

RECITALS:

Morgan Stanley Mortgage Capital Holdings LLC, as mortgage lender (**"Mortgage Lender"**), is making a loan to Broadway 500 West Monroe Fee LLC, (**"Mortgage Borrower"**) in the principal sum of One Hundred Fifty Million and No/100 Dollars ($150,000,000.00) (the **"Mortgage Loan"**) pursuant to that certain Loan Agreement of even date herewith between Mortgage Borrower and Mortgage Lender (together with all extensions, renewals, modifications, substitutions and amendments thereof, the **"Mortgage Loan Agreement"**).

Mortgage Borrower is the owner of certain real property more particularly described in Exhibit A attached hereto (said real property being referred to as the **"Land"**; the Land, together with all structures, buildings and improvements now or hereafter located on the Land, being collectively referred to as the **"Property"**).

Borrower owns one hundred percent (100%) of the membership interests in Mortgage Borrower.

Indemnitee is prepared to make a loan (the **"Loan"**) to Borrower in the principal amount of up to **SIXTY FIVE MILLION SIX HUNDRED THOUSAND AND NO/100 DOLLARS** ($65,600,000.00) pursuant to that certain Mezzanine A Loan Agreement of even date herewith between Borrower and Indemnitee (as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time, the **"Loan Agreement"**). which Loan shall be evidenced by the Note (as defined in the Loan Agreement) and secured by, among other things, the Pledge Agreement (as defined in the Loan Agreement).

Indemnitee is unwilling to make the Loan unless Indemnitor agrees jointly and severally to provide the indemnification, representations, warranties, covenants and other matters described in this Agreement for the benefit of the Indemnified Parties.

Indemnitor is entering into this Agreement to induce Indemnitee to make the Loan.

AGREEMENT

In order to induce the Indemnitee to make the Loan to Borrower, and in consideration of the substantial benefit each and every Indemnitor will derive from the Loan:

ARTICLE I. DEFINITIONS

Capitalized terms used herein and not specifically defined herein shall have the respective meanings ascribed to such terms in the Loan Agreement. As used in this Agreement, the following terms shall have the following meanings:

The term **"Legal Action"** means any claim, suit or proceeding, whether administrative or judicial in nature.

The term **"Losses"** means any and all claims, suits, liabilities (including, without limitation, strict liabilities), actions, proceedings, obligations, debts, damages (excluding lost revenue, and consequential damages), diminution in value, actual out-of-pocket losses, costs, expenses, fines, penalties, charges, fees, expenses, judgments, awards, amounts paid in settlement of whatever kind or nature (including but not limited to reasonable attorneys' fees and other costs of defense). **"Losses"** exclude losses, costs and expenses incurred by Indemnitee as a result of its own gross negligence or willful misconduct.

ARTICLE II. INDEMNIFICATION

Section 2.01 INDEMNIFICATION. Indemnitor covenants and agrees, jointly and severally, at its sole cost and expense, to protect, defend, indemnify, release and hold Indemnified Parties harmless from and against any and all Losses imposed upon or incurred by or asserted against any Indemnified Parties and directly or indirectly arising out of or in any way relating to any one or more of the following: (a) any presence of any Hazardous Materials in, on, above, or under the Property; (b) any past, present or threatened Release of Hazardous Materials in, on, above, under or from the Property; (c) any activity by any Indemnitor, Mortgage Borrower or any Person affiliated with any Indemnitor, Mortgage Borrower and any tenant or other user of the Property in connection with any actual, proposed or threatened use, treatment, storage, holding, existence, disposition or other Release, generation, production, manufacturing, processing, refining, control, management, abatement, removal, handling, transfer or transportation to or from the Property of any Hazardous Materials at any time located in, under, on or above the Property or any actual or proposed remediation of any Hazardous Materials at any time located in, under, on or above the Property, whether or not such remediation is voluntary or pursuant to court or administrative order, including but not limited to any removal,

remedial or corrective action; (d) any past, present or threatened non-compliance or violations of any Environmental Laws (or permits issued pursuant to any Environmental Law) in connection with the Property or operations thereon, including but not limited to any failure by any Indemnitor, any Person affiliated with any Indemnitor, Mortgage Borrower and any tenant or other user of the Property to comply with any order of any governmental authority in connection with any Environmental Laws; (e) the imposition, recording or filing or the threatened imposition, recording or filing of any environmental lien encumbering the Property; (f) any acts of any Indemnitor, any Person affiliated with any Indemnitor, Mortgage Borrower and any tenant or other user of the Property in (i) arranging for disposal or treatment, or arranging with a transporter for transport for disposal or treatment, of Hazardous Materials at any facility or incineration vessel containing such or similar Hazardous Materials or (ii) accepting any Hazardous Materials for transport to disposal or treatment facilities, incineration vessels or sites from which there is a Release, or a threatened Release of any Hazardous Materials which causes the incurrence of costs for remediation; and (g) any material misrepresentation or inaccuracy in any representation or warranty or material breach or failure to perform any covenants or other obligations pursuant to this Agreement, the Loan Agreement or the Security Instrument relating to environmental matters.

Section 2.02 DUTY TO DEFEND AND ATTORNEYS AND OTHER FEES AND EXPENSES. Upon written request by any Indemnified Party, Indemnitor shall defend same (if requested by any Indemnified Party, in the name of the Indemnified Party) by attorneys and other professionals reasonably approved by the Indemnified Parties. Notwithstanding the foregoing, (i) upon the occurrence and during the continuance of an Event of Default, or (ii) if Indemnified Parties reasonably determine that (a) Indemnitor's attorneys and professionals are not defending any claim or proceeding in a manner reasonably acceptable to Indemnified Parties, or (b) their interests, in connection with any claims or proceedings, conflict with those of any Indemnified Party or Indemnitor, such Indemnified Parties may, engage their own attorneys and other professionals to defend or assist them, and, at the option of Indemnified Parties, their attorneys shall control the resolution of any claim or proceeding, provided, however, so long as no Event of Default then exists, Indemnified Parties shall not, without the prior written consent of Indemnitor, which consent shall not be unreasonably withheld, delayed or conditioned, (1) settle, compromise or prejudice Indemnitor or (2) consent to the entry of any judgment against Indemnitor, in any such claim or proceeding, unless the Indemnified Parties agree in writing to release Indemnitor from any and all obligations with respect to such settlement, compromise or judgment. Upon demand, Indemnitor shall pay or, in the sole discretion of the Indemnified Parties, reimburse, the Indemnified Parties for the payment of reasonable fees and disbursements of third party attorneys, engineers, environmental consultants, laboratories and other professionals in connection therewith, provided, however, lndemnitor shall not be obligated to pay for fees and disbursements of more than one set of attorneys (in addition to Indemnitor's own attorneys) regardless of the number of Indemnified Parties.

Section 2.03 SUBROGATION. Indemnitor shall take any and all commercially reasonable actions, including institution of legal action against third-parties, necessary or appropriate to obtain reimbursement, payment or compensation from such Persons responsible for the presence of any Hazardous Materials at, in, on, under or near the Property or otherwise obligated by law to bear the cost. Indemnified Parties shall be and hereby are subrogated to all of Indemnitor's rights now or hereafter in such claims.

Section 2.04 INTEREST. Any amounts payable to any Indemnified Parties under this Agreement shall become immediately due and payable on demand and, if not paid within thirty (30) days of such demand therefor, shall bear interest at a per annum rate equal to the Default Rate from the date payment was due.

Section 2.05 SURVIVAL. The obligations and liabilities of Indemnitor under this Agreement shall fully survive for **a** period of one (1) year after the Outside Date (defined below) provided, however, Indemnitor shall not have any obligations or liabilities under this Agreement with respect to any Losses which relate to facts or circumstances first occurring subsequent to the date upon which all of the Pledged Interests are transferred to Lender or Lender's nominee through foreclosure, exercise of a power of sale or acceptance by Lender of an assignment in lieu of foreclosure. The term **"Outside Date"** shall mean the earlier of (i) repayment of the Loan in full or (ii) a transfer of the Pledged Interests through foreclosure, exercise of a power of sale or acceptance by Lender of any assignment in lieu of foreclosure. Notwithstanding the foregoing, the obligations and liabilities of Indemnitor under this Agreement shall survive indefinitely solely with respect to any liabilities and obligations arising solely from Hazardous Materials that (x) arose or were present on the Property prior to the date of the transfer of all of the Pledged Interests to Lender or Lender's nominee through foreclosure, exercise of a power of sale or acceptance by Lender of an assignment in lieu of foreclosure, or (y) were the result of any act or omission of Indemnitor and/or any of its Affiliates, agents or contractors.

Section 2.06 NOTICE OF LEGAL ACTIONS. Each party hereto shall, within five (5) Business Days of receipt thereof, give written notice to the other party hereto of (i) any notice, advice or other communication from any Governmental Authority or any source whatsoever with respect to Hazardous Materials on, from or affecting the Property, and (ii) any Legal Action brought against such party or related to the Property, with respect to which any Indemnitor may have liability under this Agreement. Such notice shall comply with the provisions of Section 5.01 hereof.

ARTICLE III. REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 3.01 REPRESENTATIONS, WARRANTIES AND COVENANTS. Indemnitor hereby makes the authority representations and warranties contained in Section 4.1 and the environmental representations, warranties and covenants contained in Sections 4.1 and 5.1 of the Loan Agreement and agree that the same are hereby made a part of this Agreement to the same extent and with the same force as if fully set forth herein.

ARTICLE IV. GENERAL

Section 4.01 UNIMPAIRED LIABILITY. The liability of Indemnitor under this Agreement shall in no way be limited or impaired by, and indemnitor hereby consents to and agrees to be bound by, any amendment or modification of the provisions of the Note, the Pledge Agreement or any other Loan Document to or with Indemnitee by any Indemnitor or any Person who succeeds any indemnitor or any Person as owner of the Property. In addition, the liability of Indemnitor under this Agreement shall in no way be limited or impaired by (i) any extensions of

time for performance required by the Note, the Loan Agreement, the Pledge Agreement or any of the other Loan Document, (ii) any sale or transfer of all or part of the Collateral, (iii) except as provided herein, any exculpatory provision in the Note, the Loan Agreement or any of the other Loan Documents limiting Indemnitee's recourse to the Collateral or to any other security for the Note, or limiting Indemnitee's rights to a deficiency judgment against any Indemnitor, (iv) the accuracy or inaccuracy of the representations and warranties made by any Indemnitor under the Note, the Loan Agreement, the Pledge Agreement or any of the other Loan Documents or herein, (v) the release of any Indemnitor or any other Person from performance or observance of any of the agreements, covenants, terms or conditions contained in any of the other Loan Documents by operation of law, Indemnitee's voluntary act, or otherwise, (vi) the release or substitution in whole or in part of any security for the Note, or (vii) Indemnitee's failure to file any UCC financing statements (or Indemnitee's improper filing of any thereof) or to otherwise perfect, protect, secure or insure any security interest or lien given as security for the Note and, in any such case, whether with or without notice to Indemnitor and with or without consideration.

Section 4.02 ENFORCEMENT. Indemnified Parties may enforce the obligations of Indemnitor without first resorting to or exhausting any security or collateral or without first having recourse to the Note, the Loan Agreement, the Pledge Agreement, or any other Loan Documents or the Collateral, through UCC foreclosure proceedings or otherwise, provided, however, that nothing herein shall inhibit or prevent Indemnitee from suing on the Note, foreclosing, or exercising any power of sale under, the Pledge Agreement, or exercising any other rights and remedies thereunder. This Agreement is not collateral or security for the Debt of Borrower pursuant to the Loan, unless Indemnitee expressly elects in writing to make this Agreement additional collateral or security for the Debt of Borrower pursuant to the Loan, which Indemnitee is entitled to do in its sole discretion. It is not necessary for an Event of Default to have occurred pursuant to and as defined in the Loan Agreement for Indemnified Parties to exercise their rights pursuant to this Agreement. Notwithstanding any provision of the Security Instrument, the obligations pursuant to this Agreement are exceptions to any non-recourse or exculpation provision of the Loan Agreement; mdemnitor is fully and personally liable for such obligations, and their liability is not limited to the original or amortized principal balance of the Loan or the value of the Collateral.

Section 4.03 WAIVERS. (a) Indemnitor hereby waives (i) any right or claim of right to cause a marshalling of any Indemnitor's assets or to cause Indemnitee or other Indemnified Parties to proceed against any of the security for the Loan before proceeding under this Agreement against any Indemnitor; (ii) and relinquish all rights and remedies accorded by applicable law to indemnitors or guarantors, except any rights of subrogation which any lndemnitor may have, provided that the indemnity provided for hereunder shall neither be contingent upon the existence of any such rights of subrogation nor subject to any claims or defenses whatsoever which may be asserted in connection with the enforcement or attempted enforcement of such subrogation rights including, without limitation, any claim that such subrogation rights were abrogated by any acts of Indemnitee or other Indemnified Parties; (iii) the right to assert a counterclaim, other than a mandatory or compulsory counterclaim, in any action or proceeding brought against or by Indemnitee or other Indemnified Parties; (iv) notice of acceptance hereof and of any action taken or omitted in reliance hereon; (v) presentment for payment, demand of payment, protest or notice of nonpayment or failure to perform or observe, or other proof, or notice or demand; and (vi) all homestead exemption rights against the

obligations hereunder and the benefits of any statues of limitations of repose. Notwithstanding anything to the contrary contained herein, Indemnitor hereby agrees to postpone the exercise of any rights of subrogation with respect to any collateral securing the Loan until the Loan shall have been paid in full. No delay by any Indemnified Party in exercising any right, power or privilege under this Agreement shall operate as a waiver of any such privilege, power or right. Each Guarantor further waives all rights and defenses that such Guarantor may have because Borrower's debt is secured by real property. This means, among other things:

(i) The Indemnified Parties may collect from such Principal without first foreclosing on any real or personal property collateral pledged by Borrower.

(ii) If any Indemnified Party forecloses on any Collateral pledged by Borrower:

(A) The amount of the Debt may be reduced only by the price for which that Collateral is sold at the foreclosure sale, even if the Collateral is worth more than the sale price.

(B) The Indemnified Parties may collect from such Principal even if such Indemnified Party, by foreclosing on the Collateral, has destroyed any right such Principal may have to collect from Borrower.

This is an unconditional and irrevocable waiver of any rights and defenses each Principal may have because Borrower's Debt is secured by real property.

(b) INDEMNITOR HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER IN CONTRACT, TORT OR OTHERWISE, RELATING DIRECTLY OR INDIRECTLY TO THE LOAN EVIDENCED BY THE NOTE, THE APPLICATION FOR THE LOAN EVIDENCED BY THE NOTE, THE NOTE, THE SECURITY INSTRUMENT, THIS AGREEMENT OR THE OTHER SECURITY DOCUMENTS OR ANY ACTS OR OMISSIONS OF ANY INDEMNIFIED PARTIES IN CONNECTION THEREWITH.

ARTICLE V. MISCELLANEOUS

Section 5.01 NOTICES. All notices required or permitted hereunder shall be given and shall become effective as provided in the Loan Agreement. Notices to Guarantor shall be addressed as follows:

Broadway Partners Parallel Fund P III, L.P.,
Broadway Partners Parallel Fund B III, L.P. and
Broadway Partners Real Estate Fund III, L.P.
c/o Broadway Partners
375 Park Avenue, Suite 2107
New York, New York 10152
Attention: Jason P. Semrnel, Esq. (fax # 212-658-9379) and

Alan Rubenstein (fax # 646-224-8145), by separate notice to each

With a copy to:

Seyfarth Shaw LLP
1270 Avenue of the Americas
New York, New York 10020
Attention: Stephen Epstein, Esq.
Facsimile: (212) 218-5526

After July 30, 2007:

620 Eighth Avenue
New York, New York 10018

And a copy to:

Broadway Real Estate Services, LLC
One Penn Plaza, Suite 3915
New York, New York 10119
Attention: Renee Regensberg
Facsimile: (646) 514-7470

Section 5.02 NO THIRD-PARTY BENEFICIARY. The terms of this Agreement are for the sole and exclusive protection and use of Indemnified Parties. No party shall be a third-party beneficiary hereunder, and no provision hereof shall operate or inure to the use and benefit of any such third party. It is agreed that those Persons included in the definition of Indemnified Parties are not such excluded third party beneficiaries.

Section 5.03 DUPLICATE ORIGINALS; COUNTERPARTS. This Agreement may be executed in any number of duplicate originals and each duplicate original shall be deemed to be an original. This Agreement may be executed in several counterparts, each of which counterparts shall be deemed an original instrument and all of which together shall constitute a single Agreement. The failure of any party hereto to execute this Agreement, or any counterpart hereof, shall not relieve the other signatories from their obligations hereunder.

Section 5.04 NO ORAL CHANGE. This Agreement, and any provisions hereof, may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of any Indemnitor or any Indemnified Party, but only by an agreement in writing signed by the party against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

Section 5.05 HEADINGS, ETC. The headings and captions of various paragraphs of this Agreement are for convenience of reference only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

Section 5.06 NUMBER AND GENDER/SUCCESSORS AND ASSIGNS. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the Person or Persons referred to may require. Without limiting the effect of specific references in any provision of this Agreement, the term "Indemnitor" shall be deemed to refer to each and every Person comprising an Indemnitor from time to time, as the sense of a particular provision may require, and to include the heirs, executors, administrators, legal representatives, successors and assigns of Indemnitor, all of whom shall be bound by the provisions of this Agreement, provided that no obligation of any Indemnitor may be assigned except with the written consent of Indemnitee, and no rights or obligation of Indemnitee may be assigned except to a subsequent holder of the Note. Each reference herein to Indemnitee shall be deemed to include its successors and assigns. Subject to the terms and provisions of Section 2.05 of this Agreement, this Agreement shall inure to the benefit of Indemnified Parties and their respective successors and assigns forever.

Section 5.07 JOINT AND SEVERAL LIABILITY. If Indemnitor consists of more than one Person, the obligations and liabilities of each such Person hereunder are joint and several.

Section 5.08 RELEASE OF LIABILITY. Any one or more parties liable upon or in respect of this Agreement may be released without affecting the liability of any party not so released.

Section 5.09 RIGHTS CUMULATIVE. The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies which Indemnitee has under the Note, the Loan Agreement, the Security Instrument or the other Loan Documents or would otherwise have at law or in equity.

Section 5.10 INAPPLICABLE PROVISIONS. If any term, condition or covenant of this Agreement shall be held to be invalid, illegal or unenforceable in any respect, this Agreement shall be construed without such provision.

Section 5.11 GOVERNING LAW. This Agreement shall be deemed to be a contract entered into pursuant to the laws of the State of New York and shall in all respects be governed, construed, applied and enforced in accordance with the laws of the State of New York.

Section 5.12 SUBMISSION TO JURISDICTION. With respect to any claim or action arising hereunder, Indemnitor (a) irrevocably submits to the nonexclusive jurisdiction of the courts of the State of New York and the United States District Court located in the Borough of Manhattan in New York, New York, and appellate courts from any thereof, and (b) irrevocably waives any objection which it may have at any time to the laying on venue of any suit, action or proceeding arising out of or relating to this Agreement brought in any such court and irrevocably waives any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

Section 5.13 INDEMNITOR'S REPRESENTATIONS AND WARRANTIES. Indemnitor represents and warrants that Indemnitor (and its representative, executing below, if any) has full power, authority and legal right to execute this Agreement and to perform all its obligations under this Agreement.

[NO FURTHER TEXT ON THIS PAGE]

IN WITNESS WHEREOF, this Agreement has been executed by Indemnitor and is effective as of the day and year first above written.

INDEMNITOR: BORROWER:

BROADWAY 500 WEST MONROE MEZZ I LLC, a Delaware limited liability company

By: /s/ Illegible
Name:
Title: Authorized Signatory

INDEMNITOR: GUARANTOR:

BROADWAY PARTNERS PARALLEL FUND B III, L.P., a Delaware limited partnership

By: Broadway Partners Fund GP III, L.P.,
a Delaware limited partnership,
its general partner

By: Broadway Partners Fund GP III, LLC,
a Delaware limited liability company,
its general partner

By: /s/ Illegible
Name:
Title:

BROADWAY PARTNERS REAL ESTATE FUND III, L.P., a Delaware limited partnership

By: Broadway Partners Fund GP III, L.P.,
a Delaware limited partnership,
its general partner

By: Broadway Partners Fund GP III, LLC,
a Delaware limited liability company,
its general partner

By: /s/ Illegible
Name:
Title:

BROADWAY PARTNERS PARALLEL FUND P III, L.P., a Delaware limited partnership

By: Broadway Partners Fund GP III, L.P.,
a Delaware limited partnership,
its general partner

By: Broadway Partners Fund GP III, LLC,
a Delaware limited liability company,
its general partner

By: /s/ Illegible
Name:
Title:

SUBORDINATION OF MANAGEMENT AGREEMENT

(MEZZANINE A LOAN)

THIS SUBORDINATION OF MANAGEMENT AGREEMENT (this **"Agreement"**) is made as of the 11th day of July, 2007 by and among **BROADWAY 500 WEST MONROE MEZZ I LLC,** a Delaware limited liability company, having its principal place of business c/o Broadway Partners, 375 Park Avenue, Suite 2107, New York, New York 10152 **("Borrower")**, BROADWAY 500 WEST MONROE FEE LLC, a Delaware limited liability company, having its principal place of business c/o Broadway Partners, 375 Park Avenue, Suite 2107, New York, New York 10152 **("Mortgage Borrower")** to **MORGAN STANLEY MORTGAGE CAPITAL HOLDINGS LLC,** a New York limited liability company, having an address at 1221 Avenue of the Americas, New York, New York 10020**("Lender"),** and is acknowledged and consented to by **BROADWAY REAL ESTATE SERVICES, LLC,** a Delaware limited liability company, having an office c/o Broadway Partners, 375 Park Avenue, Suite 2107, New York, New York 10152 **("Manager")**.

RECITALS:

A. Lender has advanced a loan to Borrower in the principal sum of up to SIXTY FIVE MILLION SIX HUNDRED THOUSAND AND 00/100 DOLLARS ($65,600,000.00) (the **"Loan"**), or so much thereof as may be advanced pursuant to that certain Mezzanine A Loan Agreement of even date herewith between Borrower and Lender (as same may be amended, supplemented, restated or otherwise modified from time to time, the **"Loan Agreement"**).

B. The Loan is evidenced by the Note (as defined in the Loan Agreement) and secured by, among other things, the Pledge Agreement (as defined in the Loan Agreement) which grants Lender a first lien on the Collateral encumbered thereby (as defined in the Pledge Agreement). The Note, the Loan Agreement, the Security Instrument, this Agreement and any of the other documents evidencing or securing the Loan are collectively referred to as the **"Loan Documents"**.

C. Mortgage Borrower is the fee owner of the real property located at 500 West Monroe Street in Chicago, Illinois (the **"Property"**), and Borrower is the owner of 100% of the direct or indirect ownership interests in Mortgage Borrower.

D. Pursuant to the Management Agreement (a true and correct copy of which Management Agreement is attached hereto as Exhibit A), Mortgage Borrower employed Manager exclusively to rent, lease, operate and manage the Property and Manager is entitled to certain management fees (the **"Management Fees")** thereunder.

E. Lender requires as a condition to the making of the Loan that Manager subordinate its interest under the Management Agreement in lien and payment to the Note, the Loan Agreement, the Pledge Agreement and the other Loan Documents as set forth below and that Manager and Mortgage Borrower execute and deliver this Agreement to Lender.

F. All capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Loan Agreement.

AGREEMENT:

For good and valuable consideration the parties hereto agree as follows:

1. Intentionally Omitted.

2. Covenants. Borrower, Mortgage Borrower and Manager hereby covenant with Lender that during the term of this Agreement, except as expressly permitted under the Loan Agreement: (a) neither Borrower, Mortgage Borrower nor Manager shall transfer the responsibility for the management of the Property to any other Person except in accordance with the Loan Agreement; (b) neither Borrower, Mortgage Borrower nor Manager shall modify or amend any of the terms or provisions of the Management Agreement or surrender or terminate the Management Agreement except in accordance with the terms of the Loan Agreement; and (c) Borrower or Manager, as the case may be, shall, in the manner provided for in this Agreement, give notice to Lender of any notice or information that Borrower or Manager, as the case may be, receives which indicates that Mortgage Borrower or Manager has given notice to terminate or surrender the Management Agreement or that Manager is otherwise discontinuing its management of the Property.

3. Termination. This Agreement and all of Lender's right, title and interest hereunder with respect to the Management Agreement shall automatically terminate upon the repayment in full of the Loan.

4. Estoppel. Manager represents and warrants that (a) the Management Agreement is in full force and effect and has not been modified, amended or assigned other than pursuant to an assignment by Mortgage Borrower to Mortgage Lender as security for the Mortgage Loan, (b) neither Manager nor Mortgage Borrower is in default under any of the terms, covenants or provisions of the Management Agreement and Manager knows of no event which, but for the passage of time or the giving of notice or both, would constitute an event of default under the Management Agreement, (c) neither Manager nor Mortgage Borrower has commenced any action or given or received any notice for the purpose of terminating the Management Agreement and (d) the Management Fees and all other sums due and payable to Manager under the Management Agreement as of the date hereof have been paid in full.

5. Agreement by Borrower, Mortgage Borrower and Manager; Lender's Right to Replace Manager . Mortgage Borrower, Borrower and Manager hereby agree that if (a) Manager shall become insolvent or a debtor in any bankruptcy or insolvency proceeding, (b) there exists an Event of Default, (c) there exists a default by Manager under the Management Agreement, beyond any applicable cure and grace periods contained in the Management Agreement or (d) Manager has engaged in fraud, gross negligence or willful misconduct, during the term of this Agreement, then in any such event, at the option of Lender exercised by written notice to Borrower, Mortgage Borrower and Manager, Lender may exercise its rights under this Agreement and may immediately terminate the Management Agreement and require Manager to transfer its responsibility for the management of the Property to a Qualified Manager pursuant to a Replacement Management

Agreement. Manager shall be entitled to all fees earned by Manager through the date of such termination. Following any such termination, Manager shall apply all rents, security deposits, issues, proceeds and profits of the Property then or at any time thereafter held by, or under the control of, Manager in accordance with Lender's written directions to Manager; provided that if Manager shall have also received any such direction from Mortgage Lender, the direction of Mortgage Lender shall govern. Concurrently with such transfer, Borrower and Mortgage Borrower shall execute a Subordination of Management Agreement in the form then used by Lender and Borrower shall use commercially reasonable efforts to cause the Qualified Manager to execute such Subordination of Management Agreement.

6. Subordination of Management Agreement and Management Fees . The Management Agreement and any and all liens, rights and interests (whether choate or inchoate and including, without limitation, all mechanic's and materialmen's liens under applicable law) owed, claimed or held, by Manager in and to the Property, and the Management Fees and all rights and privileges of Manager to the Management Fees, are and shall be in all respects subordinate and inferior to all payments under the Loan Documents and to all liens and security interests created or to be created for the benefit of Lender, and securing the repayment of the Note and the obligations under the Loan Documents including, without limitation, those created under the Pledge Agreement covering among other things, the Collateral and all renewals, extensions, increases, supplements, amendments, modifications or replacements thereof.

7. Management Fees. Borrower, Mortgage Borrower and Manager hereby agree that Manager shall not be entitled to receive any fee, commission or other amount payable to Manager under the Management Agreement for and during any period of time that any amount due and owing Lender under the Note and the Loan Agreement is not paid when due; provided, however, that Manager shall not be obligated to return or refund to Lender any fee, commission or other amount already received by Manager, and to which Manager is entitled under the Management Agreement, prior to the date on which Manager receives written notice from Lender of such amount due and owing but unpaid by Borrower. Notwithstanding anything herein to the contrary, in no event shall Manager be obligated to perform any services or duties under the Management Agreement without payment therefor as provided in the Management Agreement.

8. Consent and Agreement by Manager . Manager hereby acknowledges and consents to this Agreement and the terms and provisions of Section 5.1.18 of the Loan Agreement, a copy of which Manager acknowledges receiving. Manager agrees that it will act in conformity with the provisions of this Agreement and Section 5.1.18 of the Loan Agreement and Lender's rights hereunder or otherwise related to the Management Agreement. In the event that the responsibility for the management of the Property is transferred from Manager in accordance with the provisions hereof, Manager shall, and hereby agrees to, fully cooperate in transferring its responsibility to a new Qualified Manager and effectuate such transfer no later than thirty (30) days from the date the Management Agreement is terminated. Further, Manager hereby agrees (a) not to contest or impede the exercise by Lender of any right it has under or in connection with this Agreement; and (b) that it shall, in the manner provided for in this Agreement, give at least thirty (30) days prior written notice to Lender of its intention to terminate the Management Agreement or otherwise discontinue its management of the Property.

9. Further Assurances. Manager further agrees to (a) execute such affidavits and certificates as Lender shall reasonably require to further evidence the agreements herein contained, (b) on request from Lender, furnish Lender with copies of such information as Borrower is entitled to receive under the Management Agreement and (c) cooperate with Lender's representative in any inspection of all or any portion of the Property. Manager hereby acknowledges that some, or all, permits, licenses and authorizations necessary for the use, operation and maintenance of the Property (the **"Permits"**) may be held by, or on behalf of, Manager. By executing this Agreement, Manager (i) agrees that it is holding or providing all such Permits for the benefit of Mortgage Borrower and (ii) hereby agrees that as security for the repayment of the Debt by Borrower in accordance with the Loan Agreement, to the extent permitted by applicable law, Manager hereby grants to Lender a security interest in and to the Permits. Moreover, Manager hereby agrees that, upon an Event of Default, it will assign the Permits to Lender if such Permits are assignable or otherwise continue to hold such Permits for the benefit of Lender until such time as Lender can obtain such Permits in its own name or the name of a nominee.

10. Intentionally Omitted.

11. Manager Not Entitled to Rents. Manager acknowledges and agrees that it is collecting and processing the Rents solely as the agent for Mortgage Borrower and Manager has no right to, or title in, the Rents. Notwithstanding anything to the contrary in the Management Agreement, Manager acknowledges and agrees that the Rents are the sole property of Mortgage Borrower, encumbered by the lien of the Mortgage Loan Documents in favor of Mortgage Lender (as defined in the Loan Agreement). In any bankruptcy, insolvency or similar proceeding, Manager, or any trustee acting on behalf of Manager, waives any claim to the Rents other than as such Rents may be used to pay the fees and compensation of Manager pursuant to the terms and conditions of the Management Agreement.

12. Governing Law. This Agreement shall be governed, construed, applied and enforced in accordance with Section 10.3 of the Loan Agreement.

13. Notices. All notices required or permitted hereunder shall be given and shall become effective as provided in Section 10.6 of the Loan Agreement.

All notices to Manager shall be addressed as follows:

Broadway Real Estate Services, LLC
c/o Broadway Partners
375 Park Avenue, Suite 2107
New York, New York 10152
Attention: Jason P. Semmel, Esq. (fax # 212-658-9379) and
Alan Rubenstein (fax # 646-224-8145), by separate notice to each

With a copy to:

Seyfarth Shaw LLP
1270 Avenue of the Americas
New York. New York 10020
Attention: Stephen Epstein, Esq.
Facsimile: (212) 218-5526

After July 30, 2007:

620 Eighth Avenue
New York, New York 10018

And a copy to:

Broadway Real Estate Services, LLC
One Perm Plaza, Suite 3915
New York, New York 10119
Attention: Renee Regensberg
Facsimile: (646) 514-7470

14. No Oral Change. This Agreement, and any provisions hereof, may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Borrower or Lender, but only by an agreement in writing signed by the party against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

15. Liability. If Borrower consists of more than one person, the obligations and liabilities of each such person hereunder shall be joint and several. This Agreement shall be binding upon and inure to the benefit of Borrower and Lender and their respective successors and assigns forever. The provisions of Section 9.4 of the Loan Agreement with respect to Borrower and Mortgage Borrower only are hereby incorporated by reference as if the text of such Section were set forth in its entirety herein.

16. Inapplicable Provisions. If any term, covenant or condition of this Agreement is held to be invalid, illegal or unenforceable in any respect, this Agreement shall be construed without such provision.

17. Headings, etc. The headings and captions of various paragraphs of this Agreement are for convenience of reference only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

18. WAIVER OF TRIAL BY JURY. EACH BORROWER, MANAGER AND, BY ITS ACCEPTANCE HEREOF, LENDER HEREBY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER IN CONTRACT, TORT OR OTHERWISE,

RELATING DIRECTLY OR INDIRECTLY TO THE LOAN EVIDENCED BY THE NOTE, THE APPLICATION FOR THE LOAN EVIDENCED BY THE NOTE, THIS AGREEMENT, THE NOTE, THE PLEDGE AGREEMENT OR THE OTHER LOAN DOCUMENTS OR ANY ACTS OR OMISSIONS OF LENDER, BORROWER OR MANAGER, ITS RESPECTIVE OFFICERS, EMPLOYEES, DIRECTORS OR AGENTS IN CONNECTION THEREWITH.

19. Duplicate Originals; Counterparts. This Agreement may be executed in any number of duplicate originals and each duplicate original shall be deemed to be an original. This Agreement may be executed in several counterparts, each of which counterparts shall be deemed an original instrument and all of which together shall constitute a single Agreement. The failure of any party hereto to execute this Agreement, or any counterpart hereof, shall not relieve the other signatories from their obligations hereunder.

20. Number and Gender. Whenever the context may require, any pronouns used herein shall include the corresponding, masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice versa.

21. Secondary Market. Lender may sell, transfer and deliver the Note and assign the Loan Agreement, the Pledge Agreement, this Agreement and the other Loan Documents to one or more Investors in a Secondary Market Transaction. In connection with such Secondary Market Transaction, Lender may retain or assign responsibility for servicing the Loan, including the Note, the Loan Agreement, the Pledge Agreement, this Agreement and the other Loan Documents, or may delegate some or all of such responsibility and/or obligations to a Servicer including, but not limited to, any subservicer or master servicer, on behalf of the Investors. All references to Lender herein shall refer to and include any such Servicer to the extent applicable.

22. Miscellaneous. (a) Wherever pursuant to this Agreement (i) Lender exercises any right given to it to approve or disapprove, (ii) any arrangement or term is to be satisfactory to Lender, or (iii) any other decision or determination is to be made by Lender, the decision of Lender to approve or disapprove, all decisions that arrangements or terms are satisfactory or not satisfactory and all other decisions and determinations made by Lender, shall be in the sole and absolute discretion of Lender and shall be final and conclusive, except as may be otherwise expressly and specifically provided herein.

(b) Wherever pursuant to this Agreement it is provided that Borrower pay any costs and expenses, such costs and expenses shall include, but not be limited to, reasonable legal fees and disbursements of Lender, whether with respect to retained firms, the reimbursement for the expenses of in-house staff or otherwise.

(c) In the event of a conflict or inconsistency between the terms of this Agreement and the Loan Agreement, the terms and provisions of the Loan Agreement shall govern.

23. Joint and Several Liability. If Borrower consists of more than one Person, each Borrower shall be jointly and severally liable for the obligations of all Borrowers under this Agreement.

[NO FURTHER TEXT ON THIS PAGE]

IN WITNESS WHEREOF the undersigned have executed this Subordination of Management Agreement as of the date and year first written above.

BORROWER:

BROADWAY 500 WEST MONROE MEZZ I LLC, a Delaware limited liability company

By: /s/ Illegible
Name:
Title:

MORTGAGE BORROWER:

BROADWAY 500 WEST MONROE FEE LLC, a Delaware limited liability company

By: /s/ Illegible
Name:
Title:

LENDER:

MORGAN STANLEY MORTGAGE CAPITAL HOLDINGS LLC, a New York limited liability company

By: /s/ Jonathan L. Frey
Name: Jonathan L. Frey
Title: Vice President

MANAGER:

BROADWAY REAL ESTATE SERVICES, LLC,
a Delaware limited liability company

By: /s/ Illegible
Name:
Title:

EXHIBIT A

MANAGEMENT AGREEMENT

(FOLLOWS)

PROPERTY MANAGEMENT AGREEMENT

THIS PROPERTY MANAGEMENT AGREEMENT (this "Agreement") is made as of the ____ day of June, 2007 (the "Effective Date"), between **BROADWAY 500 WEST MONROE FEE LLC,** a Delaware limited liability company, having an office at c/o Broadway Real Estate Partners, LLC, 375 Park Avenue, Suite 2107, New York, New York 10152 ("Owner"), and **BROADWAY REAL ESTATE SERVICES, LLC,** a Delaware limited liability company, having an office at c/o Broadway Real Estate Partners, LLC, 375 Park Avenue, Suite 2107, New York, New York 10152 ("Manager").

W I T N E S S E T H

WHEREAS, Owner is the owner of that certain commercial real property located at 500 West Monroe Street, Chicago, Illinois, together with a certain building located thereon and other improvements erected thereon (the " Property"): and

WHEREAS, Owner desires to obtain the services of Manager in connection with the management, operation, supervision and maintenance of the Property (all of the foregoing being hereinafter referred to as " Manager's Obligations") and Manager desires to render such services, as more fully described herein, on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the above recitals and for other good and valuable consideration, the adequacy and receipt of which are hereby acknowledged, the parties hereto agree as forth:

ARTICLE I
DEFINITIONS

1.1 Definitions. The following terms (whether or not underscored) when used in this Agreement, including its preamble and recitals, shall, except where the context otherwise requires, have the following meanings (such meanings to be equally applicable to the singular and plural forms thereof):

"Affiliate" means any Person or group of Persons acting in concert in respect of the Person in question that, directly or indirectly, through one or more intermediaries, Controls or is Controlled by or is under common Control with such Person.

"Agreement" is defined in the preamble.

"Audit Report" is defined in Section 5.4.

"Budget" is defined in Section 5.1(a).

"Building" is defined in the recitals.

"Business Day" means a day other than (i) a Saturday or Sunday, (ii) a public holiday or (iii) a day on which banks are not required to be open for business in the State of New York or the State in which the Property is located.

IN WITNESS WHEREOF Owner and Manager have executed this Agreement as of the Effective Date.

Owner:

BROADWAY 500 WEST MONROE FEE LLC

By: /s/ Illegible

Name: _____

Title: Authorized Signatory

Manager:

BROADWAY REAL ESTATE SERVICES, LLC

By: /s/ Illegible

Name: _____

Title: _____

COLLATERAL ASSIGNMENT
OF INTEREST RATE CAP AGREEMENT

(MEZZANINE A LOAN)

THIS COLLATERAL ASSIGNMENT OF INTEREST RATE CAP AGREEMENT (MEZZANINE A LOAN) (this **"Assignment")** is made as of this 11th day of July, 2007, by **BROADWAY 500 WEST MONROE MEZZ I LLC,** a Delaware limited liability company, as maker, having its principal place of business at c/o Broadway Partners, 375 Park Avenue, Suite 2107, New York, New York 10152 **("Assignor")**, in favor of **MORGAN STANLEY MORTGAGE CAPITAL HOLDINGS LLC,** a New York limited liability company, having an address at 1221 Avenue of the Americas, New York, New York 10020**("Assignee")**.

WHEREAS, Assignor and Assignee have entered into that certain Mezzanine A Loan Agreement of even date herewith (as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time, collectively, the **"Loan Agreement")**. Unless otherwise provided herein, all capitalized terms used but not defined in this Assignment shall have the respective meanings ascribed thereto in the Loan Agreement; and

WHEREAS, the parties wish to set forth certain understandings with respect to the Collateral (as defined below);

NOW, THEREFORE, the parties agree as follows:

1. For good and valuable consideration, the receipt and sufficiency, of which are hereby acknowledged, Assignor hereby collaterally assigns, as collateral, to Assignee, all of its right, title and interest, whether now owned or hereafter acquired, now existing or hereafter arising, wherever located, in, to and under the Fixed Income Confirmation and Agreement, Reference Number FXNCC9798, a copy of which is attached hereto as Exhibit A (the **"Agreement"**), by and between Assignor and Bear Stearns Financial Products Inc., as counterparty (**"Counterparty"**), and all of Assignor's right, title and interest in, to and under all other documents executed and/or delivered in connection with and/or secured by the Agreement, including, without limitation, all of Assignor's right, title and interest in any collateral, demands, causes of action, bank accounts, other accounts, investment property, general intangibles and supporting obligations, and any other collateral or documents arising out of and/or executed and/or delivered with respect to the Agreement, all rights and benefits of Assignor related to the Agreement, and such claims and choses in action related to the Agreement and such documents, and all of Assignor's rights, title and interests therein and thereto, and the Assignor hereby grants to Assignee a security interest in and to the Agreement and the foregoing and all proceeds (within the meaning of Sections 9-102(a)(64) and 9-315 of the Uniform Commercial Code adopted in the State of New York) thereof (the **"Collateral"),** to have and to hold the same, unto Assignee, its successors and assigns.

2. Each party to the Agreement, by its execution of this Assignment, hereby consents to the assignment of the Collateral and the other terms hereof (including, without limitation, the second sentence of Paragraph 3 hereof), and Assignor and Counterparty agree that Counterparty will make any payments to become payable under or pursuant to the Agreement

directly to the Assignee in accordance with Paragraph 6 hereof until such time as this Assignment is terminated or otherwise canceled, at which time the Counterparty will be instructed by Assignee to make payments to or on behalf of Assignor. All such payments by Counterparty to Assignee shall discharge any obligation Counterparty would otherwise have to Assignor with respect thereto. Assignor and Counterparty agree that Assignee shall have no obligation to make any payments required to be made by Assignor under the Agreement. Notwithstanding anything to the contrary set forth herein, Counterparty shall not be required to follow any instructions from any assignee of Assignee unless and until Counterparty has received written notice (at the address set forth in the Agreement) from Assignee of the applicable assignment of the Loan.

3. Assignor hereby covenants and agrees that Assignor shall not, without first obtaining Assignee's or its successor's or assign's written consent, convey, assign, sell, mortgage, encumber, pledge, hypothecate, grant a security interest in, grant an option or options with respect to, or otherwise dispose of (directly or indirectly, voluntarily or involuntarily, by operations of law or otherwise, and whether or not for consideration) the Agreement except in connection with transfers permitted without Assignee's consent or approved by Assignee pursuant to the Loan Agreement. Assignor and Counterparty hereby covenant and agree that until such time as this Assignment is terminated or otherwise canceled pursuant to Paragraph 4 hereof, Assignor and Counterparty shall not, without first obtaining Assignee's or its successor's or assign's written consent, amend, modify, cancel or terminate the Agreement.

4. This Assignment shall terminate upon the payment in full of the Debt (as defined in the Loan Agreement); it is agreed that the Debt shall be deemed to exist if the collateral for the Loan (as defined in the Loan Agreement) is transferred by judicial or non judicial foreclosure or transfer in lieu thereof.

5. In consideration of the foregoing agreements by Counterparty, Assignor and Assignee agree that (i) Counterparty shall be entitled to conclusively rely (without any independent investigation) on any notice or instructions from Assignee in respect of this Assignment, (ii) without limitation on the immediately preceding clause, in the event of any inconsistency between any notice or instructions from Assignee and any notice or instructions from Assignor, Counterparty shall be entitled to conclusively rely (without any independent investigation) on those from Assignee and (iii) Counterparty shall be held harmless and shall be fully indemnified by Assignor from and against any and all claims, other than those ultimately determined to be proximately caused by the gross negligence or willful misconduct of Counterparty or Assignee, and from and against any damages, penalties, judgments, liabilities, losses or expenses (including reasonable outside attorneys' fees and disbursements) actually incurred by Counterparty as a result of the assertion of any claim, by any person or entity, arising out of, or otherwise related to, any actions taken or omitted to be taken by Counterparty in reliance upon any such instructions or notice provided by Assignee.

6. If Assignee receives any payments under the Agreement (other than a payment by reason of a Termination Event (as defined in the Agreement) under the Agreement) and no Event of Default exists under the Loan Agreement, Assignee shall promptly deposit same in the Mezzanine A Deposit Account (as defined in the Loan Agreement). If Assignee receives any payments under the Agreement during the existence of an Event of Default under the Loan Agreement, Assignee shall have the right to hold same, to deposit same in such Mezzanine A Deposit Account or to apply same to any portion of the Debt (as defined in the Loan Agreement)

in any order it desires. If Assignee receives any payment under the Agreement by reason of a Termination Event under the Agreement, provided that an Event of Default shall not have occurred, Assignee shall make the proceeds available to Assignor to be applied to the cost of acquiring a Replacement Interest Rate Cap Agreement in form and substance, and from a counterparty, satisfactory to Assignee in all respects.

7. This Assignment shall be governed by and construed in accordance with the laws of the State of New York, without reference to choice of law doctrine.

8. This Assignment shall be binding upon and shall inure to the benefit of Assignor and Assignee and their respective successors and assigns. The rights of Assignee under this Assignment may be assigned to any holder of the Loan in its entirety and the Counterparty by its signature below consents to such assignment.

9. This Assignment may be amended or modified only by a written instrument signed by the parties hereto.

10. This Assignment may be executed in any number of counterparts, each of which shall be an original but all of which shall constitute one instrument.

11. The liability of Assignor under this Assignment is limited as set forth in Section 9.4 of the Loan Agreement and, accordingly, the provisions of Section 9.4 of the Loan Agreement are hereby incorporated by reference into this Assignment to the same extent and with the same force as if fully set forth herein (provided that such provisions shall only apply as between Assignor and Assignee and shall not affect Counterparty).

[Signature page follows]

IN WITNESS WHEREOF, Assignor and Assignee have caused this instrument to be executed and delivered as of the date set forth above.

ASSIGNOR:

BROADWAY 500 WEST MONROE MEZZ I LLC, a Delaware limited liability company

By: /s/ Illegible
Name:
Title:

LENDER:

MORGAN STANLEY MORTGAGE CAPITAL HOLDINGS LLC, a New York limited liability company

By: /s/ Jonathan L. Frey
Name: Jonathan L. Frey
Title: Vice President

ACKNOWLEDGED AND AGREED:

COUNTERPARTY:

BEAR STEARNS FINANCIAL PRODUCTS INC.

By: /s/ Leticia Chevere

Name: Leticia Chevere
Title: Authorized Signatory
Date: 7/16/07
Reference # FXNCC9798

383 Madison Avenue
New York, New York 10170
Attention: DPC Manager
Fax #(212) 272-5823

EXHIBIT A

Confirmation

(attached)

BEAR STEARNS

BEAR STEARNS FINANCIAL PRODUCTS INC.
383 MADISON AVENUE
NEW YORK, NEW YORK 10179
212-272-4009

DATE:	August 15, 2007	
TO:	Broadway 500 West Monroe Mezz I LLC	
ATTENTION:	Tyler Wiggers	**CC:** Brian McLaughlin
TELEPHONE:	212-810-4038	Chatham Financial
FACSIMILE:	646-607-7894	**FAX:** 610-925-3125
FROM:	Derivatives Documentation	
TELEPHONE:	212-272-2711	
FACSIMILE:	212-272-9857	
SUBJECT:	Fixed Income Derivatives Confirmation and Agreement	

REFERENCE NUMBER: FXNCC9798 – Amended II

This Confirmation and Agreement is amended as of August 14, 2007 and supersedes all previous Confirmations and Agreements regarding this Transaction.

This Transaction is entered into in connection with a Collateral Assignment of Interest Rate Cap Agreement between Broadway 500 West Monroe Mezz I LLC and Morgan Stanley Mortgage Capital Holdings LLC, with an Acknowledgement by Bear Stearns Financial Products Inc.

The purpose of this letter agreement ("Agreement") is to confirm the terms and conditions of the Transaction entered into on the Trade Date specified below (the "Transaction") between Bear Steams Financial Products Inc. ("BSFP") and Broadway 500 West Monroe Mezz I LLC, a limited liability company organized under the laws of Delaware ("Counterparty"). This Agreement, which evidences a complete and binding agreement between you and us to enter into the Transaction on the terms set forth below, constitutes a "Confirmation" as referred to in the "ISDA Form Master Agreement" (as defined below), as well as a "Schedule" as referred to in the ISDA Form Master Agreement.

1. This Agreement is subject to the *2000 ISDA Definitions* (the "Definitions"), as published by the International Swaps and Derivatives Association, Inc. ("ISDA"). You and we have agreed to enter into this Agreement in lieu of negotiating a Schedule to the 1992 ISDA Master Agreement (Multicurrency—Cross Border) form (the "ISDA Form Master Agreement") but, rather, an ISDA Form Master Agreement shall be deemed to have been executed by you and us on the date we entered into the Transaction. In the event of any inconsistency between the provisions of this Agreement and the Definitions or the ISDA Form Master Agreement, this Agreement shall prevail for purposes of the Transaction.

2. The terms of the particular Transaction to which this Confirmation relates are as follows:

Type of Transaction:	Rate Cap
Notional Amount:	USD ^75,600,000
Trade Date:	July 10, 2007
Effective Date:	July 11, 2007
Termination Date:	August 15, 2009

Fixed Amount (Premium):

Fixed Rate Payer:	Counterparty
Fixed Rate Payer Payment Date:	July 12, 2007
Fixed Amount:	USD 215,300

Floating Amounts:

Floating Rate Payer:	BSFP
Cap Rate:	5.50000%
Floating Rate Payer Period End Dates:	The 15th calendar day of each month during the Term of this Transaction, commencing August 15, 2007 and ending on the Termination Date, with No Adjustment.
Floating Rate Payer Payment Dates:	Three Business Days prior to the 9th calendar day of each month during the Term of this Transaction, commencing three Business Days prior to August 9, 2007 and ending three Business Days prior to August 9, 2009; provided that such ninth calendar day shall first be adjusted in accordance with the Preceding Business Day Convention.
Floating Rate Option:	USD-LIBOR-BBA; provided, however, that (i) all references in Sections 7.1(w)(xvii) and 7.1(w)(xx) of the Definitions to "on the day that is two London Banking Days preceding that Reset Date" shall be deleted and replaced

with "on the day that is two New York and London Banking Days preceding that Reset Date" and (ii) notwithstanding Section 7.l(w)(xvii) of the Definitions (as amended above), if the British Bankers' Association no longer publishes such rate on Telerate Page 3750, or on any successor page, for any Reset Date, the rate for that Reset Date will be determined as if the parties' specified USD-LIBOR-LTBO.

Designated Maturity:	One month
Floating Rate Day Count Fraction:	Actual/360
Reset Dates:	The first day of each Calculation Period.
Compounding:	Inapplicable
Business Days:	New York
Business Day Convention:	Preceding
Rounding:	Notwithstanding anything to the contrary in Section 8.1 of the Definitions, the Floating Rate Option shall be rounded upward, if necessary, to the nearest one-thousandth (1/1000 th) of a percentage point.

3. Additional Provisions: 1) Each party hereto is hereby advised and acknowledges that the other party has engaged in (or refrained from engaging in) substantial financial transactions and has taken (or refrained from taking) other material actions in reliance upon the entry by the parties into the Transaction being entered into on the terms and conditions set forth herein and in the Confirmation relating to such Transaction, as applicable. This paragraph (1) shall be deemed repeated on the trade date of each Transaction.

4. Downgrade Event: In the event that BSFP's long-term unsecured and unsubordinated debt rating is withdrawn or reduced below "A+" by Standard and Poor's Ratings Services, Inc. ("S&P"), or any successor thereto or its long-term unsecured and unsubordinated debt rating is withdrawn or reduced below "Aa3" by Moody's Investors Service, Inc.,

("Moody's") or any successor thereto (and together with S&P, the "Rating Agencies", and such rating thresholds, "Approved Rating Thresholds"), then within 30 days after such rating withdrawal or downgrade, BSFP shall, either (i) at its own expense, seek another entity to replace BSFP as party to this Agreement that meets or exceeds the Approved Rating Thresholds on terms substantially similar to this Agreement, or (ii) post collateral on terms acceptable to the Rating Agencies,; provided that, notwithstanding such a downgrade, withdrawal or qualification, unless and until BSFP transfers the Transaction to a replacement counterparty pursuant to the foregoing clause (ii), BSFP will continue to perform its obligations under the Transaction. Failure to satisfy the foregoing shall constitute an Additional Termination Event as defined by Section 5(b)(v) of the ISDA Master Agreement, with BSFP as the Affected Party.

Notwithstanding the foregoing, in the event that BSFP's long-term unsecured and unsubordinated debt rating is reduced below "BBB+" by S&P or "A2" by Moody's, then within 20 days after such rating downgrade, BSFP shall, at its own expense, secure another entity to replace BSFP as party to this Agreement that meets or exceeds the Approved Rating Thresholds on terms substantially similar to this Agreement; provided that, notwithstanding such a downgrade, unless and until BSFP transfers the Transaction to a replacement counterparty pursuant to the foregoing, BSFP will continue to perform its obligations under the Transaction. Failure to satisfy the foregoing shall constitute an Additional Termination Event as defined by Section 5(b)(v) of the ISDA Master Agreement, with BSFP as the Affected Party.

5. Provisions Deemed incorporated in a Schedule to the ISDA Form Master Agreement:

1) The parties agree that subparagraph (ii) of Section 2(c) of the ISDA Form Master Agreement will apply to any Transaction.

2) *Termination Provisions.* For purposes of the ISDA Form Master Agreement:

(a) "Specified Entity" is not applicable to BSFP or Counterparty for any purpose.

(b) "Specified Transaction" is not applicable to BSFP or Counterparty for any purpose, and, accordingly, Section 5(a)(v) shall not apply to BSFP or Counterparty.

(c) The "Cross Default" provisions of Section 5(a)(vi) will not apply to BSFP or to Counterparty.

(d) The "Credit Event Upon Merger" provisions of Section 5(b)(iv) will not apply to BSFP or Counterparty.

(e) The "Automatic Early Termination" provision of Section 6(a) will not apply to BSFP or to Counterparty.

(f) Payments on Early Termination. For the purpose of Section 6(e):

(i) Market Quotation will apply.

(ii) The Second Method will apply.

(g) "Termination Currency" means United States Dollars.

3) Tax Representations. Not applicable

4) *Limitation on Events of Default.* Notwithstanding the terms of Sections 5 and 6 of the ISDA Form Master Agreement, if at any time and so long as the Counterparty has satisfied in full all its payment obligations under Section 2(a)(i) of the ISDA Form Master Agreement and has at the time no future payment obligations, whether absolute or contingent, under such Section, then unless BSFP is required pursuant to appropriate proceedings to return to the Counterparty or otherwise returns to the Counterparty upon demand of the Counterparty any portion of any such payment, (a) the occurrence of an event described in Section 5(a) of the ISDA Form Master Agreement with respect to the Counterparty shall not constitute an Event of Default or Potential Event of Default with respect to the Counterparty as Defaulting Party and (b) BSFP shall be entitled to designate an Early Termination Date pursuant to Section 6 of the ISDA Form Master Agreement only as a result of the occurrence of a Termination Event set forth in either Section 5(b)(i) or 5(b)(ii) of the ISDA Form Master Agreement with respect to BSFP as the Affected Party, or Section 5(b)(iii) of the ISDA Form Master Agreement with respect to BSFP as the Burdened Party.

5) *Documents to be Delivered.* For the purpose of Section 4(a) of the ISDA Form Master Agreement:

(1) Tax forms, documents, or certificates to be delivered are:

Party required to deliver document	Form/Document/ Certificate	Date by which to be delivered
BSFP and the Counterparty	Any document required or reasonably requested to allow the other party to make payments under this Agreement without any deduction or withholding for or on the account of any Tax or with such deduction or withholding at a reduced rate	Promptly after the earlier of (i) reasonable demand by either party or (ii) learning that such form or document is required

(2) Other documents to be delivered are:

Party required to deliver document	Form/Document/ Certificate	Date by which to be delivered	Covered by Section 3(d) Representation
BSFP and the Counterparty	Any documents required by the receiving party to evidence the authority of the delivering party or its Credit Support Provider, if any, for it to execute and deliver this Agreement, any Confirmation, and any Credit Support Documents to which it is a party, and to evidence the authority of the delivering party or its Credit Support Provider to perform its obligations under this Agreement, such Confirmation and/or Credit Support Document, as the case	Upon the execution and delivery of this Agreement and such Confirmation	Yes

Party required to deliver document	**Form/Document/ Certificate**	**Date by which to be delivered**	**Covered by Section 3(d) Representation**
	may be		
BSFP and the Counterparty	A certificate of an authorized officer of the party, as to the incumbency and authority of the respective officers of the party signing this Agreement, any relevant Credit Support Document, or any Confirmation, as the case may be	Upon the execution and delivery of this Agreement and such Confirmation	Yes
BSFP	Legal opinion(s) with respect to such party and its Credit Support Provider, if any, for it reasonably satisfactory in form and substance to the other party relating to the enforceability of the party's obligations under this Agreement.	Upon the execution and delivery of this Agreement and any Confirmation	No

6) *Miscellaneous.* Miscellaneous

(a) Address for Notices: For the purposes of Section 12(a) of the ISDA Form Master Agreement:

Address for notices or communications to BSFP:

Address: 383 Madison Avenue, New York, New York 10179
Attention: DPC Manager
Facsimile: (212) 272-5823

with a copy to:

Address: One Metrotech Center North, Brooklyn, New York 11201
Attention: Derivative Operations - 7th Floor

Facsimile: (212) 272-1634

(For all purposes)

Address for notices or communications to the Counterparty:

Address: Broadway 500 West Monroe Mezz I LLC
375 Park Ave
Suite 2107
New York, NY 10152
Attention: Tyler Wiggers
Facsimile: (646) 607-7894
Phone: (212) 810-4038

with a copy to:

Address: Chatham Financial Corporation
235 Whitehorse Lane
Kennett Square, PA 19348
Attention: Brian McLaughlin
Facsimile: (610) 925-3125
Phone: (484) 731-0210

(For all purposes)

(b) Process Agent. For the purpose of Section 13(c) of the ISDA Form Master Agreement:

BSFP appoints as its
Process Agent: Not Applicable

The Counterparty appoints as its
Process Agent: Not Applicable

(c) Offices. The provisions of Section 10(a) of the ISDA Form Master Agreement will not apply to this Agreement; neither BSFP nor the Counterparty have any Offices other than as set forth in the Notices Section and BSFP agrees that, for purposes of Section 6(b) of the ISDA Form Master Agreement, it shall not in fixture have any Office other than one in the United States.

(d) Multibranch Party. For the purpose of Section 10(c) of the ISDA Form Master Agreement:

BSFP is not a Multibranch Party.

The Counterparty is not a Multibranch Party.

(e) Calculation Agent. The Calculation Agent is BSFP.

(f) Credit Support Document. Not applicable for either BSFP or the Counterparty.

(g) Credit Support Provider.

BSFP: Not Applicable

The Counterparty: Not Applicable

(h) Governing Law. The parties to this Agreement hereby agree that the law of the State of New York shall govern their rights and duties in whole.

(i) Severability. If any term, provision, covenant, or condition of this Agreement, or the application thereof to any party or circumstance, shall be held to be invalid or unenforceable (in whole or in part) for any reason, the remaining terms, provisions, covenants, and conditions hereof shall continue in full force and effect as if this Agreement had been executed with the invalid or unenforceable portion eliminated, so long as this Agreement as so modified continues to express, without material change, the original intentions of the parties as to the subject matter of this Agreement and the deletion of such portion of this Agreement will not substantially impair the respective benefits or expectations of the parties.

The parties shall endeavor to engage in good faith negotiations to replace any invalid or unenforceable term, provision, covenant or condition with a valid or enforceable term, provision, covenant or condition, the economic effect of which comes as close as possible to that of the invalid or unenforceable term, provision, covenant or condition.

(j) Consent to Recording. Each party hereto consents to the monitoring or recording, at any time and from time to time, by the other party of any and all communications between officers or employees of the parties, waives any further notice of such monitoring or recording, and agrees to notify its officers and employees of such monitoring or recording.

(k) Waiver of Jury Trial. Each party waives any right it may have to a trial by jury in respect of any Proceedings relating to this Agreement or any Credit Support Document.

(I) BSFP will not unreasonably withhold or delay its consent to an assignment of this Agreement to any other third party.

(m) For purposes of Section 6(e) of the ISDA Form Master Agreement, set-off and counterclaim will not apply.

(n) BSFP is a U.S. entity and no withholding tax is payable. In the event that BSFP is no longer a U.S. entity or its obligations or this Agreement is transferred to a non-U.S. entity then the following provisions will apply and the Termination Events in Sections 5(b)(ii) and 5(b)(iii) will no longer be exercisable by BSFP:

(a) Section 2(d)(i)(4) of the ISDA Form Master Agreement is amended by (i) deleting the words "However, X will not be required to pay any additional amount to Y to the extent that it would not be required to be paid but for:"; and (ii) deleting subsections (A) and (B).

(b) Section 2(d)(ii) of the ISDA Form Master Agreement will not apply to Counterparty.

(c) Section 4(e) of the ISDA Form Master Agreement will not apply to the Counterparty.

(d) The definition of "Indemnifiable Tax" contained in Section 14 of the ISDA Form Master Agreement is deleted and is replaced with the following: '"Indemnifiable Tax' means any and all withholding tax."

7) "Affiliate". Neither party shall be deemed to have any Affiliates for purposes of this Agreement.

8) The ISDA Form Master Agreement is hereby amended as follows:

(a) Counterparty shall be precluded from payment of any out-of-pocket expenses required under Section 11 of the ISDA Form Master Agreement and incurred by BSFP related to the enforcement and protection of BSFP's rights under the Agreement with respect to this Transaction;

(b) BSFP covenants that it will not present or institute a petition for Counterparty's bankruptcy in respect of this Transaction (nor will BSFP job in any such petition) for 365 days after all outstanding rated securities with respect to the Loan (as defined herein) has been paid in full. The "Loan" means the loan made under the Loan Agreement dated as of July 11, 2007 (as amended, modified or supplemented and in effect from time to time), by and between Counterparty, as borrower and Morgan Stanley Mortgage Capital Holdings LLC as lender.

9) Section 3 of the ISDA Form Master Agreement is hereby amended by adding at the end thereof the following subsection (g):

"(g) Relationship Between Parties.

Each party represents to the other party on each date when it enters into a Transaction that:–

(1) Nonreliance. It is not relying on any statement or representation of the other party regarding the Transaction (whether written or oral), other than the representations expressly made in this Agreement or the Confirmation in respect of that Transaction.

(2) Evaluation and Understanding ,

(i) It has the capacity to evaluate (internally or through independent professional advice) the Transaction and has made its own decision to enter into the Transaction; and

(ii) It understands the terms, conditions and risks of the Transaction and is willing and able to accept those terms and conditions and to assume those risks, financially and otherwise,

(3) Purpose. It is entering into the Transaction for the purposes of managing its borrowings or investments, hedging its underlying assets or liabilities or in connection with a line of business.

(4) Principal. It is entering into the Transaction as principal, and not as agent or in any other capacity, fiduciary or otherwise."

NEITHER THE BEAR STEARNS COMPANIES INC. NOR ANY SUBSIDIARY OR AFFILIATE OF THE BEAR STEARNS COMPANIES INC. OTHER THAN BSFP IS AN OBLIGOR OR A CREDIT SUPPORT PROVIDER ON THIS AGREEMENT.

6. Account Details and Settlement Information:

Payments to BSFP:
Citibank, N.A., New York
ABA Number: 021-0000-89, for the account of
Bear, Stearns Securities Corp.
Account Number: 0925-3186, for further credit to
Bear Steams Financial Products Inc.
Sub-account Number: 102-04654-1-3
Attention: Derivatives Department

Payments to Counterparty:
Bank Name: KeyBank, N.A.
ABA Number: 021-300-077
Account Name: Broadway 500 West Monroe Mezz I LLC
Cash Management Account fbo Morgan Stanley Mortgage
Capital Holdings LLC
as Lender together with its successors or assigns
Account Number: 327820074356

This Agreement may be executed in several counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

Counterparty hereby agrees to check this Confirmation and to confirm that the foregoing correctly sets forth the terms of the Transaction by signing in the space provided below and returning to BSFP a facsimile of the fully-executed Confirmation to **212-272-9857.** For inquiries regarding U.S. Transactions, please contact **Derivatives Documentation** by telephone at **212-272-2711.** For all other inquiries please contact **Derivatives Documentation** by telephone at **353-1-402-6233.** Originals will be provided for your execution upon your request.

We are very pleased to have executed this Transaction with you and we look forward to completing other transactions with you in the near future.

Very truly yours,

BEAR STEARNS FINANCIAL PRODUCTS INC.

By: /s/ Annie Manevitz
Name: ANNIE MANEVITZ
Title: AUTHORIZED SIGNATORY

Counterparty, acting through its duly authorized signatory, hereby agrees to, accepts and confirms the terms of the foregoing as of the Trade Date.

BROADWAY 500 WEST MONROE MEZZ I LLC, a
Delaware limited liability company

By: /s/ Illegible
Name:
Title:

lm

BEAR STEARNS

BEAR STEARNS FINANCIAL PRODUCTS INC.
383 MADISON AVENUE
NEW YORK, NEW YORK 10179
212-272-4009

DATE:	July 11, 2007		
TO:	Broadway 500 West Monroe Mezz I LLC		
ATTENTION:	Tyler Wiggers	**CC:**	Brian McLaughlin
TELEPHONE:	212-810-4038		Chatham Financial
FACSIMILE:	646-607-7894	**FAX:**	610-925-3125
FROM:	Derivatives Documentation		
TELEPHONE:	212-272-2711		
FACSIMILE;	212-272-9857		
SUBJECT:	Fixed Income Derivatives Coinformation and Agreement		
REFERENCE NUMBER:	FXNCC9798		

This Transaction is entered into in connection with a Collateral Assignment of Interest Rate Cap Agreement between Broadway 500 West Monroe Mezz I LLC and Morgan Stanley Mortgage Capital Holdings LLC, with an Acknowledgement by Bear Stearns Financial Products Inc.

The purpose of this letter agreement ("Agreement") is to confirm the terms and conditions of the Transaction entered into on the Trade Date specified below (the "Transaction") between Bear Stearns Financial Products Inc. ("BSFP") and Broadway 500 West Monroe Mezz I LLC, a limited liability company organized under the laws of Delaware ("Counterparty"). This Agreement, which evidences a complete and binding agreement between you and us to enter into the Transaction on the terms set forth below, constitutes a "Confirmation" as referred to in the "ISDA Form Master Agreement" (as defined below), as well as a "Schedule" as referred to in the ISDA Form Master Agreement.

1. This Agreement is subject to the *2000 ISDA Definitions* (the " Definitions"), as published by the International Swaps and Derivatives Association, Inc. ("ISDA"). You and we have agreed to enter into this Agreement in lieu of negotiating a Schedule to the 1992 ISDA Master Agreement (Multicurrency—Cross Border) form (the "ISDA Form Master Agreement") but, rather, an ISDA Form Master Agreement shall be deemed to have been executed by you and us on the date we entered into the Transaction. In the event of any inconsistency between the provisions of this Agreement and the Definitions or the ISDA Form Master Agreement, this Agreement shall prevail for purposes of the Transaction.

2. The terms of the particular Transaction to which this Confirmation relates are as follows:

Type of Transaction:	Rate Cap

Notional Amount:	USD 65,600,000
Trade Date:	July 10, 2007
Effective Date:	July 11, 2007
Termination Date:	August 15, 2009

Fixed Amount (Premium):

Fixed Rate Payer:	Counterparty
Fixed Rate Payer Payment Date:	July 12,2007
Fixed Amount:	USD 215,300

Floating Amounts:

Floating Rate Payer:	BSFP
Cap Rate:	5.50000%
Floating Rate Payer Period End Dates:	The 15th calendar day of each month during the Term of this Transaction, commencing August 15, 2007 and ending on the Termination Date, with No Adjustment.
Floating Rate Payer Payment Dates:	Three Business Days prior to the 9th calendar day of each month during the Term of this Transaction, commencing three Business Days prior to August 9, 2007 and ending three Business Days prior to August 9, 2009; provided that such ninth calendar day shall first be adjusted in accordance with the Preceding Business Day Convention.
Floating Rate Option:	USD-LIBOR-BBA; provided, however, that all references in Sections 7.1(w)(xvii) and 7.1(w)(xx) of the Definitions to “on the day that is two London Banking Days preceding that Reset Date” shall be deleted and replaced with “on the day that is two New York and London Banking Days preceding that Reset Date”.

	Designated Maturity:	One month
	Floating Rate Day Count Fraction:	Actual/360
	Reset Dates:	The first day of each Calculation Period.
	Compounding:	Inapplicable
	Business Days:	New York
	Business Day Convention:	Preceding
	Rounding:	Notwithstanding anything to the contrary in Section 8.1 of the Definitions, the Floating Rate Option shall be rounded upward, if necessary, to the nearest one-thousandth (1/1000 th) of a percentage point.
3.	Additional Provisions:	1) Each party hereto is hereby advised and acknowledges that the other party has engaged in (or refrained from engaging in) substantial financial transactions and has taken (or refrained from taking) other material actions in reliance upon the entry by the parties into the Transaction being entered into on the terms and conditions set forth herein and in the Confirmation relating to such Transaction, as applicable. This paragraph (1) shall be deemed repeated on the trade date of each Transaction.
4.	Downgrade Event.	In the event that BSFP's long-term unsecured and unsubordinated debt rating is withdrawn or reduced below "AA-" by Standard and Poor's Ratings Services, Inc. ("S&P"), or any successor thereto or its long-term unsecured and unsubordinated debt rating is withdrawn or reduced below "Aa3" by Moody's Investors Service, Inc., ("Moody's") or any successor thereto (and together with S&P, the "Rating Agencies", and such raring thresholds, "Approved Rating Thresholds"), then within 30 days after such rating withdrawal or downgrade, BSFP shall, either (i) at its own expense, seek another entity to replace BSFP as party to this Agreement that meets or exceeds the Approved Rating Thresholds on terms substantially similar to this Agreement, or (ii) post collateral on terms acceptable to the Rating Agencies,; provided that, notwithstanding such a

downgrade, withdrawal or qualification, unless and until BSFP transfers the Transaction to a replacement counterparty pursuant to the foregoing clause (ii), BSFP will continue to perform its obligations under the Transaction. Failure to satisfy the foregoing shall constitute an Additional Termination Event as defined by Section 5(b)(v) of the ISDA Master Agreement, with BSFP as the Affected Party.

Notwithstanding the foregoing, in the event that BSFP's long-term unsecured and unsubordinated debt rating is reduced below "BBB-" by S&P or "Baa3" by Moody's, then within 20 days after such rating downgrade, BSFP shall, at its own expense, secure another entity to replace BSFP as party to this Agreement that meets or exceeds the Approved Rating Thresholds on terms substantially similar to this Agreement; provided that, notwithstanding such a downgrade, unless and until BSFP transfers the Transaction to a replacement counterparty pursuant to the foregoing. BSFP will continue to perform its obligations under the Transaction. Failure to satisfy the foregoing shall constitute an Additional Termination Event as defined by Section 5(b)(v) of the ISDA Master Agreement, with BSFP as the Affected Party.

5. Provisions Deemed Incorporated in a Schedule to the ISDA Form Master Agreement:

1) The parties agree that subparagraph (ii) of Section 2(c) of the ISDA Form Master Agreement will apply to any Transaction.

2) *Termination Provisions.* For purposes of the ISDA Form Master Agreement:

(a) "Specified Entity" is not applicable to BSFP or Counterparty for any purpose.

(b) "Specified Transaction" is not applicable to BSFP or Counterparty for any purpose, and, accordingly, Section 5(a)(v) shall not apply to BSFP or Counterparty.

(c) The "Cross Default" provisions of Section 5(a)(vi) will not apply to BSFP or to Counterparty.

(d) The "Credit Event Upon Merger" provisions of Section 5(b)(iv) will not apply to BSFP or Counterparty.

(e) The "Automatic Early Termination" provision of Section 6(a) will not apply to BSFP or to Counterparty.

(f) Payments on Early Termination. For the purpose of Section 6(e):

(i) Market Quotation will apply.

(ii) The Second Method will apply.

(g) "Termination Currency" means United States Dollars.

3) Tax Representations. Not applicable

4) *Limitation on Events of Default.* Notwithstanding the terms of Sections 5 and 6 of the ISDA Form Master Agreement, if at any time and so long as the Counterparty has satisfied in full all its payment obligations under Section 2(a)(t) of the ISDA Form Master Agreement and has at the time no future payment obligations, whether absolute or contingent, under such Section, then unless BSFP is required pursuant to appropriate proceedings to return to the Counterparty or otherwise returns to the Counterparty upon demand of the Counterparty any portion of any such payment, (a) the occurrence of an event described in Section 5(a) of the ISDA Form Master Agreement with respect to the Counterparty shall not constitute an Event of Default or Potential Event of Default with respect to the Counterparty as Defaulting Party and (b) BSFP shall be entitled to designate an Early Termination Date pursuant to Section 6 of the ISDA Form Master Agreement only as a result of the occurrence of a Termination Event set forth in either Section 5(b)(i) or 5(b)(ii) of the ISDA Form Master Agreement with respect to BSFP as the Affected Party, or Section 5(b)(iii) of the ISDA Form Master Agreement with respect to BSFP as the Burdened Party.

5) *Documents to be Delivered.* For the purpose of Section 4(a) of the ISDA Form Master Agreement:

(1) Tax forms, documents, or certificates to be delivered are:

Party required to deliver document	Form/Document/ Certificate	Date by which to be delivered
BSFP and the Counterparty	Any document required or reasonably requested to allow the other party to make payments under this Agreement without any deduction or withholding for or on the account of any Tax or with such deduction or withholding at a reduced rate	Promptly after the earlier of (i) reasonable demand by either party or (ii) learning that such form or document is required

(2) Other documents to be delivered are:

Party required to deliver document	Form/Document/ Certificate	Date by which to be delivered	Covered by Section 3(d) Representation
BSFP and the Counterparty	Any documents required by the receiving party to evidence the authority of the delivering party or its Credit Support Provider, if any, for it to execute and deliver this Agreement, any Confirmation, and any Credit Support Documents to which it is a party, and to evidence the authority of the delivering party or its Credit Support Provider to perform its obligations under this Agreement, such Confirmation and/or Credit Support Document, as the case	Upon the execution and delivery of this Agreement and such Confirmation	Yes

Party required to deliver document	**Form/Document/ Certificate**	**Date by which to be delivered**	**Covered by Section 3(d) Representation**
	maybe		
BSFP and the Counterparty	A certificate of an authorized officer of the party, as to the incumbency and authority of the respective officers of the party signing this Agreement, any relevant Credit Support Document, or any Confirmation, as the case may be	Upon the execution and delivery of this Agreement and such Confirmation	Yes
BSFP	Legal opinion(s) with respect to such party and its Credit Support Provider, if any, for it reasonably satisfactory in form and substance to the other party relating to the enforceability of the party's obligations under this Agreement.	Upon the execution and delivery of this Agreement and any Confirmation	No

6) *Miscellaneous.* Miscellaneous

(a) Address for Notices: For the purposes of Section 12(a) of the ISDA Form Master Agreement:

Address for notices or communications to BSFP:

Address: 383 Madison Avenue, New York, New York 10179
Attention: DPC Manager
Facsimile: (212) 272-5823

with a copy to:

Address: One Metrotech Center North, Brooklyn, New York 11201
Attention: Derivative Operations - 7th Floor

Facsimile: (212) 272-1634

(For all purposes)

Address for notices or communications to the Counterparty:

Address: Broadway 500 West Monroe Mezz I LLC
375 Park Ave
Suite 2107
New York, NY 10152
Attention: Tyler Wiggers
Facsimile: (646) 607-7894
Phone: (212) 810-4038

with a copy to:

Address: Chatham Financial Corporation
235 Whitehorse Lane
Kennett Square, PA 19348
Attention: Brian McLaughlin
Facsimile: (610) 925-3125
Phone: (484) 731-0210

(For all purposes)

(b) Process Agent. For the purpose of Section 13(c) of the ISDA Form Master Agreement:

BSFP appoints as its Process Agent: Not Applicable

The Counterparty appoints as its Process Agent: Not Applicable

(c) Offices. The provisions of Section 10(a) of the ISDA Form Master Agreement will not apply to this Agreement; neither BSFP nor the Counterparty have any Offices other than as set forth in the Notices Section and BSFP agrees that, for purposes of Section 6(b) of the ISDA Form Master Agreement, it shall not in future have any Office other than one in the United States.

(d) Multibranch Party. For the purpose of Section 10(c) of the ISDA Form Master Agreement:

BSFP is not a Multibranch Party.

The Counterparty is not a Multibranch Party.

(e) Calculation Agent. The Calculation Agent is BSFP.

(f) Credit Support Document. Not applicable for either BSFP or the Counterparty.

(g) Credit Support Provider.

BSFP: Not Applicable

The Counterparty: Not Applicable

(h) Governing Law. The parties to this Agreement hereby agree that the law of the State of New York shall govern their rights and duties in whole.

(i) Severability. If any term, provision, covenant, or condition of this Agreement, or the application thereof to any party or circumstance, shall be held to be invalid or unenforceable (in whole or in part) for any reason, the remaining terms, provisions, covenants, and conditions hereof shall continue in full force and effect as if this Agreement had been executed with the invalid or unenforceable portion eliminated, so long as this Agreement as so modified continues to express, without material change, the original intentions of the parties as to the subject matter of this Agreement and the deletion of such portion of this Agreement will not substantially impair the respective benefits or expectations of the parties.

The parties shall endeavor to engage in good faith negotiations to replace any invalid or unenforceable term, provision, covenant or condition with a valid or enforceable term, provision, covenant or condition, the economic effect of which comes as close as possible to that of the invalid or unenforceable term, provision, covenant or condition.

(j) Consent to Recording. Each party hereto consents to the monitoring or recording, at any time and from time to time, by the other party of any and all communications between officers or employees of the parties, waives any further notice of such monitoring or recording, and agrees to notify its officers and employees of such monitoring or recording.

(k) Waiver of Jury Trial. Each party waives any right it may have to a trial by jury in respect of any Proceedings relating to this Agreement or any Credit Support Document.

(l) BSFP will not unreasonably withhold or delay its consent to an assignment of this Agreement to any other third party.

(m) For purposes of Section 6(e) of the ISDA Form Master Agreement, set-off and counterclaim will not apply.

(n) BSFP is a U.S. entity and no withholding tax is payable. In the event that BSFP is no longer a U.S. entity or its obligations or this Agreement is transferred to a non-U.S. entity then the following provisions will apply and the Termination Events in Sections 5(b)(ii) and 5(b)(iii) will no longer be exercisable by BSFP:

(a) Section 2(d)(i)(4) of the ISDA Form Master Agreement is amended by (i) deleting the words "However, X will not be required to pay any additional amount to Y to the extent that it would not be required to be paid but for:"; and (ii) deleting subsections (A) and (B).

(b) Section 2(d)(ii) of the ISDA Form Master Agreement will not apply to Counterparty.

(c) Section 4(e) of the ISDA Form Master Agreement will not apply to the Counterparty.

(d) The definition of "Indemnifiable Tax" contained in Section 14 of the ISDA Form Master Agreement is deleted and is replaced with the following: "'Indemnifiable Tax' means any and all withholding tax."

7) "Affiliate". Neither party shall be deemed to have any Affiliates for purposes of this Agreement.

8) The ISDA Form Master Agreement is hereby amended as follows:

(a) Counterparty shall be precluded from payment of any out-of-pocket expenses required under Section 11 of the ISDA Form Master Agreement and incurred by BSFP related to the enforcement and protection of BSFP's rights under the Agreement with respect to this Transaction;

(b) BSFP covenants that it will not present or institute a petition for Counterparty's bankruptcy in respect of this Transaction (nor will BSFP join in any such petition) for 365 days after the Loan (as defined herein) is paid in full. The "Loan" means the loan made under the Loan Agreement dated as of July 11, 2007 (as amended, modified or supplemented and in effect from time to time), by and between Counterparty, as borrower and Morgan Stanley Mortgage Capita Holdings LLC as lender.

9) Section 3 of the ISDA Form Master Agreement is hereby amended by adding at the end thereof the following subsection (g):

"(g) Relationship Between Parties.

Each party represents to the other party on each date when it enters into a Transaction that:–

Counterparty hereby agrees to check this Confirmation and to confirm that the foregoing correctly sets forth the terms of the Transaction by signing in the space provided below and returning to BSFP a facsimile of the fully-executed Confirmation to **212-272-9857**. For inquiries regarding U.S. Transactions, please contact **Derivatives Documentation** by telephone at **212-272-2711**. For all other inquiries please contact **Derivatives Documentation** by telephone at **353-1-402-6233**. Originals will be provided for your execution upon your request.

We are very pleased to have executed this Transaction with you and we look forward to completing other transactions with you in the near future.

Very truly yours,

BEAR STEARNS FINANCIAL PRODUCTS INC.

By: /s/ Leticia Chevere
Name: Leticia Chevere
Title: Authorized Signatory

Counterparty, acting through its duly authorized signatory, hereby agrees to, accepts and confirms the terms of the foregoing as of the Trade Date.

BROADWAY 500 WEST MONROE MEZZ I LLC,
a Delaware limited liability company

By: _____
Name:
Title:

lm

MORGAN STANLEY MORTGAGE CAPITAL HOLDINGS LLC
1221 Avenue of the Americas
New York, New York 10020

August 10, 2007

Broadway 500 West Monroe Fee LLC
Broadway 500 West Monroe Mezz I LLC
c/o Broadway Partners
375 Park Avenue, 29th Floor
New York, New York 10152
Attention: Jason P. Semmel, Esq. and Alan Rubenstein

Re: Collateral Assignments of Interest Rate Cap Agreements (the "Collateral Assignments") made by BROADWAY 500 WEST MONROE FEE LLC and BROADWAY 500 WEST MONROE MEZZ I LLC, in favor of Morgan Stanley Mortgage Capital Holdings LLC.

Dear Sirs:

Reference is made to those certain Collateral Assignments of Interest Rate Cap Agreements, dated as of July 11, 2007 (the **"Cap Assignments"**), made by BROADWAY 500 WEST MONROE FEE LLC, BROADWAY 500 WEST MONROE MEZZ I LLC,**("Assignors")** in favor of Morgan Stanley Mortgage Capital Holdings LLC, **("Lender"** or **"Assignee")**, pursuant to which Assignors have assigned to Lender all right title and interest in that certain Interest Rate Cap Agreement between Assignors and Bear Stearns Financial Products Inc. **("Counterparty")**.

This letter shall constitute Assignee's (i) consent pursuant to Section 3 of the respective Cap Assignments and (ii) notice and instructions pursuant to Section 5 thereof, with respect to the matters set forth in the attached letter from Lender to Counterparty and shall confirm that Counterparty and Assignors may conclusively rely thereon.

Capitalized terms not otherwise defined herein shall have the meaning ascribed to such terms in the Cap Assignments.

If you have any questions concerning this letter, please contact Eric Allendorf at Morgan Stanley at (212) 762-6355.

Sincerely,

MORGAN STANLEY MORTGAGE CAPITAL HOLDINGS LLC,
a New York limited liability company

By: /s/ Jonathan L. Frey
Name Jonathan L. Frey
Title: Authorized Signatory

MORGAN STANLEY MORTGAGE CAPITAL HOLDINGS LLC
1221 Avenue of the Americas
New York, New York 10020

August 15, 2007

Broadway 500 West Monroe Mezz III LLC
Broadway 500 West Monroe Fee LLC
Broadway 500 West Monroe Mezz I LLC
c/o Broadway Partners
375 Park Avenue, 29th Floor
New York, New York 10152
Attention: Jason P. Semmel, Esq. and Alan Rubenstein

Re: Mezzanine C Loan Agreement ("Mezzanine C Loan Agreement") between Morgan Stanley Mortgage Capital Holdings LLC ("Lender") and Broadway 500 West Monroe Mezz III LLC ("Borrower") dated as of July 11, 2007

Dear Sirs:

Reference is made to the Mezzanine C Loan Agreement and to the following documents annexed hereto: (A) (1) First Omnibus Amendment to Loan Agreement and Other Loan Documents (Mortgage Loan), (2) Amended and Restated Promissory Note (with respect to the Mortgage Loan, (3) Disbursement Statement for Mortgage Loan Prepayment (collectively, "Mortgage Loan Resizing Documents") and (B) (1) First Omnibus Amendment to Loan Agreement and Other Loan Documents (Mezzanine A Loan), (2) Amended and Restated Promissory Note (with respect to Mezzanine Loan A) and (3) Disbursement Statement for Mezzanine Loan A Increase (collectively, "Mezzanine Loan A Resizing Documents"), all to be dated on or about August 15, 2007.

Capitalized terms used herein and not otherwise defined have the meanings assigned in the Mezzanine C Loan Agreement.

This letter shall constitute Lender's (i) consent to execution and delivery by the parties thereto of documents substantially in the form and substance of the Mortgage Loan Resizing Documents and the Mezzanine Loan A Resizing Documents (as the same may be amended, collectively, the "Resizing Documents") and the consummation and performance thereof in connection with the $10,000,000 resizing of Mezzanine Loan A and related $10,000,000 prepayment of the Mortgage Loan ("Resizing") requested by Mortgage Lender pursuant to section 9.5 of the Mortgage Loan Agreement (including, without limitation, Lender's consent to the extent required under sections 5.2.14, 5.2.16 and 10.29 of the Mezzanine C Loan Agreement and (ii) acknowledgment that no payment or prepayment (or any fees, charges or other amounts whatsoever) are payable by Borrower under the Mezzanine C Loan Agreement or any other document evidencing and/or securing Mezzanine Loan C, in connection with the Resizing and/or the Resizing Documents.

This will also confirm that the Resizing is not a "refinancing" under section 5.2.14 of the Mezzanine C Loan Agreement.

If you have any questions concerning this letter, please contact Rick Allendorf at (212) 762-6355.

Sincerely,

Morgan Stanley Mortgage Capital Holdings LLC,
a New York limited liability company

By: /s/ Jonathan L. Frey
Name Jonathan L. Frey
Title: Authorized Signatory

MORGAN STANLEY MORTGAGE CAPITAL HOLDINGS LLC
1221 Avenue of the Americas
New York, New York 10020

August 15, 2007

Broadway 500 West Monroe Mezz II LLC
Broadway 500 West Monroe Fee LLC
Broadway 500 West Monroe Mezz I LLC
c/o Broadway Partners
375 Park Avenue, 29th Floor
New York, New York 10152
Attention: Jason P. Semmel, Esq. and Alan Rubenstein

Re: Mezzanine B Loan Agreement ("Mezzanine B Loan Agreement") between Morgan Stanley Mortgage Capital Holdings LLC ("Lender") and Broadway 500 West Monroe Mezz II LLC ("Borrower") dated as of July 11, 2007

Dear Sirs:

Reference is made to the Mezzanine B Loan Agreement and to the following documents annexed hereto: (A) (1) First Omnibus Amendment to Loan Agreement and Other Loan Documents (Mortgage Loan), (2) Amended and Restated Promissory Note (with respect to the Mortgage Loan, (3) Disbursement Statement for Mortgage Loan Prepayment (collectively, "Mortgage Loan Resizing Documents") and (B) (1) First Omnibus Amendment to Loan Agreement and Other Loan Documents (Mezzanine A Loan), (2) Amended and Restated Promissory Note (with respect to Mezzanine Loan A) and (3) Disbursement Statement for Mezzanine Loan A Increase (collectively, "Mezzanine Loan A Resizing Documents"), all to be dated on or about August 15, 2007.

Capitalized terms used herein and not otherwise defined have the meanings assigned in the Mezzanine B Loan Agreement.

This letter shall constitute Lender's (i) consent to execution and delivery by the parties thereto of documents substantially in the form and substance of the Mortgage Loan Resizing Documents and the Mezzanine Loan A Resizing Documents (as the same may be amended, collectively, the "Resizing Documents") and the consummation and performance thereof in connection with the $10,000,000 resizing of Mezzanine Loan A and related $10,000,000 prepayment of the Mortgage Loan ("Resizing") requested by Mortgage Lender pursuant to section 9.5 of the Mortgage Loan Agreement (including, without limitation, Lender's consent to the extent required under sections 5.2.14, 5.2.16 and 10.29 of the Mezzanine B Loan Agreement and (ii) acknowledgment that no payment or prepayment (or any fees, charges or other amounts whatsoever) are payable by Borrower under the Mezzanine B Loan Agreement or any other document evidencing and/or securing Mezzanine Loan B, in connection with the Resizing and/or the Resizing Documents.

This will also confirm that the Resizing is not a "refinancing" under section 5.2.14 of the Mezzanine B Loan Agreement.

If you have any questions concerning this letter, please contact Rick Allendorf at at (212) 762-6355.

Sincerely,

Morgan Stanley Mortgage Capital Holdings LLC,
a New York limited liability company

By: /s/ Jonathan L. Frey
Name Jonathan L. Frey
Title: Authorized Signatory

New York, New York
as of July 11, 2007

GUARANTY OF RECOURSE OBLIGATIONS OF BORROWER

(MEZZANINE A LOAN)

FOR VALUE RECEIVED, and to induce **MORGAN STANLEY MORTGAGE CAPITAL HOLDINGS LLC,** a New York limited liability company, having an address at 1221 Avenue of the Americas, New York, New York 10020 (together with its successors and assigns, **"Lender"),** to lend to **BROADWAY 500 WEST MONROE MEZZ I LLC,** a Delaware limited liability company, having its principal place of business c/o Broadway Partners, 375 Park Avenue, Suite 2107, New York, New York 10152**("Borrower"),** the principal sum of up to SIXTY FIVE MILLION SIX HUNDRED THOUSAND AND 00/100 DOLLARS ($65,600,000.00) (the **"Loan"),** or so much thereof as may be advanced pursuant to that certain Mezzanine A Loan Agreement, dated as of the date hereof, between Borrower and Lender (as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time, the **"Loan Agreement")** and evidenced by the Note (as defined in the Loan Agreement) and the other Loan Documents (as defined in the Loan Agreement). All capitalized words and phrases not otherwise defined herein shall have the meanings ascribed to them in the Loan Agreement.

The undersigned, **BROADWAY PARTNERS PARALLEL FUND B III, L.P.,**a Delaware limited partnership, having an address c/o Broadway Partners, 375 Park Avenue, Suite 2107, New York, New York 10152, **BROADWAY PARTNERS PARALLEL FUND P III, L.P.,**a Delaware limited partnership, having an address c/o Broadway Partners, 375 Park Avenue, Suite 2107, New York, New York 10152, and **BROADWAY PARTNERS REAL ESTATE FUND III, L.P.,**a Delaware limited partnership, having an address c/o Broadway Partners, 375 Park Avenue, Suite 2107, New York, New York 10152 (hereinafter individually and collectively referred to as **"Guarantor")** hereby absolutely and unconditionally, jointly and severally, guarantee to Lender the prompt and unconditional payment and performance of the Guaranteed Recourse Obligations of Borrower (hereinafter defined). Guarantor irrevocably and unconditionally covenants and agrees that it is liable for the Guaranteed Obligations of Borrower as a primary obligor.

It is expressly understood and agreed that this is a continuing guaranty and that the obligations of Guarantor hereunder are and shall be absolute under any and all circumstances, without regard to the validity, regularity or enforceability of the Note, the Loan Agreement, or the other Loan Documents, a true copy of each of said documents Guarantor hereby acknowledges having received and reviewed.

The term "Debt" as used in this Guaranty of Recourse Obligations of Borrower (Mezzanine A Loan) (the **"Guaranty")** shall mean the principal sum evidenced by the Note and secured by the Security Instrument, or so much thereof as may be outstanding from time to time, together with interest thereon at the rate of interest specified in the Note and all other sums other

than principal or interest which may or shall become due and payable pursuant to the provisions of the Note, the Loan Agreement, or the other Loan Documents.

The term "**Guaranteed Recourse Obligations of Borrower**" as used in this Guaranty shall mean all obligations and liabilities of Borrower for which Borrower shall be personally liable pursuant to Sections 9.4(b) and (c) of the Loan Agreement (excluding all obligations and liabilities of Borrower under Section 9.4(b)(x)).

Any indebtedness of Borrower to Guarantor now or hereafter existing (including, but not limited to, any rights to subrogation Guarantor may have as a result of any payment by Guarantor under this Guaranty), together with any interest thereon, shall be, and such indebtedness is, hereby deferred, postponed and subordinated to the prior payment in full of the Debt. Until payment in full of the Debt (and including interest accruing on the Note after the commencement of a proceeding by or against Borrower under the Bankruptcy Code and the regulations adopted and promulgated pursuant thereto, which interest the parties agree shall remain a claim that is prior and superior to any claim of Guarantor notwithstanding any contrary practice, custom or ruling in cases under the Bankruptcy Code generally), Guarantor agrees not to accept any payment or satisfaction of any kind of indebtedness of Borrower to Guarantor and hereby assigns such indebtedness to Lender, including the right to file proof of claim and to vote thereon in connection with any such proceeding under the Bankruptcy Code, including the right to vote on any plan of reorganization. Further, if Guarantor shall comprise more than one person, firm or corporation, Guarantor agrees that until such payment in full of the Debt, (a) no one of them shall accept payment from the others by way of contribution on account of any payment made hereunder by such party to Lender, (b) no one of them will take any action to exercise or enforce any rights to such contribution, and (c) if any of Guarantor should receive any payment, satisfaction or security for any indebtedness of Borrower to any of Guarantor or for any contribution by the others of Guarantor for payment made hereunder by the recipient to Lender, the same shall be delivered to Lender in the form received, endorsed or assigned as may be appropriate for application on account of, or as security for, the Debt and until so delivered, shall be held in trust for Lender as security for the Debt.

Guarantor agrees that, within five (5) Business Days of demand by Lender, Guarantor will reimburse Lender, to the extent that such reimbursement is not made by Borrower, for all reasonable expenses (including reasonable counsel fees and disbursements) incurred by Lender in connection with the collection of the Guaranteed Recourse Obligations of Borrower or any portion thereof or with the enforcement of this Guaranty.

All moneys available to Lender for application in payment or reduction of the Debt may be applied by Lender in such manner and in such amounts and at such time or times and in such order and priority as Lender may see fit to the payment or reduction of such portion of the Debt as Lender may elect.

Guarantor hereby waives notice of the acceptance hereof, presentment, demand for payment, protest, notice of protest, or any and all notice of non-payment, non-performance or non-observance, or other proof, or notice or demand, whereby to charge Guarantor therefor.

Guarantor further agrees that the validity of this Guaranty and the obligations of Guarantor hereunder shall in no way be terminated, affected or impaired (a) by reason of the assertion by Lender of any rights or remedies which it may have under or with respect to either the Note, the Loan Agreement, or the other Loan Documents, against any person obligated thereunder or the Collateral covered under the Loan Agreement, or (b) by reason of any failure to file or record any of such instruments or to take or perfect any security intended to be provided thereby, or (c) by reason of the release of the Collateral covered under the Loan Agreement or other collateral for the Loan, or (d) by reason of Lender's failure to exercise, or delay in exercising, any such right or remedy or any right or remedy Lender may have hereunder or in respect to this Guaranty, or (e) by reason of the commencement of a case under the Bankruptcy Code by or against any person obligated under the Note, the Loan Agreement or the other Loan Documents, or the death of any Guarantor, or (f) by reason of any payment made on the Debt or any other indebtedness arising under the Note, the Loan Agreement, or the other Loan Documents, whether made by Borrower or Guarantor or any other person, which is required to be refunded pursuant to any bankruptcy or insolvency law; it being understood that no payment so refunded shall be considered as a payment of any portion of the Debt, nor shall it have the effect of reducing the liability of Guarantor hereunder; or (g) by reason of the invalidity, illegality or unenforceability of all or any part of this Guaranty, the Guaranteed Obligations of Borrower or any document or agreement executed in connection with the Guaranteed Obligations for any reason whatsoever, including, without limitation, due to the fact that (i) the act of creating the Guaranteed Obligations of Borrower or any part thereof is ultra vires, (ii) the officers or representatives executing any Loan Document or otherwise creating the Guaranteed Obligations or Borrower acted in excess of their authority, (iii) the Guaranteed Obligations of Borrower violate applicable usury laws, (iv) the Borrower has valid defenses, claims or offsets (whether at law, in equity or by agreement), other than the defense of actual payment or performance, which render the Guaranteed Obligations of Borrower wholly or partially uncollectible from Borrower, (v) the creation, performance or repayment of the Guaranteed Obligations of Borrower (or the execution, delivery and performance of any document or instrument representing part of the Guaranteed Obligations of Borrower or executed in connection with the Guaranteed Obligations of Borrower or given to secure the repayment of the Guaranteed Obligations of Borrower) is illegal, uncollectible or unenforceable, or (vi) the Note, the Pledge Agreement, the Loan Agreement or any of the other Loan Documents have been forged or otherwise are irregular or not genuine or authentic, it being agreed that Guarantor shall remain liable hereon regardless of whether Borrower or any other person be found not liable on the Guaranteed Obligations of Borrower or any part thereof for any reason. It is further understood, that if Borrower shall have taken advantage of, or be subject to the protection of, any provision in the Bankruptcy Code, the effect of which is to prevent or delay Lender from taking any remedial action against Borrower, including the exercise of any option Lender has to declare the Debt due and payable on the happening of any default or event by which under the terms of the Note, the Loan Agreement, or the other Loan Documents, the Debt shall become due and payable, Lender may, as against Guarantor, nevertheless, declare the Debt due and payable and enforce any or all of its rights and remedies against Guarantor provided for herein.

Guarantor further covenants that this Guaranty shall remain and continue in full force and effect as to any modification, extension or renewal of the Note, the Loan Agreement, or the other Loan Documents, that Lender shall not be under a duty to protect, secure or insure the Collateral covered under the Loan Agreement, and that other indulgences or forbearance may

be granted under any or all of such documents, all of which may be made, done or suffered without notice to, or further consent of, Guarantor.

As a further inducement to Lender to make the Loan and in consideration thereof, Guarantor further covenants and agrees (a) that in any action or proceeding brought by Lender against Guarantor on this Guaranty, Guarantor shall and does hereby waive trial by jury, (b) that the Supreme Court of the State of New York for the County of New York, or, in a case involving diversity of citizenship, the United States District Court for the Southern District of New York, shall have exclusive jurisdiction of any such action or proceeding brought by Guarantor and non-exclusive jurisdiction of any proceeding brought by Lender, and (c) that service of any summons and complaint or other process in any such action or proceeding may be made by registered or certified mail directed to Guarantor at Guarantor's address set forth above, Guarantor waiving personal service thereof. Nothing in this Guaranty will be deemed to preclude Lender from bringing an action or proceeding with respect hereto in any other jurisdiction.

This is a guaranty of payment and performance and not of collection and upon any default of Borrower under the Note, the Loan Agreement, or the other Loan Documents (beyond the expiration of any applicable grace periods), Lender may, at its option, proceed directly and at once, without notice, against Guarantor to collect and recover the full amount of the liability hereunder or any portion thereof, without proceeding against Borrower or any other person, or foreclosing upon, selling, or otherwise disposing of or collecting or applying against any of the mortgaged property or other collateral for the Loan. Guarantor hereby waives the pleading of any statute of limitations as a defense to the obligation hereunder.

Without limiting the generality of the foregoing, Guarantor hereby expressly waives presentment for payment, demand of payment, protest or notice of non-payment or failure to perform or observe, or other proof, or notice or demand. Guarantor further waives all rights and defenses that guarantor may have because Borrower's debt is secured by real property. This means, among other things:

(a) Lender may collect from Guarantor without first foreclosing on any real or personal property collateral pledged by Borrower.

(b) If Lender forecloses on any Collateral pledged by Borrower:

(i) The amount of the Debt may be reduced only by the price for which that Collateral is sold at the foreclosure sale, even if the Collateral is worth more than the sale price.

(ii) Lender may collect from Guarantor even if Lender, by foreclosing on the Collateral, has destroyed any right Guarantor may have to collect from Borrower.

This is an unconditional and irrevocable waiver of any rights and defenses Guarantor may have because Borrower's Debt is secured by the Collateral. Guarantor further waives all rights and defenses arising out of an election of remedies by Lender.

Each reference herein to Lender shall be deemed to include its successors and assigns, to whose favor the provisions of this Guaranty shall also inure. Each reference herein to Guarantor shall be deemed to include the heirs, executors, administrators, legal representatives, successors and assigns of Guarantor, all of whom shall be bound by the provisions of this Guaranty.

If any party hereto shall be a partnership, the agreements and obligations on the part of Guarantor herein contained shall remain in force and application notwithstanding any changes in the individuals composing the partnership and the term "Guarantor" shall include any altered or successive partnerships but the predecessor partnerships and their partners shall not thereby be released from any obligations or liability hereunder.

Guarantor (and its representative, executing below, if any) has full power, authority and legal right to execute this Guaranty and to perform all its obligations under this Guaranty.

All understandings, representations and agreements heretofore had with respect to this Guaranty are merged into this Guaranty which alone fully and completely expresses the agreement of Guarantor and Lender.

This Guaranty may be executed in one or more counterparts by some or all of the parties hereto, each of which counterparts shall be an original and all of which together shall constitute a single agreement of Guaranty. The failure of any party hereto to execute this Guaranty, or any counterpart hereof, shall not relieve the other signatories from their obligations hereunder.

This Guaranty may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Lender or Borrower, but only by an agreement in writing signed by the party against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

This Guaranty shall be governed, construed and interpreted as to validity, enforcement and in all other respects, in accordance with the laws of the State of New York.

This Guaranty shall automatically terminate and the obligations of each Guarantor under this Guaranty (with the exception of those obligations expressly stated in this Guaranty and the other Loan Documents to survive the payment of the Debt in full) shall be of no further force and effect from and after the full and complete performance of all obligations under the Loan Documents and the payment of the Debt in full in accordance with the terms and conditions of the Loan Agreement and the other Loan Documents and the payment in full to Lender of any amounts owed to Lender pursuant to the terms of this Guaranty.

IN WITNESS WHEREOF, Guarantor has duly executed this Guaranty as of the date first above set forth.

GUARANTOR:

BROADWAY PARTNERS PARALLEL FUND B III, L.P., a Delaware limited partnership

By: Broadway Partners Fund GP III, L.P.,
a Delaware limited partnership,
its general partner

By: Broadway Partners Fund GP III, LLC,
a Delaware limited liability company,
its general partner

By: /s/ Illegible
Name:
Title:

BROADWAY PARTNERS REAL ESTATE FUND III, L.P., a Delaware limited partnership

By: Broadway Partners Fund GP III, L.P.,
a Delaware limited partnership,
its general partner

By: Broadway Partners Fund GP III, LLC, a Delaware limited liability company, its general partner

By: /s/ Illegible
Name:
Title:

BROADWAY PARTNERS PARALLEL FUND P III, L.P., a Delaware limited partnership

By: Broadway Partners Fund GP III, L.P.,
a Delaware limited partnership,
its general partner

By: Broadway Partners Fund GP III, LLC,
a Delaware limited liability company,
its general partner

By: /s/ Illegible
Name:
Title:

Exhibit 10.6

PROMISSORY NOTE
(MEZZANINE A LOAN)

$65,600,000.00 New York, New York
July 11,2007

FOR VALUE RECEIVED, BROADWAY 500 WEST MONROE MEZZ I LLC, a Delaware limited liability company, as maker, having its principal place of business at c/o Broadway Partners, 375 Park Avenue, Suite 2107, New York, New York 10152 ("**Borrower**"), hereby unconditionally promises to pay to the order of **MORGAN STANLEY MORTGAGE CAPITAL HOLDINGS LLC**, a New York limited liability company, having an address at 1221 Avenue of the Americas, New York, New York 10020, as payee (together with its successors and assigns, "**Lender**"), or at such other place as the holder hereof may from time to time designate in writing, the principal sum of SIXTY FIVE MILLION SIX HUNDRED THOUSAND and 00/100 DOLLARS ($65,600,000.00) or so much thereof as may be advanced by Lender to Borrower, in lawful money of the United States of America with interest thereon to be computed from the date of this Note at the Applicable Interest Rate and to be paid in accordance with the terms of this Note and that certain Mezzanine A Loan Agreement, dated the date hereof, between Borrower and Lender (such Loan Agreement, as same may be amended, supplemented, restated or otherwise modified from time to time, is hereinafter referred to as the " **Loan Agreement**"). All capitalized terms not defined herein shall have the respective meanings set forth in the Loan Agreement.

ARTICLE 1 - PAYMENT TERMS

Borrower agrees to pay the principal sum of this Note and interest on the unpaid principal sum of this Note from time to time outstanding at the rates and at the times specified in the Loan Agreement and the outstanding balance of the principal sum of this Note and all accrued and unpaid interest thereon shall be due and payable on the Maturity Date together with all other amounts due to Lender under the Loan Documents.

ARTICLE 2 - DEFAULT AND ACCELERATION

The Debt shall without notice become immediately due and payable at the option of Lender if any payment required in this Note is not paid on or prior to the date when due (beyond the expiration of any applicable grace periods) or if not paid on the Maturity Date or on the occurrence of any other Event of Default and in addition, during the continuance of an Event of Default, Lender shall be entitled to receive interest on the entire unpaid principal sum at the Default Rate pursuant to the terms of the Loan Agreement. This Article 2, however, shall not be construed as an agreement or privilege to extend the date of the payment of the Debt, nor as a waiver of any other right or remedy accruing to Lender by reason of the occurrence of any Event of Default.

ARTICLE 3 - LOAN DOCUMENTS

This Note is secured by the Pledge Agreement and the other Loan Documents. All of the terms, covenants and conditions contained in the Loan Agreement, the Pledge Agreement and the other Loan Documents are hereby made part of this Note to the same extent and with the same force as if they were fully set forth herein. In the event of a conflict or inconsistency between the terms of this Note and the Loan Agreement, the terms and provisions of the Loan Agreement shall govern.

ARTICLE 4 - SAVINGS CLAUSE

This Note and the Loan Agreement are subject to the express condition that at no time shall Borrower be obligated or required to pay interest on the principal balance of the Loan at a rate which could subject Lender to either civil or criminal liability as a result of being in excess of the Maximum Legal Rate. If, by the terms of this Note, the Loan Agreement or the other Loan Documents, Borrower is at any time required or obligated to pay interest on the principal balance due hereunder at a rate in excess of the Maximum Legal Rate, the Applicable Interest Rate or the Default Rate, as the case may be, shall be deemed to be immediately reduced to the Maximum Legal Rate and all previous payments in excess of the Maximum Legal Rate shall be deemed to have been payments in reduction of principal and not on account of the interest due hereunder. All sums paid or agreed to be paid to Lender for the use, forbearance, or detention of the sums due under the Loan, shall, to the extent permitted by applicable law, be amortized, prorated, allocated, and spread throughout the full stated term of the Loan until payment in full so that the rate or amount of interest on account of the Loan does not exceed the Maximum Legal Rate of interest from time to time in effect and applicable to the Loan for so long as the Loan is outstanding.

ARTICLE 5 - NO ORAL CHANGE

This Note may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Borrower or Lender, but only by an agreement in writing signed by the party against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

ARTICLE 6 - WAIVERS

Borrower and all others who may become liable for the payment of all or any part of the Debt do hereby severally waive (i) all exemptions, whether homestead or otherwise, as obligations evidenced by this Note and (ii) presentment and demand for payment, notice of dishonor, notice of intention to accelerate, notice of acceleration, protest and notice of protest and non-payment and all other notices of any kind. No release of any security for the Debt or extension of time for payment of this Note or any installment hereof, and no alteration, amendment or waiver of any provision of this Note, the Loan Agreement or the other Loan Documents made by agreement between Lender or any other Person shall release, modify, amend, waive, extend, change, discharge, terminate or affect the liability of Borrower, and any other Person who may become liable for the payment of all or any part of the Debt, under this Note, the Loan Agreement or the other Loan Documents. No notice to or demand on Borrower shall be deemed to be a waiver, of the obligation of Borrower or of the right of Lender to take further action without further notice or demand as provided for in this Note, the Loan Agreement

or the other Loan Documents. If Borrower is a partnership, the agreements herein contained shall remain in force and be applicable, notwithstanding any changes in the individuals or entities comprising the partnership, and the term "Borrower," as used herein, shall include any alternate or successor partnership, but any predecessor partnership and their partners shall not thereby be released from any liability. If Borrower is a corporation, the agreements contained herein shall remain in full force and be applicable notwithstanding any changes in the shareholders comprising, or the officers and directors relating to, the corporation, and the term "Borrower" as used herein, shall include any alternate or successor corporation, but any predecessor corporation shall not be relieved of liability hereunder. If Borrower is a limited liability company, the agreements herein contained shall remain in force and be applicable, notwithstanding any changes in the members comprising the limited liability company, and the term "Borrower" as used herein, shall include any alternate or successor limited liability company, but any predecessor limited liability company and their members shall not thereby be released from any liability. (Nothing in the foregoing sentence shall be construed as a consent to, or a waiver of, any prohibition or restriction on transfers of interests in such partnership, corporation or limited liability company which may be set forth in the Loan Agreement, the Pledge Agreement or any other Loan Document.) If Borrower consists of more than one person or party, the obligations and liabilities of each such person or party shall be joint and several.

ARTICLE 7 - TRANSFER

Upon the transfer of this Note, Borrower hereby waiving notice of any such transfer (except to the extent provided for in the Loan Agreement), Lender may deliver all the collateral mortgaged, granted, pledged or assigned pursuant to the Loan Documents, or any part thereof, to the transferee who shall thereupon become vested with all the rights herein or under applicable law given to Lender with respect thereto, and Lender shall thereafter forever be relieved and fully discharged from any liability or responsibility in the matter; but Lender shall retain all rights hereby given to it with respect to any liabilities and the collateral not so transferred; provided, however, Borrower shall continue making payments due under this Note to the Lender named herein until Borrower has received notice of such transferee and upon receipt of such notice, Borrower shall commence making payments due under this Note to such transferee.

ARTICLE 8 - EXCULPATION

Notwithstanding anything to the contrary contained in this Note, the liability of Borrower to pay the Debt and for the performance of the other agreements, covenants and obligations contained herein and in the Pledge Agreement, the Loan Agreement and the other Loan Documents shall be limited as set forth in Section 9.4 of the Loan Agreement. The provisions of Section 9.4 of the Loan Agreement are hereby incorporated by reference as if the text of such Section were set forth in its entirety herein.

ARTICLE 9 - GOVERNING LAW

This Note shall be governed in accordance with the terms and provisions of Section [10.3] of the Loan Agreement.

ARTICLE 10 - NOTICES

All notices or other written communications hereunder shall be delivered in accordance with Section 10.6 of the Loan Agreement.

ARTICLE 11 - WAIVER OF RIGHT TO JURY TRIAL

BORROWER HEREBY WAIVES TRIAL BY JURY IN REGARD TO ANY CLAUSES OF ACTION, CLAIMS, OBLIGATIONS, DAMAGES OR ANY COMPLAINTS WHICH BORROWER MAY HAVE ARISING OUT OF THIS NOTE, OR ANY OF THE DOCUMENTS RELATING TO, EVIDENCING AND/OR SECURING THIS NOTE (LOAN DOCUMENTS), OR IN ANY ACTION OR PROCEEDING WHICH THE HOLDER HEREOF MAY BRING TO ENFORCE ANY PROVISION OF THE LOAN DOCUMENTS. BY EXECUTION OF THIS NOTE, BORROWER HEREBY REPRESENTS THAT BORROWER IS REPRESENTED BY COMPETENT COUNSEL WHO HAS FULLY AND COMPLETELY ADVISED BORROWER OF THE MEANING AND RAMIFICATIONS OF THE WAIVER OF THE RIGHT TO A TRIAL BY JURY.

[NO FURTHER TEXT ON THIS PAGE]

IN WITNESS WHEREOF, Borrower has duly executed this Note as of the day and year first above written.

BORROWER:

BROADWAY 500 WEST MONROE MEZZ I LLC,
a Delaware limited liability company

By: /s/ Illegible
Name:
Title:

Exhibit 10.7

FIRST OMNIBUS AMENDMENT TO LOAN AGREEMENT AND OTHER LOAN DOCUMENTS (MEZZANINE A LOAN)

THIS FIRST OMNIBUS AMENDMENT TO LOAN AGREEMENT AND OTHER LOAN DOCUMENTS (MEZZANINE A LOAN), effective as of August 15, 2007 (this "Amendment"), between BROADWAY 500 WEST MONROE MEZZ I LLC, a Delaware limited liability company ("**Borrower**"), and MORGAN STANLEY MORTGAGE CAPITAL HOLDINGS LLC, a New York limited liability company ("**Lender**").

W I T N E S S E T H:

WHEREAS, Lender and Borrower are parties to that certain Mezzanine A Loan Agreement dated as of July 11, 2007 (the " **Loan Agreement**"), pursuant to which Lender advanced to Borrower an Initial Advance (as defined in the Loan Agreement) in the principal amount of $49,100,000.00 and pursuant to which Lender agreed to make Future Advances (as defined in the Loan Agreement) to Borrower pursuant to the terms of the Loan Agreement in the principal amount of up to $16,500,000.00 (the Initial Advance and any Future Advances are collectively referred to herein as the " **Loan**");

WHEREAS, the Loan is evidenced by that certain Promissory Note dated July 11, 2007, from Borrower to Lender in the principal amount of up to $65,600,000.00 (the "**Original Note**");

WHEREAS, Morgan Stanley Mortgage Capital Holdings LLC, a New York limited liability company Lender, as mortgage lender (" **Mortgage Lender**"), and Broadway 500 West Monroe Fee LLC, a Delaware limited liability company, as mortgage borrower (" **Mortgage Borrower**"), are parties to that certain Loan Agreement dated as of July 11, 2007 (the "**Loan Agreement**"), pursuant to which Mortgage Lender made a loan to Mortgage Borrower in the original principal amount of $150,000,000.00 (the " **Mortgage Loan**");

WHEREAS, the Mortgage Loan is evidenced by that certain Promissory Note dated July 11, 2007, from Mortgage Borrower to Mortgage Lender in the principal amount of $150,000,000.00 (the " **Original Mortgage Note**");

WHEREAS, Mortgage Lender and Mortgage Borrower have agreed to "resize" the Mortgage Loan pursuant to Section 9.5 of the Mortgage Loan Agreement and, in order to effectuate such "resizing", Mortgage Borrower has partially prepaid the Mortgage Loan in the amount of $10,000,000.00 (the "**Partial Prepayment**") such that the outstanding principal amount of the Mortgage Loan as of the date hereof is $140,000,000.00;

WHEREAS, in connection with the "resizing" of the Mortgage Loan, Lender and Borrower have agreed to "resize" the Loan pursuant to Section 9.5 of the Loan Agreement and, in order to effectuate such "resizing", Lender has advanced to Borrower on the date hereof additional Loan proceeds in the amount of $10,000,000.00 (the "**Loan Increase**") such that the outstanding principal amount of the Loan as of the date hereof is $59,100,000.00 and the maximum amount of the Loan that may be advanced to Borrower under the Loan Agreement and

this Amendment is $75,600,000.00, and such Loan Increase has been contributed from Borrower to Mortgage Borrower in order to make the Partial Prepayment;

WHEREAS, in order to reflect the Loan Increase, Lender and Borrower have entered into that certain Amended and Restated Promissory Note (Mezzanine A Loan) effective as of August 5, 2007, in the principal amount of up to $75,600,000.00 (as the same may be amended, restated, replaced, extended, renewed, supplemented, severed, split, or otherwise modified from time to time, the " **Amended and Restated Note**");

WHEREAS, in order to, among other things, reflect the Partial Prepayment, Mortgage Lender and Mortgage Borrower have entered into (i) that certain Amended and Restated Promissory Note to be effective as of August 15, 2007, in the principal amount of $140,000,000.00, and (ii) that certain First Omnibus Amendment to Loan Agreement and Other Loan Documents to be effective as of August 15, 2007; and

WHEREAS, in order to, among other things, reflect the Loan Increase and the Amended and Restated Note, Borrower and Lender have agreed to amend the Loan Agreement in the manner hereinafter set forth.

NOW, THEREFORE, in pursuance of such agreement and for good and valuable consideration, Borrower and Lender hereby agree as follows:

1. Unless otherwise defined in this Amendment, capitalized terms used herein shall have their defined meanings set forth in the Loan Agreement.

2. The definition of Initial Advance is hereby deleted in its entirety and the following substituted therefor:

"Initial Advance" shall mean, collectively, the initial advance of the Loan made by Lender to Borrower pursuant to this Agreement on July 11, 2007, in the principal amount of Forty-Nine Million One Hundred Thousand and No/l00 Dollars ($49,100,000.00) and the additional advance of the Loan made by Lender to Borrower pursuant to this Agreement as of August 15, 2007, in the principal amount of Ten Million and No/l00 Dollars ($10,000,000.00). The aggregate outstanding principal amount of the Initial Advance as of August 15, 2007, is Fifty-Nine Million One Hundred Thousand and No/100 Dollars ($59,100,000.00).

3. The definition of Note is hereby deleted in its entirety and the following substituted therefor:

"Note" shall mean that certain Amended and Restated Promissory Note (Mezzanine A Loan) effective as of August 15, 2007 in the principal amount of up to Seventy-Five Million Six Hundred Thousand and 00/100 Dollars ($75,600,000.00), or so much thereof as may be advanced to Borrower pursuant to the terms of this Agreement, made by Borrower in favor of Lender, as the same may be further amended, restated, replaced,

extended, renewed, supplemented, severed, split, or otherwise modified from time to time.

4. All references in each of the Loan Documents to the Loan Agreement shall be deemed to be a reference to the Loan Agreement as amended by this Amendment. All references in each of the Loan Documents to the Note shall be deemed to be a reference to the "Note" as defined in Section 3 above.

5. Lender acknowledges and agrees that as of the date hereof it has advanced to Borrower additional Loan proceeds in the amount of the Loan Increase, and Borrower hereby acknowledges and agrees that it has accepted Loan proceeds in the amount of the Loan Increase as of the date hereof.

6. Borrower and Lender hereby acknowledge and agree that the outstanding principal amount of the Loan as of the date hereof is $59,100,000.00.

7. As amended by this Amendment and the Amended and Restated Note, all terms, covenants and provisions of the Loan Documents are ratified and confirmed and shall remain in full force and effect. The obligations of Broadway Partners Parallel Fund B III, L.P., Broadway Partners Parallel Fund P III, L.P., and Broadway Partners Real Estate Fund III, L.P. (collectively, ":**Guarantor**"), under that certain Guaranty of Recourse Obligations of Borrower (Mezzanine A Loan) dated as of July 11, 2007 (the "**Guaranty**"), shall not be released, diminished, impaired, reduced or adversely affected by this Amendment or the Amended and Restated Note, and all obligations of Guarantor thereunder shall remain in full force and effect, and Guarantor hereby waives any common law, equitable, statutory or other rights which such party might otherwise have as a result of or in connection with this Amendment and the Amended and Restated Note.

8. This Amendment may be executed by one or more of the parties hereto on any number of separate counterparts, each of which shall be an original and all of which taken together shall constitute one and the same instrument.

9. This Amendment shall inure to the benefit of and be binding upon Borrower and Lender, and their respective successors and assigns.

10. This Amendment shall be governed by, and construed in accordance with, the law of the State of New York.

11. Lender represents and warrants that this Amendment and the Amended and Restated Note are entered into, as permitted under Section 9.5 of the Loan Agreement, due to the fact that a portion of the Mortgage Loan will not receive an "investment grade" rating in connection with a proposed Securitization.

12. The provisions of Section 9.4 of the Loan Agreement are hereby incorporated by reference herein as if the text of such Section were set forth in its entirety herein.

[NO FURTHER TEXT ON THIS PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their duly authorized representatives, all as of the day and year first above written.

LENDER:

MORGAN STANLEY MORTGAGE HOLDINGS LLC, a New York limited liability company

By: /s/ Gary P. Curwin
Name: Gary P. Curwin
Title: Vice President

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their duly authorized representatives, all as of the day and year first above written.

LENDER:

MORGAN STANLEY MORTGAGE HOLDINGS LLC, a New York limited liability company

By: _____
Name:
Title:

BORROWER:

BROADWAY 500 WEST MONROE MEZZ I LLC, a Delaware limited liability company

By: /s/ Illegible
Name:
Title:

The undersigned (on behalf of itself and its successors and assigns) hereby acknowledge and agree to this Amendment and the provisions set forth in Section 6 of this Amendment, and reaffirm their obligations under the Guaranty and agree that such Guaranty and their obligations thereunder shall continue and remain in full force and affect, as such obligations have been expressly modified by this Amendment.

GUARANTOR:

BROADWAY PARTNERS PARALLEL FUND B III, L.P., a Delaware limited partnership

By: Broadway Partners Fund GP III, L.P., a Delaware limited partnership, its general partner

By: Broadway Partners Fund GP III, LLC, a Delaware limited liability company, its general partner

By: /s/ Illegible
Name:
Title:

BROADWAY PARTNERS REAL ESTATE FUND III, L.P., a Delaware limited partnership

By: Broadway Partners Fund GP III, L.P., a Delaware limited partnership, its general partner

By: Broadway Partners Fund GP III, LLC, a Delaware limited liability company, its general partner

By: /s/ Illegible
Name:
Title:

BROADWAY PARTNERS PARALLEL FUND P III, L.P., a Delaware limited partnership

By: Broadway Partners Fund GP III, L.P., a Delaware limited partnership, its general partner

By: Broadway Partners Fund GP III, LLC, a Delaware limited liability company, its general partner

By: /s/ Illegible
Name:
Title:

Exhibit 10.8

AMENDED AND RESTATED PROMISSORY NOTE
(MEZZANINE A LOAN)

$75,600,000.00 New York, New York
Effective as of August 15, 2007

THIS AMENDED AND RESTATED PROMISSORY NOTE (MEZZANINE A LOAN) (this "**Note**") is effective as of this 15th day of August, 2007, by and between **BROADWAY 500 WEST MONROE MEZZ I LLC,** a Delaware limited liability company, having its principal place of business at c/o Broadway Partners, 375 Park Avenue, Suite 2107, New York, New York 10152, as borrower ("**Borrower**"), and **MORGAN STANLEY MORTGAGE CAPITAL HOLDINGS LLC,** a New York limited liability company, having an address at 1221 Avenue of the Americas, New York, New York 10020, as lender (together with its successors and assigns, "**Lender**").

RECITALS

WHEREAS, on July 11, 2007, Lender made a loan (the "**Loan**") to Borrower in the original principal amount of up to $65,600,000.00, which Loan is evidenced by that certain Promissory Note dated July 11, 2007, in the principal amount of up to Sixty-Five Million Six Hundred Thousand and No/1000 Dollars ($65,600,000,000.00) made by Borrower to Lender (the " **Original Note**");

WHEREAS, on July 11, 2007, Borrower and Lender entered into that certain Mezzanine A Loan Agreement (the " **Original Loan Agreement**") pursuant to which Lender advanced to Borrower an Initial Advance (as defined in the Original Loan Agreement) in the principal amount of $49,100,000.00 and pursuant to which Lender agreed to make Future Advances (as defined in the Original Loan Agreement) to Borrower pursuant to the terms of the Original Loan Agreement in the principal amount of $16,500,000.00;

WHEREAS, as of the date hereof Borrower and Lender have entered into that certain First Omnibus Amendment to Loan Agreement and Other Loan Documents (Mezzanine A Loan) (the "**Amendment**") pursuant to which Lender has advanced to Borrower additional Loan proceeds in the amount of $10,000,000.00 (the "**Loan Increase**") such that the outstanding principal amount of the Loan as of the date hereof is $59,100,000.00 and the maximum amount of the Loan that may be advanced to Borrower under the Loan Agreement and the Amendment is $75,600,000.00;

WHEREAS, Borrower and Lender desire to amend and restate the Original Note in order to reflect the Loan Increase, and, accordingly, Borrower and Lender have agreed to execute and deliver this Note; and

NOW, THEREFORE, in consideration of the premises, the agreements hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of

which are hereby acknowledged, the parties hereto hereby covenant and agree as follows, effective as of the date first above written:

A. Borrower's indebtedness as evidenced by this Note is Seventy-Five Million Six Hundred Thousand and No/100 Dollars ($75,600,000.00), together with interest thereon as hereinafter provided.

B. This Note does not extinguish the outstanding indebtedness evidenced by Original Note and is not intended to be a substitution or novation of the original indebtedness or instruments evidencing the same, all of which shall continue in full force and effect except as specifically amended and restated hereby.

C. Borrower and Lender hereby agree that the Original Note is hereby amended, restated and replaced in its entirety with respect to the principal indebtedness evidenced by this Note to read as follows:

FOR VALUE RECEIVED, Borrower hereby unconditionally promises to pay to the order of Lender address at 1221 Avenue of the Americas, New York, New York 10020, as payee, or at such other place as the holder hereof may from time to time designate in writing, the principal sum of up to SEVENTY FIVE MILLION SIX HUNDRED THOUSAND and 00/100 DOLLARS ($75,600,000.00) or so much thereof as may be advanced by Lender to Borrower, in lawful money of the United States of America with interest thereon to be computed from the date of this Note at the Applicable Interest Rate and to be paid in accordance with the terms of this Note and that certain Mezzanine A Loan Agreement, dated as of July 11, 2007, as amended by that certain First Omnibus Amendment to Loan Agreement and Other Loan Documents (Mezzanine A Loan) dated as of the date hereof between Borrower and Lender (as same may be further amended, supplemented, restated or otherwise modified from time to time, is hereinafter referred to as the " **Loan Agreement**"). All capitalized terms not defined herein shall have the respective meanings set forth in the Loan Agreement.

ARTICLE 1 - PAYMENT TERMS

Borrower agrees to pay the principal sum of this Note and interest on the unpaid principal sum of this Note from time to time outstanding at the rates and at the times specified in the Loan Agreement and the outstanding balance of the principal sum of this Note and all accrued and unpaid interest thereon shall be due and payable on the Maturity Date together with all other amounts due to Lender under the Loan Documents.

ARTICLE 2 - DEFAULT AND ACCELERATION

The Debt shall without notice become immediately due and payable at the option of Lender if any payment required in this Note is not paid on or prior to the date when due (beyond the expiration of any applicable grace periods) or if not paid on the Maturity Date or on the occurrence of any other Event of Default and in addition, during the continuance of an Event of Default, Lender shall be entitled to receive interest on the entire unpaid principal sum at the Default Rate pursuant to the terms of the Loan Agreement. This Article 2, however, shall not be

construed as an agreement or privilege to extend the date of the payment of the Debt, nor as a waiver of any other right or remedy accruing to Lender by reason of the occurrence of any Event of Default.

ARTICLE 3 - LOAN DOCUMENTS

This Note is secured by the Pledge Agreement and the other Loan Documents. All of the terms, covenants and conditions contained in the Loan Agreement, the Pledge Agreement and the other Loan Documents are hereby made part of this Note to the same extent and with the same force as if they were fully set forth herein. In the event of a conflict or inconsistency between the terms of this Note and the Loan Agreement, the terms and provisions of the Loan Agreement shall govern.

ARTICLE 4 - SAVINGS CLAUSE

This Note and the Loan Agreement are subject to the express condition that at no time shall Borrower be obligated or required to pay interest on the principal balance of the Loan at a rate which could subject Lender to either civil or criminal liability as a result of being in excess of the Maximum Legal Rate. If, by the terms of this Note, the Loan Agreement or the other Loan Documents, Borrower is at any time required or obligated to pay interest on the principal balance due hereunder at a rate in excess of the Maximum Legal Rate, the Applicable Interest Rate or the Default Rate, as the case may be, shall be deemed to be immediately reduced to the Maximum Legal Rate and all previous payments in excess of the Maximum Legal Rate shall be deemed to have been payments in reduction of principal and not on account of the interest due hereunder. All sums paid or agreed to be paid to Lender for the use, forbearance, or detention of the sums due under the Loan, shall, to the extent permitted by applicable law, be amortized, prorated, allocated, and spread throughout the full stated term of the Loan until payment in full so that the rate or amount of interest on account of the Loan does not exceed the Maximum Legal Rate of interest from time to time in effect and applicable to the Loan for so long as the Loan is outstanding.

ARTICLE 5 - NO ORAL CHANGE

This Note may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Borrower or Lender, but only by an agreement in writing signed by the party against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

ARTICLE 6 - WAIVERS

Borrower and all others who may become liable for the payment of all or any part of the Debt do hereby severally waive (i) all exemptions, whether homestead or otherwise, as obligations evidenced by this Note and (ii) presentment and demand for payment, notice of dishonor, notice of intention to accelerate, notice of acceleration, protest and notice of protest and non-payment and all other notices of any kind. No release of any security for the Debt or extension of time for payment of this Note or any installment hereof, and no alteration, amendment or waiver of any provision of this Note, the Loan Agreement or the other Loan

Documents made by agreement between Lender or any other Person shall release, modify, amend, waive, extend, change, discharge, terminate or affect the liability of Borrower, and any other Person who may become liable for the payment of all or any part of the Debt, under this Note, the Loan Agreement or the other Loan Documents. No notice to or demand on Borrower shall be deemed to be a waiver, of the obligation of Borrower or of the right of Lender to take further action without further notice or demand as provided for in this Note, the Loan Agreement or the other Loan Documents. If Borrower is a partnership, the agreements herein contained shall remain in force and be applicable, notwithstanding any changes in the individuals or entities comprising the partnership, and the term "Borrower," as used herein, shall include any alternate or successor partnership, but any predecessor partnership and their partners shall not thereby be released from any liability. If Borrower is a corporation, the agreements contained herein shall remain in full force and be applicable notwithstanding any changes in the shareholders comprising, or the officers and directors relating to, the corporation, and the term "Borrower" as used herein, shall include any alternate or successor corporation, but any predecessor corporation shall not be relieved of liability hereunder. If Borrower is a limited liability company, the agreements herein contained shall remain in force and be applicable, notwithstanding any changes in the members comprising the limited liability company, and the term "Borrower" as used herein, shall include any alternate or successor limited liability company, but any predecessor limited liability company and their members shall not thereby be released from any liability. (Nothing in the foregoing sentence shall be construed as a consent to, or a waiver of, any prohibition or restriction on transfers of interests in such partnership, corporation or limited liability company which may be set forth in the Loan Agreement, the Pledge Agreement or any other Loan Document.) If Borrower consists of more than one person or party, the obligations and liabilities of each such person or party shall be joint and several.

ARTICLE 7 - TRANSFER

Upon the transfer of this Note, Borrower hereby waiving notice of any such transfer (except to the extent provided for in the Loan Agreement), Lender may deliver all the collateral mortgaged, granted, pledged or assigned pursuant to the Loan Documents, or any part thereof, to the transferee who shall thereupon become vested with all the rights herein or under applicable law given to Lender with respect thereto, and Lender shall thereafter forever be relieved and fully discharged from any liability or responsibility in the matter; but Lender shall retain all rights hereby given to it with respect to any liabilities and the collateral not so transferred; provided, however, Borrower shall continue making payments due under this Note to the Lender named herein until Borrower has received notice of such transferee and upon receipt of such notice, Borrower shall commence making payments due under this Note to such transferee.

ARTICLE 8 - EXCULPATION

Notwithstanding anything to the contrary contained in this Note, the liability of Borrower to pay the Debt and for the performance of the other agreements, covenants and obligations contained herein and in the Pledge Agreement, the Loan Agreement and the other Loan Documents shall be limited as set forth in Section 9.4 of the Loan Agreement. The provisions of Section 9.4 of the Loan Agreement are hereby incorporated by reference as if the text of such Section were set forth in its entirety herein.

ARTICLE 9 - GOVERNING LAW

This Note shall be governed in accordance with the terms and provisions of Section 10.3 of the Loan Agreement.

ARTICLE 10 - NOTICES

All notices or other written communications hereunder shall be delivered in accordance with Section 10.6 of the Loan Agreement.

ARTICLE 11 - WAIVER OF RIGHT TO JURY TRIAL

BORROWER HEREBY WAIVES TRIAL BY JURY IN REGARD TO ANY CLAUSES OF ACTION, CLAIMS, OBLIGATIONS, DAMAGES OR ANY COMPLAINTS WHICH BORROWER MAY HAVE ARISING OUT OF THIS NOTE, OR ANY OF THE DOCUMENTS RELATING TO, EVIDENCING AND/OR SECURING THIS NOTE (LOAN DOCUMENTS), OR IN ANY ACTION OR PROCEEDING WHICH THE HOLDER HEREOF MAY BRING TO ENFORCE ANY PROVISION OF THE LOAN DOCUMENTS. BY EXECUTION OF THIS NOTE, BORROWER HEREBY REPRESENTS THAT BORROWER IS REPRESENTED BY COMPETENT COUNSEL WHO HAS FULLY AND COMPLETELY ADVISED BORROWER OF THE MEANING AND RAMIFICATIONS OF THE WAIVER OF THE RIGHT TO A TRIAL BY JURY.

[NO FURTHER TEXT ON THIS PAGE]

LENDER:

MORGAN STANLEY MORTGAGE CAPITAL HOLDINGS LLC, a New York limited liability company

By: /s/ Gary P. Curwin
Name: Gary P. Curwin
Title: Vice President

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their duly authorized representatives, all as of the day and year first above written.

LENDER:

MORGAN STANLEY MORTGAGE HOLDINGS LLC, a New York limited liability company

By: _____
Name:
Title:

BORROWER:

BROADWAY 500 WEST MONROE FEE LLC, a Delaware limited liability company

By: /s/ Illegible
Name:
Title:

Exhibit 10.9

SECOND OMNIBUS AMENDMENT TO LOAN AGREEMENT AND OTHER LOAN DOCUMENTS (MEZZANINE A LOAN)

THIS SECOND OMNIBUS AMENDMENT TO LOAN AGREEMENT AND OTHER LOAN DOCUMENTS (MEZZANINE A LOAN), effective as of February 26, 2008 (this "**Amendment**"), between BROADWAY 500 WEST MONROE MEZZ I LLC, a Delaware limited liability company ("**Borrower**"), and MORGAN STANLEY MORTGAGE CAPITAL HOLDINGS LLC, a New York limited liability company ("**Lender**").

W I T N E S S E T H:

WHEREAS, Lender and Borrower are parties to that certain Mezzanine A Loan Agreement dated as of July 11, 2007 (the " **Original Loan Agreement**"), pursuant to which Lender advanced to Borrower an Initial Advance (as defined in the Loan Agreement) in the principal amount of $49,100,000.00 and pursuant to which Lender agreed to make Future Advances (as defined in the Loan Agreement) to Borrower pursuant to the terms of the Loan Agreement in the principal amount of up to $16,500,000.00 (the Initial Advance and any Future Advances are collectively referred to herein as the "**Original Loan**"), as evidenced by that certain Promissory Note dated July 11, 2007, from Borrower to Lender in the principal amount of up to $65,600,000.00 (the "**Original Note**");

WHEREAS, effective as of August 15, 2007, Borrower and Lender entered into that certain First Omnibus Amendment to Loan Agreement and Other Loan Documents (Mezzanine A Loan) (the "**First Amendment**") collectively with the Original Loan Agreement, the " **Loan Agreement**") pursuant to which Lender advanced to Borrower additional Loan proceeds in the amount Of $10,000,000.00 such that the outstanding principal amount of the Loan effective as of August 15, 2007 was $59,100,000.00 and the maximum amount of the Loan that may be advanced to Borrower under the Loan Agreement was $75,600,000.00, as evidenced by that certain Promissory Note effective as of August 15, 2007, in the principal amount of up to Seventy-Five Million Six Hundred Thousand and No/1000 Dollars ($75,600,000,000.00) made by Borrower to Lender (the " **Amended and Restated Note**");

WHEREAS, Morgan Stanley Mortgage Capital Holdings LLC, a New York limited liability company, as mezzanine lender (" **Mezzanine B Lender**"), and Broadway 500 West Monroe Mezz II LLC, a Delaware limited liability company, as mezzanine borrower (" **Mezzanine B Borrower**"), are parties to that certain Loan Agreement dated as of July 11, 2007, as amended by that certain First Amendment to Mezzanine B Loan Agreement (collectively, the "**Mezzanine B Loan Agreement**"), pursuant to which Mezzanine B Lender made a loan to Mezzanine B Borrower in the original principal amount of $36,200,000.00 (the "**Mezzanine B Loan**");

WHEREAS, the Mezzanine B Loan is evidenced by that certain Promissory Note (Mezzanine B) dated July 11, 2007, from Mezzanine B Borrower to Mezzanine B Lender in the principal amount of $36,200,000.00 (the " **Original Mezzanine B Note**");

WHEREAS, Lender and Borrower have agreed to "resize" the Original Loan and, in order to effectuate such "resizing", Borrower has partially prepaid the outstanding principal amount of the Original Loan on or prior to the date hereof in the amount of $14,100,000.00 (the " **Partial Prepayment**") such that the outstanding principal amount of the Loan as of the date hereof is $45,000,000.00;

WHEREAS, in connection with the "resizing" of the Loan, Mezzanine B Lender and Mezzanine B Borrower have agreed to "resize" the Mezzanine B Loan and, in order to effectuate such "resizing", Mezzanine B Lender has advanced to Mezzanine B Borrower on the date hereof additional Mezzanine B Loan proceeds in the principal amount of $14,100,000.00 (the " **Mezzanine B Loan Increase**") such that the outstanding principal amount of the Mezzanine B Loan as of the date hereof is $50,300,000.00, and such Mezzanine B Loan Increase has been contributed from Mezzanine B Borrower to Borrower in order to make the Partial Prepayment to Lender;

WHEREAS, in order to reflect the Partial Prepayment, Lender and Borrower have entered into that certain Second Amended and Restated Promissory Note (Mezzanine A Loan) effective as of the date hereof, in the principal amount of up to $61,500,000.00 (as the same may be amended, restated, replaced, extended, renewed, supplemented, severed, split, or otherwise modified from time to time, the " **Second Amended and Restated Note**");

WHEREAS, in order to reflect the Mezzanine B Loan Increase, Mezzanine B Lender and Mezzanine B Borrower have entered into (i) that certain Amended and Restated Promissory Note (Mezzanine B Loan) effective as of the date hereof, in the principal amount of $50,300,000.00, and (ii) that certain Second Omnibus Amendment to Loan Agreement and Other Loan Documents (Mezzanine B Loan) effective as of the date hereof;

WHEREAS, in order to, among other things, reflect the Partial Prepayment and the Second Amended and Restated Note, Borrower and Lender have agreed to amend the Loan Agreement in the manner hereinafter set forth.

NOW, THEREFORE, in pursuance of such agreement and for good and valuable consideration, Borrower and Lender hereby agree as follows:

1. Unless otherwise defined in this Amendment, capitalized terms used herein shall have their defined meanings set forth in the Loan Agreement.

2. The definition of Initial Advance is hereby deleted in its entirety and the following substituted therefor:

"Initial Advance" shall mean, collectively, the initial advance of the Loan made by Lender to Borrower pursuant to this Agreement on July 11, 2007, in the principal amount of Forty-Nine Million One Hundred Thousand and No/100 Dollars ($49,100,000.00) and the additional advance of the Loan made by Lender to Borrower pursuant to the First Omnibus Amendment to Loan Agreement and Other Loan Documents (Mezzanine A Loan) effective as of August 15, 2007, in the principal amount of Ten Million and No/100 Dollars ($10,000,000.00), less the amount paid by Borrower

pursuant to the Second Omnibus Amendment to Loan Agreement and Other Loan Documents (Mezzanine A Loan) dated as of February ____, 2008 in the principal amount of Fourteen Million One Hundred Thousand and No/100 Dollars ($14,100,000.00). The aggregate outstanding principal amount of the Initial Advance as of February ____, 2008, is $45,000,000.00.

3. The definition of Note is hereby deleted in its entirety and the following substituted therefor:

"Note" shall mean that certain Second Amended and Restated Promissory Note (Mezzanine A Loan) effective as of February 26, 2008 in the principal amount of up to Sixty-One Million Five Hundred Thousand and 00/100 Dollars ($61,500,000.00), or so much thereof as may be advanced to Borrower pursuant to the terms of this Agreement, made by Borrower in favor of Lender, as the same may be further amended, restated, replaced, extended, renewed, supplemented, severed, split, or otherwise modified from time to time.

4. The definition of Initial Advance Eurodollar Spread is hereby deleted in its entirety and replaced with the following:

""Initial Advance Eurodollar Spread" shall mean 145.0 basis points (1.45%)."

5. The following definition of "LIBOR Loan" is hereby added to Section 1.1 of the Loan Agreement after the definition of "LIBOR Determination Date":

""LIBOR Loan" shall mean the Loan at any time in which the Applicable Interest Rate is calculated at LIBOR."

6. All references in each of the Loan Documents to the Loan Agreement shall be deemed to be a reference to the Loan Agreement as amended by this Amendment. All references in each of the Loan Documents to the Note shall be deemed to be a reference to the "Note" as defined in Section 3 above.

7. The Lender hereby recognizes and accepts the Partial Prepayment and waives any applicable Spread Maintenance Premium, any Breakage Costs and/or any other fees and charges in connection therewith.

8. Borrower and Lender hereby acknowledge and agree that the outstanding principal amount of the Loan as of the date hereof is $45,000,000.00. The amount of the Future Advance is not affected by this Amendment.

9. As amended by this Amendment and the Second Amended and Restated Note, all terms, covenants and provisions of the Loan Documents are ratified and confirmed and shall remain in full force and effect. The obligations of Broadway Partners Parallel Fund B III, L.P., Broadway Partners Parallel Fund P III, L.P., and Broadway Partners Real Estate Fund III, L.P. (collectively, "**Guarantor**"), under that certain Guaranty of Recourse Obligations of

Borrower (Mezzanine A Loan) dated as of July 11, 2007 (the "**Guaranty**"), shall not be released, diminished, impaired, reduced or adversely affected by this Amendment or the Second Amended and Restated Note, and all obligations of Guarantor thereunder shall remain in full force and effect, and Guarantor hereby waives any common law, equitable, statutory or other rights which such party might otherwise have as a result of or in connection with this Amendment and the Second Amended and Restated Note.

10. This Amendment may be executed by one or more of the parties hereto on any number of separate counterparts, each of which shall be an original and all of which taken together shall constitute one and the same instrument.

11. This Amendment shall inure to the benefit of and be binding upon Borrower and Lender, and their respective successors and assigns.

12. This Amendment shall be governed by, and construed in accordance with, the law of the State of New York.

13. The provisions of Section 9.4 of the Loan Agreement are hereby incorporated by reference herein as if the text of such Section were set forth in its entirety herein.

[NO FURTHER TEXT ON THIS PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their duly authorized representatives, all as of the day and year first above written.

LENDER:

MORGAN STANLEY MORTGAGE CAPITAL HOLDINGS LLC, a New York limited liability company

By: /s/ Steven R. Maeglin
Name: Steven R. Maeglin
Title: Vice President

[ADDITIONAL SIGNATURE ON IMMEDIATELY FOLLOWING PAGE]

BORROWER:

BROADWAY 500 WEST MONROE MEZZ I LLC,
a Delaware limited liability company

By: /s/ Illegible
Name:
Title:

The undersigned (on behalf of itself and its successors and assigns) hereby acknowledge and agree to this Amendment and the provisions set forth in Section 8 of this Amendment, and reaffirm their obligations under the Guaranty and agree that such Guaranty and their obligations thereunder shall continue and remain in full force and affect, as such obligations have been expressly modified by this Amendment.

GUARANTOR:

BROADWAY PARTNERS PARALLEL FUND B III, L.P., a Delaware limited partnership

By: Broadway Partners Fund GP III, L.P., a Delaware limited partnership, its general partner

By: Broadway Partners Fund GP III, LLC, a Delaware limited liability company, its general partner

By: /s/ Illegible
Name:
Title:

[ADDITIONAL SIGNATURES ON IMMEDIATELY FOLLOWING PAGE]

BROADWAY PARTNERS REAL ESTATE FUND III, L.P., a Delaware limited partnership

By: Broadway Partners Fund GP III, L.P., a Delaware limited partnership, its general partner

By: Broadway Partners Fund GP III, LLC, a Delaware limited liability company, its general partner

By: /s/ Illegible
Name:
Title:

BROADWAY PARTNERS PARALLEL FUND P III, L.P., a Delaware limited partnership

By: Broadway Partners Fund GP III, L.P., a Delaware limited partnership, its general partner

By: Broadway Partners Fund GP III, LLC, a Delaware limited liability company, its general partner

By: /s/ Illegible
Name:
Title:

Exhibit 10.10

SECOND AMENDED AND RESTATED PROMISSORY NOTE
(MEZZANINE A LOAN)

$61,500,000.00 New York, New York
Effective as of February 26, 2008

THIS SECOND AMENDED AND RESTATED PROMISSORY NOTE (MEZZANINE A LOAN) (this "**Note**") is effective as of this 26th day of February, 2008, by and between **BROADWAY 500 WEST MONROE MEZZ I LLC,** a Delaware limited liability company, having its principal place of business at c/o Broadway Partners, 375 Park Avenue, Suite 2107, New York, New York 10152, as borrower ("**Borrower**"), and **MORGAN STANLEY MORTGAGE CAPITAL HOLDINGS LLC,** a New York limited liability company, having an address at 1221 Avenue of the Americas, New York, New York 10020, as lender (together with its successors and assigns, "**Lender**").

RECITALS

WHEREAS, on July 11, 2007, Lender made a loan (the "**Loan**") to Borrower in the original principal amount of up to $65,600,000.00, which Loan is evidenced by that certain Promissory Note dated July 11, 2007, in the principal amount of up to Sixty-Five Million Six Hundred Thousand and No/1000 Dollars ($65,600,000,000.00) made by Borrower to Lender (the " **Original Note**");

WHEREAS, on July 11, 2007, Borrower and Lender entered into that certain Mezzanine A Loan Agreement (the " **Original Loan Agreement**") pursuant to which Lender advanced to Borrower an Initial Advance (as defined in the Original Loan Agreement) in the principal amount of $49,100,000.00 and pursuant to which Lender agreed to make Future Advances (as defined in the Original Loan Agreement) to Borrower pursuant to the terms of the Original Loan Agreement in the principal amount of up to $16,500,000.00;

WHEREAS, effective as of August 15, 2007 Borrower and Lender entered into that certain First Omnibus Amendment to Loan Agreement and Other Loan Documents (Mezzanine A Loan) (the "**First Amendment**") pursuant to which Lender advanced to Borrower additional Loan proceeds in the amount of $10,000,000.00 (the "**Loan Increase**") such that the outstanding principal amount of the Loan as of the such date was $59,100,000.00 and the maximum amount of the Loan that may be advanced to Borrower under the Loan Agreement and the Amendment was $75,600,000.00, as evidenced by that certain Promissory Note effective as of August 15, 2007, in the principal amount of up to Seventy-Five Million Six Hundred Thousand and No/1000 Dollars ($75,600,000,000.00) made by Borrower to Lender (the " **Amended and Restated Note**");

WHEREAS, as of the date hereof Borrower has made a partial prepayment of the outstanding principal amount of the Loan in the amount of $14,100,000.00 (the "**Partial Prepayment**") such that the outstanding principal amount of the Loan on the date hereof is

$45,000,000.00, and the maximum amount of the Loan may be advanced to Borrower is $61,500,00.00;

WHEREAS, Borrower and Lender desire to amend and restate the Amended and Restated Note in order to reflect the Partial Prepayment, and, accordingly, Borrower and Lender have agreed to execute and deliver this Note; and

NOW, THEREFORE, in consideration of the premises, the agreements hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby covenant and agree as follows, effective as of the date first above written:

A. Borrower's indebtedness as evidenced by this Note is Sixty-One Million Five Hundred Thousand and No/100 Dollars ($61,500,000.00), together with interest thereon as hereinafter provided.

B. Except with respect to the principal amount of the Partial Prepayment, this Note does not extinguish the outstanding indebtedness evidenced by the Original Note or the Amended and Restated Note and is not intended to be a substitution or novation of the original indebtedness or instruments evidencing the same, all of which shall continue in full force and effect except as specifically amended and restated hereby.

C. Borrower and Lender hereby agree that the Original Note or the Amended and Restated Note is hereby amended, restated and replaced in its entirety with respect to the principal indebtedness evidenced by this Note to read as follows:

FOR VALUE RECEIVED, Borrower hereby unconditionally promises to pay to the order of Lender at 1221 Avenue of the Americas, New York, New York 10020, as payee, or at such other place as the holder hereof may from time to time designate in writing, the principal sum of up to SIXTY ONE MILLION FIVE HUNDRED THOUSAND and 00/100 DOLLARS ($61,500,000.00) or so much thereof as may be advanced by Lender to Borrower, in lawful money of the United States of America with interest thereon to be computed from the date of this Note at the Applicable Interest Rate and to be paid in accordance with the terms of this Note and that certain Mezzanine A Loan Agreement, dated as of July 11, 2007, as amended by that certain First Omnibus Amendment to Loan Agreement and Other Loan Documents (Mezzanine A Loan), effective as of August 15, 2007, as amended by that certain Second Omnibus Amendment to Loan Agreement and Other Loan Documents (Mezzanine A Loan) dated as of the date hereof between Borrower and Lender (as same may be further amended, supplemented, restated or otherwise modified from time to time, is hereinafter referred to as the " **Loan Agreement**"). All capitalized terms not defined herein shall have the respective meanings set forth in the Loan Agreement.

ARTICLE 1 - PAYMENT TERMS

Borrower agrees to pay the principal sum of this Note and interest on the unpaid principal sum of this Note from time to time outstanding at the rates and at the times specified in the Loan

Agreement and the outstanding balance of the principal sum of this Note and all accrued and unpaid interest thereon shall be due and payable on the Maturity Date together with all other amounts due to Lender under the Loan Documents.

ARTICLE 2 - DEFAULT AND ACCELERATION

The Debt shall without notice become immediately due and payable at the option of Lender if any payment required in this Note is not paid on or prior to the date when due (beyond the expiration of any applicable grace periods) or if not paid on the Maturity Date or on the occurrence of any other Event of Default and in addition, during the continuance of an Event of Default, Lender shall be entitled to receive interest on the entire unpaid principal sum at the Default Rate pursuant to the terms of the Loan Agreement. This Article 2, however, shall not be construed as an agreement or privilege to extend the date of the payment of the Debt, nor as a waiver of any other right or remedy accruing to Lender by reason of the occurrence of any Event of Default.

ARTICLE 3 - LOAN DOCUMENTS

This Note is secured by the Pledge Agreement and the other Loan Documents. All of the terms, covenants and conditions contained in the Loan Agreement, the Pledge Agreement and the other Loan Documents are hereby made part of this Note to the same extent and with the same force as if they were fully set forth herein. In the event of a conflict or inconsistency between the terms of this Note and the Loan Agreement, the terms and provisions of the Loan Agreement shall govern.

ARTICLE 4 - SAVINGS CLAUSE

This Note and the Loan Agreement are subject to the express condition that at no time shall Borrower be obligated or required to pay interest on the principal balance of the Loan at a rate which could subject Lender to either civil or criminal liability as a result of being in excess of the Maximum Legal Rate. If, by the terms of this Note, the Loan Agreement or the other Loan Documents, Borrower is at any time required or obligated to pay interest on the principal balance due hereunder at a rate in excess of the Maximum Legal Rate, the Applicable Interest Rate or the Default Rate, as the case may be, shall be deemed to be immediately reduced to the Maximum Legal Rate and all previous payments in excess of the Maximum Legal Rate shall be deemed to have been payments in reduction of principal and not on account of the interest due hereunder. All sums paid or agreed to be paid to Lender for the use, forbearance, or detention of the sums due under the Loan, shall, to the extent permitted by applicable law, be amortized, prorated, allocated, and spread throughout the full stated term of the Loan until payment in full so that the rate or amount of interest on account of the Loan does not exceed the Maximum Legal Rate of interest from time to time in effect and applicable to the Loan for so long as the Loan is outstanding.

ARTICLE 5 - NO ORAL CHANGE

This Note may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Borrower or Lender, but only by an

agreement in writing signed by the party against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

ARTICLE 6 - WAIVERS

Borrower and all others who may become liable for the payment of all or any part of the Debt do hereby severally waive (i) all exemptions, whether homestead or otherwise, as obligations evidenced by this Note and (ii) presentment and demand for payment, notice of dishonor, notice of intention to accelerate, notice of acceleration, protest and notice of protest and non-payment and all other notices of any kind. No release of any security for the Debt or extension of time for payment of this Note or any installment hereof, and no alteration, amendment or waiver of any provision of this Note, the Loan Agreement or the other Loan Documents made by agreement between Lender or any other Person shall release, modify, amend, waive, extend, change, discharge, terminate or affect the liability of Borrower, and any other Person who may become liable for the payment of all or any part of the Debt, under this Note, the Loan Agreement or the other Loan Documents. No notice to or demand on Borrower shall be deemed to be a waiver, of the obligation of Borrower or of the right of Lender to take further action without further notice or demand as provided for in this Note, the Loan Agreement or the other Loan Documents. If Borrower is a partnership, the agreements herein contained shall remain in force and be applicable, notwithstanding any changes in the individuals or entities comprising the partnership, and the term "Borrower," as used herein, shall include any alternate or successor partnership, but any predecessor partnership and their partners shall not thereby be released from any liability. If Borrower is a corporation, the agreements contained herein shall remain in full force and be applicable notwithstanding any changes in the shareholders comprising, or the officers and directors relating to, the corporation, and the term "Borrower" as used herein, shall include any alternate or successor corporation, but any predecessor corporation shall not be relieved of liability hereunder. If Borrower is a limited liability company, the agreements herein contained shall remain in force and be applicable, notwithstanding any changes in the members comprising the limited liability company, and the term "Borrower" as used herein, shall include any alternate or successor limited liability company, but any predecessor limited liability company and their members shall not thereby be released from any liability. (Nothing in the foregoing sentence shall be construed as a consent to, or a waiver of, any prohibition or restriction on transfers of interests in such partnership, corporation or limited liability company which may be set forth in the Loan Agreement, the Pledge Agreement or any other Loan Document.) If Borrower consists of more than one person or party, the obligations and liabilities of each such person or party shall be joint and several.

ARTICLE 7 - TRANSFER

Upon the transfer of this Note, Borrower hereby waiving notice of any such transfer (except to the extent provided for in the Loan Agreement), Lender may deliver all the collateral mortgaged, granted, pledged or assigned pursuant to the Loan Documents, or any part thereof, to the transferee who shall thereupon become vested with all the rights herein or under applicable law given to Lender with respect thereto, and Lender shall thereafter forever be relieved and fully discharged from any liability or responsibility in the matter; but Lender shall retain all rights hereby given to it with respect to any liabilities and the collateral not so transferred;

provided, however, Borrower shall continue making payments due under this Note to the Lender named herein until Borrower has received notice of such transferee and upon receipt of such notice, Borrower shall commence making payments due under this Note to such transferee.

ARTICLE 8 - EXCULPATION

Notwithstanding anything to the contrary contained in this Note, the liability of Borrower to pay the Debt and for the performance of the other agreements, covenants and obligations contained herein and in the Pledge Agreement, the Loan Agreement and the other Loan Documents shall be limited as set forth in Section 9.4 of the Loan Agreement. The provisions of Section 9.4 of the Loan Agreement are hereby incorporated by reference as if the text of such Section were set forth in its entirety herein.

ARTICLE 9 - GOVERNING LAW

This Note shall be governed in accordance with the terms and provisions of Section 10.3 of the Loan Agreement.

ARTICLE 10 - NOTICES

All notices or other written communications hereunder shall be delivered in accordance with Section 10.6 of the Loan Agreement.

ARTICLE 11 - WAIVER OF RIGHT TO JURY TRIAL

BORROWER HEREBY WAIVES TRIAL BY JURY IN REGARD TO ANY CLAUSES OF ACTION, CLAIMS, OBLIGATIONS, DAMAGES OR ANY COMPLAINTS WHICH BORROWER MAY HAVE ARISING OUT OF THIS NOTE, OR ANY OF THE DOCUMENTS RELATING TO, EVIDENCING AND/OR SECURING THIS NOTE (LOAN DOCUMENTS), OR IN ANY ACTION OR PROCEEDING WHICH THE HOLDER HEREOF MAY BRING TO ENFORCE ANY PROVISION OF THE LOAN DOCUMENTS. BY EXECUTION OF THIS NOTE, BORROWER HEREBY REPRESENTS THAT BORROWER IS REPRESENTED BY COMPETENT COUNSEL WHO HAS FULLY AND COMPLETELY ADVISED BORROWER OF THE MEANING AND RAMIFICATIONS OF THE WAIVER OF THE RIGHT TO A TRIAL BY JURY.

[NO FURTHER TEXT ON THIS PAGE]

IN WITNESS WHEREOF, Borrower and Lender have duly executed this Note as of the day and year first above written.

BORROWER:

BROADWAY 500 WEST MONROE MEZZ I LLC, a Delaware limited liability company

By: /s/ Illegible
Name:
Title:

[ADDITIONAL SIGNATURE ON IMMEDIATELY FOLLOWING PAGE]

LENDER:

MORGAN STANDBY MORTGAGE CAPITAL HOLDINGS LLC, a New York limited liability company

By: /s/ Steven R. Maeglin
Name: Steven R. Maeglin
Title: Vice President

Exhibit 10.11

MEZZANINE A LOAN PARTICIPATION AGREEMENT

(500 W. Monroe Street, Chicago, Illinois)

Dated as of February 26, 2008

by and among

MORGAN STANLEY MORTGAGE CAPITAL HOLDINGS LLC
(Mezzanine A Lender)

and

MORGAN STANLEY MORTGAGE CAPITAL HOLDINGS LLC
(Participation A Holder)

and

MORGAN STANLEY MORTGAGE CAPITAL HOLDINGS LLC
(Participation B Holder)

and

LASALLE BANK NATIONAL ASSOCIATION
(Custodian)

TABLE OF CONTENTS

THIS MEZZANINE A LOAN PARTICIPATION AGREEMENT (the "Agreement") dated as of February 26, 2008, by and among MORGAN STANLEY MORTGAGE CAPITAL HOLDINGS LLC, as holder of the Mezzanine Note (as defined below) ("Mezzanine A Lender"), MORGAN STANLEY MORTGAGE CAPITAL HOLDINGS LLC, as holder of Participation A (together with its successors and assigns, the "Participation A Holder"), MORGAN STANLEY MORTGAGE CAPITAL HOLDINGS LLC, as the holder of Participation B (together with its successors and assigns, the "Participation B Holder"), and LASALLE BANK NATIONAL ASSOCIATION, a national banking association (together with its successors and assigns, the "Custodian").

W I T N E S S E T H:

WHEREAS, pursuant to the terms, provisions and conditions set forth in that certain Loan Agreement, dated as of July 11, 2007, as amended by that certain First Omnibus Amendment to Loan Agreement and Other Loan Documents (Mortgage Loan) dated as of August 15, 2007 (collectively, the "Mortgage Loan Agreement") between Morgan Stanley Mortgage Capital Holdings LLC, as mortgage lender (the "Original Mortgage Lender"), and Broadway 500 West Monroe Fee LLC, a Delaware limited liability company (the "Mortgage Borrower"), the Original Mortgage Lender has made a loan to the Mortgage Borrower in the principal amount of $140,000,000.00 (the "Mortgage Loan"), secured by, among other things, that certain Mortgage, Assignment of Leases and Rents, Fixture Filing and Security Agreement dated as of July 11, 2007 (the "Mortgage") encumbering the real property, and all improvements thereon and appurtenances thereto, described in the Mortgage (the "Mortgaged Property");

WHEREAS, Original Mortgage Lender has transferred and assigned the Mortgage Loan and the Mortgage Loan Documents (as defined herein) to Wells Fargo Bank, N.A., as Trustee for the Morgan Stanley Capital I Inc. Commercial Mortgage Pass-Through Certificates Trust, Series 2007-XLF9, under the Trust and Servicing Agreement (as defined herein) (the "Mortgage Lender"), as contemplated by the Trust and Servicing Agreement;

WHEREAS, pursuant to the terms, provisions and conditions set forth in that certain Mezzanine A Loan Agreement, dated as of July 11, 2007, as amended by (i) that certain First Omnibus Amendment to Loan Agreement and Other Loan Documents (Mezzanine A Loan) dated as of August 15, 2007, and (ii) that certain Second Omnibus Amendment to Loan Agreement and Other Loan Documents (Mezzanine A Loan) dated as of February 26, 2008 (collectively, the "Mezzanine A Loan Agreement"), between Broadway 500 West Monroe Mezz I LLC, a Delaware limited liability company (the "Mezzanine A Borrower") and Mezzanine A Lender, the Mezzanine A Lender has made a loan to Mezzanine A Borrower (the "Mezzanine A Loan") in the principal amount of $61,500,000.00 of which $45,000,000.00 has been advanced to Mezzanine A Borrower as of the date hereof, which Mezzanine A Loan is evidenced by that certain Second Amended and Restated Promissory Note (Mezzanine A Loan), dated as of February 26, 2008, made by the Mezzanine A Borrower to Mezzanine A Lender (the "Mezzanine A Note"), and secured by, among other things, a Pledge and Security Agreement (Mezzanine A Loan), dated as of July 11, 2007 (the "Mezzanine A Pledge Agreement"), between

Mezzanine A Borrower and Mezzanine A Lender, pursuant to which Mezzanine A Lender is granted a first priority perfected security interest in the ownership interest of the Mezzanine A Borrower in the Mortgage Borrower;

WHEREAS, under the terms of the Mezzanine A Loan Agreement, Mezzanine A Lender has granted the Mezzanine A Borrower the right to obtain additional funding in an amount, in the aggregate, not to exceed $16,500,000 (a " Future Advance"), which amount has not been advanced as of the date hereof but may be advanced from time to time on future dates, subject to the satisfaction of certain terms set forth in the Mezzanine A Loan Agreement;

WHEREAS, pursuant to the terms, provisions and conditions set forth in that certain Mezzanine B Loan Agreement, dated as of July 11, 2007, between Broadway 500 West Monroe Mezz II LLC, a Delaware limited liability company (the " Mezzanine B Borrower"), and Morgan Stanley Mortgage Capital Holdings LLC, as the mezzanine B lender (the " Mezzanine B Lender"), as amended by (i) that certain First Amendment to Mezzanine B Loan Agreement effective as of September 28, 2007, and (ii) that certain Second Omnibus Amendment to Loan Agreement and Other Loan Documents (Mezzanine B Loan) dated as of February 26, 2008 (collectively, the "Mezzanine B Loan Agreement"), the Mezzanine B Lender has made a loan to Mezzanine B Borrower (the "Mezzanine B Loan") in the principal amount of $50,300,000.00, which Mezzanine B Loan is evidenced by that certain Amended and Restated Promissory Note (Mezzanine B Loan), dated as of February 26, 2008, made by the Mezzanine B Borrower to Mezzanine B Lender (the " Mezzanine B Note"), and secured by, among other things, a Pledge and Security Agreement (Mezzanine B Loan), dated as of July 11, 2007 (the " Mezzanine B Pledge Agreement"), between Mezzanine B Borrower and Mezzanine B Lender, pursuant to which Mezzanine B Lender is granted a first priority perfected security interest in the ownership interest of the Mezzanine B Borrower in the Mezzanine A Borrower;

WHEREAS, pursuant to the terms, provisions and conditions set forth in that certain Mezzanine C Loan Agreement, dated as of July 11, 2007, between Broadway 500 West Monroe Mezz III LLC, a Delaware limited liability company (the " Mezzanine C Borrower"), and Morgan Stanley Mortgage Capital Holdings LLC, as the original mezzanine C lender (the " Original Mezzanine C Lender"), as amended by that certain First Amendment to Mezzanine C Loan Agreement effective as of September 28, 2007 (collectively, the "Mezzanine C Loan Agreement"), the Original Mezzanine C Lender made a loan to Mezzanine C Borrower (the "Mezzanine C Loan") in the principal amount of $40,200,000.00, which Mezzanine C Loan is evidenced by that certain Promissory Note (Mezzanine C Loan), dated as of July 11, 2007, made by the Mezzanine C Borrower to Original Mezzanine C Lender (the " Mezzanine C Note"), and secured by, among other things, a Pledge and Security Agreement (Mezzanine C Loan), dated as of July 11, 2007 (the " Mezzanine C Pledge Agreement"), between Mezzanine C Borrower and Original Mezzanine C Lender, pursuant to which Mezzanine C Lender is granted a first priority perfected security interest in the ownership interest of the Mezzanine C Borrower in the Mezzanine B Borrower;

WHEREAS, Original Mezzanine C Lender has transferred and assigned the Mezzanine C Loan and the Mezzanine C Loan Documents (as defined herein) to WHSF Nevada, LLC, a Nevada limited liability company (the " Mezzanine C Lender");

WHEREAS, pursuant to the terms, provisions and conditions set forth in that certain Mezzanine D Loan Agreement, dated as of July 11, 2007 (the "Mezzanine D Loan Agreement"), between Broadway 500 West Monroe Mezz IV LLC, a Delaware limited liability company (the " Mezzanine D Borrower"), and Transwestern Mezzanine Realty Partners II, LLC, a Delaware limited liability company, as the mezzanine D lender (the " Mezzanine D Lender"), the Mezzanine D Lender has made a loan to Mezzanine D Borrower (the " Mezzanine D Loan") in the principal amount of $48,500,000.00, which Mezzanine D Loan is evidenced by that certain Promissory Note (Mezzanine D Loan), dated as of July 11, 2007, made by the Mezzanine D Borrower to Mezzanine D Lender (the "Mezzanine D Note"), and secured by, among other things, a Pledge and Security Agreement (Mezzanine D Loan), dated as of July 11, 2007 (the "Mezzanine D Pledge Agreement"), between Mezzanine D Borrower and Mezzanine D Lender, pursuant to which Mezzanine D Lender is granted a first priority perfected security interest in the ownership interest of the Mezzanine D Borrower in the Mezzanine C Borrower;

WHEREAS, the Mortgage Lender, the Mezzanine A Lender, the Mezzanine B Lender, the Mezzanine C Lender and the Mezzanine D Lender are parties to that certain Intercreditor Agreement dated as of July 11, 2007, as supplemented by that certain Supplemental Intercreditor Agreement dated as of October 22, 2007 (the "Intercreditor Agreement"), which provides for the relative priority of the Mortgage Loan, the Mezzanine A Loan, the Mezzanine B Loan, the Mezzanine C Loan and the Mezzanine D Loan on the terms and conditions set forth therein;

WHEREAS, Mezzanine A Lender now intends to create two separate certificated participation interests in the Mezzanine A Loan: a senior participation in the Mezzanine A Loan representing the funded principal balance of $45,000,000.00 (balance as of the date hereof) (" Participation A") and a subordinate participation in the Mezzanine A Loan representing the future advance obligation with an initial principal balance of $0 (" Participation B," and together with Participation A, the "Participations"), as more particularly set forth in this Agreement; and

WHEREAS, the parties hereto desire to enter into this Agreement to set forth their understanding with respect to the relative priority of Participation A and Participation B and certain other matters, all as hereinafter set forth;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto mutually agree as follows:

1. Definitions; Conflicts. References to a "Section" or the "recitals" are, unless otherwise specified, to a Section or the recitals of this Agreement. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Servicing Agreement. To the extent of any inconsistency between terms defined in this Agreement and the Servicing Agreement, the terms of this Agreement shall control. Whenever used in this Agreement, the following terms shall have the respective meanings set forth below unless the context clearly requires otherwise.

"Affiliate" shall mean with respect to any specified Person, (a) any other Person controlling or controlled by or under common control with such specified Person (each a

"Common Control Party"), (b) any other Person owning, directly or indirectly, ten percent (10%) or more of the beneficial interests in such Person or (c) any other Person in which such Person or a Common Control Party owns, directly or indirectly, ten percent (10%) or more of the beneficial interests. For the purposes of this definition, "control" when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract, relation to individuals or otherwise, and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Agreement" shall mean this Participation Agreement, the exhibits and schedules hereto and all amendments hereof and supplements hereto.

"Appraisal" shall mean an appraisal with respect to the Mortgaged Property conducted in accordance with the standards of the Appraisal Institute by an Appraiser and certified by such Appraiser as having been prepared in accordance with the requirements of the Standards of Professional Practice of the Appraisal Institute and the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation, as well as FIRREA, and, subject to then-applicable laws and regulations.

"Appraisal Reduction Amount" shall mean for any Remittance Date as to which an Appraisal Reduction Event has occurred, an amount equal to the excess, if any, of:

(A) the sum (without duplication) of (i) the outstanding principal balance of the Mortgage Loan and the Mezzanine A Loan as of the last day of the related Collection Period, (ii) to the extent not previously advanced by the Participation B Holder as a Mortgage Loan Cure Payment or a Mezzanine A Loan Cure Payment, all accrued and unpaid interest on the outstanding principal balance of the Mortgage Loan at a per annum rate equal to the applicable interest rate (without regard to any default rate) payable on the Mortgage Loan, and all accrued and unpaid interest on the outstanding principal balance of the Mezzanine A Loan at a per annum rate equal to the applicable interest rate (without regard to any default rate) payable on the Mezzanine A Loan, (iii) all unreimbursed servicing advances made by the Servicer under the Servicing Agreement, with any interest thereon (to the extent provided in Servicing Agreement) in respect of the Mezzanine A Loan and any principal and interest advances and servicing advances made by the Mortgage Loan Servicer, together with interest thereon, and all Mezzanine A Loan Cure Payments and Mortgage Loan Cure Payments and (iv) all real estate taxes, ground rents, if applicable (payable by the Mezzanine A Borrower or the Mortgage Borrower), and assessments and insurance premiums and all other amounts (not including any default interest, Late Charges or other similar fees or charges) past due and unpaid with respect to the Mezzanine A Loan, the Mortgage Loan or the Mortgaged Property (which taxes, premiums and other amounts have not been the subject of an advance by the Mortgage Loan Servicer or the Servicer pursuant to the Servicing Agreement, or a Mortgage Loan Cure Payment or a Mezzanine A Loan Cure Payment), over

(B) an amount equal to the sum of (x) ninety percent (90%) of the appraised value of the Mortgaged Property as determined by Updated Appraisals obtained by the Servicer, and (y) the amount of any escrows or reserves held by the Servicer or the Mortgage Loan Servicer (other than escrows and reserves for real estate taxes, ground rents, assessments and

insurance premiums), cash collateral, letters of credit, or other cash equivalents which may, pursuant to the Mortgage Loan Documents and/or the Mezzanine A Loan Documents, be used to pay down the principal balance of the Mortgage Loan and/or the Mezzanine A Loan.

"Appraisal Reduction Event" shall mean the earliest to occur of any of the following: (a) the date on which an extension of the Mezzanine A Loan becomes effective as a result of a modification of the Mezzanine A Loan (as opposed to an extension of the Mezzanine A Loan pursuant to Section 2.2. l(c) of the Mezzanine A Loan Agreement); (b) except with respect to Balloon Payments covered in subsection (f) below, the Mezzanine A Borrower being more than 60 days' delinquent in payment of principal or interest; (c) the modification of the terms of the Mezzanine A Loan in any manner which reduces a monthly debt service payment, changes the Mezzanine A Interest Rate, changes the Mezzanine A Loan Principal Balance or alters or introduces any principal amortization features; (d) the Mezzanine A Borrower or the Mortgage Borrower becoming the subject of a bankruptcy, insolvency or similar proceeding which, if brought by a third party, is not dismissed within 60 days, or a receiver, conservator or trustee being appointed for the Mortgaged Property; (e) the Separate Collateral becoming an REO Property; (f) a failure on the part of the Mezzanine A Borrower to make the Balloon Payment as and when the same becomes due and payable; (g) any Event of Default, other than the Events of Default referred to in subsection (b) or (f) above has occurred and such default shall materially and adversely affect any Participation Holder; or (h) the receipt of notice or the Servicer has actual knowledge that a Mortgage Loan Event of Default has occurred.

"Appraiser" shall mean an independent appraiser, selected by the applicable Servicer (and, where this Agreement expressly requires a Participation Holder's approval of such appraiser, reasonably acceptable to such Participation Holder), who is a member in good standing of the Appraisal Institute, certified or licensed in the state or applicable jurisdiction in which the Mortgaged Property is located, who has a minimum of five years' experience in the appraisal of comparable properties in the geographic area in which the Mortgaged Property is located and who is not an Affiliate of (a) any Participation Holder, (b) any of Borrower, Mezzanine A Borrower, Mezzanine B Borrower, Mezzanine C Borrower or Mezzanine D Borrower, or (c) Mortgage Lender, Mezzanine A Lender, Mezzanine B Lender, Mezzanine C Lender or Mezzanine D Lender.

"Balloon Payment" shall mean, with respect to the Mezzanine A Loan, the payment of principal due on its stated maturity date.

"Business Day" shall mean any day other than a Saturday, Sunday or other weekday on which national banks in New York, New York are authorized or required not to be open for business.

"CDO Asset Manager" with respect to any Securitization Vehicle which is a CDO, shall mean the entity which is responsible for managing or administering the applicable Participation or an interest therein as an underlying asset of such Securitization Vehicle or, if applicable, as an asset of any Intervening Trust Vehicle (including, without limitation, the right to exercise any consent and control rights available to the holder of such Participation).

"Certificates" shall mean any securities (including all classes thereof) representing beneficial ownership interests in any portion of the Mortgage Loan or in a pool of mortgage loans including any portion of the Mortgage Loan issued in connection with a Securitization of any portion of the Mortgage Loan.

"Collection Account" shall mean the "collection account" established under the applicable Servicing Agreement.

"Collection Period" shall mean with respect to any Payment Date under the Mezzanine A Loan, the Accrual Period (as defined in the Mezzanine A Loan Agreement) applicable thereto.

"Control" shall mean the ownership, directly or indirectly, in the aggregate of more than fifty percent (50%) of the beneficial ownership interests of an entity and the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of an entity, whether through the ability to exercise voting power, by contract or otherwise. "Controlled by," "controlling" and "under common control with" shall have the respective correlative meaning thereto.

"Control Appraisal Event" shall exist, if and for so long as:

(a) (i) the sum (without duplication) of (A) the initial Participation B Principal Balance and (B) the aggregate amount of Future Advances made by the Participation B Holder as of the date of determination, minus (ii) the sum (without duplication) of (A) any principal payments allocated to, and received on, Participation B, (B) any Appraisal Reduction Amounts for the Mezzanine A Loan and (C) any Realized Principal Losses,

is less than

(b) 25% of an amount equal to (i) the sum (without duplication) of (A) the initial Participation B Principal Balance, and (B) the aggregate amount of Future Advances made by the Participation B Holder as of the date of determination, minus (ii) principal payments allocated to, and received on, Participation B hereunder.

"Controlling Holder" shall mean (a) prior to such time the Participation B Holder has made future advances equal to or in excess of $3,000,000, the Participation A Holder; and

(b) after such time that the Participation B Holder has made future advances equal to or in excess of $3,000,000, the Participation B Holder, unless (x) a Control Appraisal Event has occurred and is continuing or (y) any portion of the Participation B Principal Balance is held by the Mezzanine A Borrower or a Mezzanine A Borrower Related Party.

"Defaulted Mezzanine A Loan Purchase Price " shall mean the sum of (a) the Participation A Principal Balance (as of the date of purchase), (b) accrued and unpaid Participation A Accrued Interest Amount, up to (but excluding) the date of purchase, provided payment is made in good funds by 4:00 p.m. New York local time, and (c) the sum of (i) any unreimbursed Servicing Fees and any other servicing compensation payable and all other

amounts payable to the Servicer pursuant to the Servicing Agreement, and (ii) unreimbursed Mortgage Loan Cure Payments made by the Participation A Holder. In determining the Defaulted Mezzanine A Loan Purchase Price, amounts payable by the Mezzanine A Borrower as a Prepayment Fee, default interest, Late Charges and other similar fees shall not be included, unless the Participation B Holder or an Affiliate of the Participation B Holder is a Mezzanine A Borrower Related Party at the time of the occurrence of the Participation A Purchase Option Event or at the time of purchase.

"Eligibility Requirements" means, with respect to any Person, that such Person (i) has total assets (in name or under management) in excess of $650,000,000 and (except with respect to a pension advisory firm, asset manager or similar fiduciary) capital/statutory surplus or shareholder's equity of $250,000,000 and (ii) is regularly engaged in the business of making or owning (including indirectly through REMIC bonds and/or securitizations) commercial real estate loans or interests therein (including, without limitation, "B" notes, participations and mezzanine loans to direct or indirect owners of commercial properties, which loans are secured by pledges of direct or indirect ownership interests in the owners of such commercial properties) or owning and operating commercial properties.

"Event of Default" shall mean an "Event of Default" as defined in the Mezzanine A Loan Agreement.

"Final Recovery Determination" shall mean a reasonable determination by the Servicer in accordance with the Servicing Standard, that there has been a recovery of all liquidation proceeds, REO proceeds and other payments or recoveries that, in the Servicer's reasonable judgment will ultimately be recoverable with respect to the Separate Collateral.

"Fitch" shall mean Fitch, Inc. and its successors in interest.

"Funding Party" shall have the meaning set forth in Section 17.

"Future Advance" shall have the meaning set forth in the recitals.

"Future Advance Obligations" shall mean the obligations of Mezzanine A Lender to fund a Future Advance to the Mezzanine A Borrower.

"Grace Period" shall have the meaning assigned to such term in Section 9(b).

"Intercreditor Agreement" shall have the meaning set forth in the recitals.

"Intervening Trust Vehicle" with respect to any Securitization Vehicle that is a CDO, shall mean a trust vehicle or entity which holds a Participation as collateral securing (in whole or in part) any obligation or security held by such Securitization Vehicle as collateral for the CDO.

"Late Charges" shall mean any amounts actually collected on the Mezzanine A Loan from the Mezzanine A Borrower that represent late payment charges, other than a Prepayment Premium or default interest.

"Loan Pledgee" shall have the meaning assigned to such term in Section 16.

"Maturity Date" shall have the meaning assigned to such term in Exhibit A.

"Mezzanine A Borrower" shall have the meaning assigned to such term in the recitals.

"Mezzanine A Borrower Related Parties" shall have the meaning assigned to such term in Section 17.

"Mezzanine A Default Notice" shall have the meaning assigned to such term in Section 9(b).

"Mezzanine A Interest Rate" shall mean the "Mezzanine A Interest Rate" set forth in the Mezzanine A Loan Schedule.

"Mezzanine A Lender" shall have the meaning assigned to such term in the recitals.

"Mezzanine A Loan" shall have the meaning assigned to such term in the recitals.

"Mezzanine A Loan Agreement" shall have the meaning assigned to such term in the recitals.

"Mezzanine A Loan Cure Payment" shall mean any cure payment made with respect to the Mezzanine A Loan by any Participation Holder.

"Mezzanine A Loan Documents" shall mean the Mezzanine A Loan Agreement, the Mezzanine A Note, and all other documents evidencing or securing the Mezzanine A Loan.

"Mezzanine A Loan Principal Balance" shall mean, at any date of determination, the principal balance of the Mezzanine A Loan.

"Mezzanine A Loan Schedule" shall mean the schedule in the form attached hereto as Exhibit A, which schedule sets forth certain information regarding the Mezzanine A Loan and the principal terms for Participation A and Participation B.

"Mezzanine A Note" shall have the meaning assigned to such term in the recitals.

"Mezzanine B Borrower" shall have the meaning assigned to such term in the recitals.

"Mezzanine B Lender" shall have the meaning assigned to such term in the recitals.

"Mezzanine B Loan" shall have the meaning assigned to such term in the recitals.

"Mezzanine B Loan Agreement" shall have the meaning assigned to such term in the recitals.

"Mezzanine B Note" shall have the meaning assigned to such term in the recitals.

"Mezzanine C Borrower" shall have the meaning assigned to such term in the recitals.

"Mezzanine C Lender" shall have the meaning assigned to such term in the recitals.

"Mezzanine C Loan" shall have the meaning assigned to such term in the recitals.

"Mezzanine C Loan Agreement" shall have the meaning assigned to such term in the recitals.

"Mezzanine C Note" shall have the meaning assigned to such term in the recitals.

"Mezzanine D Borrower" shall have the meaning assigned to such term in the recitals.

"Mezzanine D Lender" shall have the meaning assigned to such term in the recitals.

"Mezzanine D Loan" shall have the meaning assigned to such term in the recitals.

"Mezzanine D Loan Agreement" shall have the meaning assigned to such term in the recitals.

"Mezzanine D Note" shall have the meaning assigned to such term in the recitals.

"Monetary Default" shall have the meaning assigned to such term in Section 9(b).

"Mezzanine Loan Default Notice" shall mean a "Junior Loan Default Notice" as defined in the Intercreditor Agreement.

"Monthly Payment" shall mean the monthly debt service payment of scheduled principal and/or interest (but excluding default interest) due and payable in accordance with the terms of the Mezzanine A Loan Documents.

"Moody's" shall mean Moody's Investors Service, Inc. and its successors in interest.

"Mortgage" shall have the meaning assigned to such term in the recitals.

"Mortgage Borrower" shall have the meaning assigned to such term in the recitals.

"Mortgage Loan" shall have the meaning assigned to such term in the recitals.

"Mortgage Loan Cure Payment" shall mean any cure payment or protective advance made with respect to the Mortgage Loan by any Participation Holder.

"Mortgage Loan Default Notice" shall mean a "Mortgage Loan Default Notice" as defined in the Intercreditor Agreement.

"Mortgage Loan Documents" shall mean the Mortgage Loan Agreement, the Mortgage, and all other documents evidencing or securing the Mortgage Loan.

"Mortgage Loan Event of Default" means an Event of Default under, and as defined in, the Mortgage or the Mortgage Loan Agreement.

"Mortgage Loan Servicer" shall mean the servicer or special servicer of the Mortgage Loan, if any.

"Mortgaged Property" shall have the meaning assigned to such term in the recitals.

"MSMC" shall meaning Morgan Stanley Mortgage Capital Holdings LLC, a New York limited liability company.

"Non-Exempt Person" shall have the meaning assigned to such term in Section 29 hereof.

"Participation A" shall have the meaning assigned to such term in the recitals.

"Participation A Holder" shall have the meaning assigned to such term in the recitals, or any subsequent holder of Participation A.

"Participation A Accrued Interest Amount" shall mean, with respect to each distribution to be made to the Participation Holders following a Payment Date, an amount equal to interest accrued on the outstanding Participation A Principal Balance at the Participation A Interest Rate during the related interest accrual period.

"Participation A Interest Rate" shall mean the "Participation A Interest Rate" set forth in the Mezzanine A Loan Schedule.

"Participation A Percentage Interest" shall mean, as of any date, the ratio of the Participation A Principal Balance to the Mezzanine A Loan Principal Balance.

"Participation A Principal Balance" shall mean, at any time of determination, the "Initial Participation A Principal Balance" set forth in the Mezzanine A Loan Schedule, less any payments of principal thereon received by the Participation A Holder.

"Participation A Purchase Option Event" shall have the meaning assigned to such term in Section 9.

"Participation B" shall have the meaning assigned to such term in the recitals.

"Participation B Holder" shall have the meaning assigned to such term in the recitals, or any subsequent holder of Participation B.

"Participation B Holder Purchase Notice" shall have the meaning assigned to such term in Section 9.

"Participation B Interest Rate" shall mean the "Participation B Interest Rate" set forth in the Mezzanine A Loan Schedule.

"Participation B Percentage Interest" shall mean, as of any date, the ratio of the Participation B Principal Balance to the Mezzanine A Loan Principal Balance.

"Participation B Principal Balance" shall mean at any time of determination, the "Initial Participation B Principal Balance" set forth in the Mezzanine A Loan Schedule, less any payments of principal thereon received by the Participation B Holder and any reductions in such amount pursuant to Section 6.

"Participation Holder" shall mean the Participation A Holder or the Participation B Holder.

"Participation Principal Balance" shall mean either the Participation A Principal Balance or the Participation B Principal Balance.

"Payment Date" shall mean the "Payment Date" as defined in the Mezzanine A Loan Agreement.

"Percentage Interest" shall mean, with respect to the Participation A Holder, the Participation A Percentage Interest and with respect to the Participation B Holder, the Participation B Percentage Interest.

"Permitted Fund Manager" means any Person that on the date of determination is (i) a nationally-recognized manager of investment funds investing in debt or equity interests relating to commercial real estate or a Person that is a Qualified Transferee pursuant to clauses (i), (ii), (iii) or (iv) of the definition thereof, (ii) investing through a fund with committed capital of at least $250,000,000 and (iii) not subject to a bankruptcy proceeding on the date of determination. The Mezzanine A Borrower and Mezzanine A Borrower Related Parties shall not be considered Permitted Fund Managers.

"Person" means any individual, sole proprietorship, corporation, general partnership, limited partnership, limited liability company or partnership, joint venture, association, joint stock company, bank, trust, estate unincorporated organization, any federal, state, county or municipal government (or any agency or political subdivision thereof) endowment fund or any other form of entity.

"Pledge" shall have the meaning assigned to such term in Section 16.

"Prepayment" shall mean any payment of principal made by the Mezzanine A Borrower with respect to the Mezzanine A Loan which is received in advance of its scheduled Maturity Date, whether made by reason of a casualty or condemnation, due to the acceleration of the maturity of the Mezzanine A Loan or otherwise.

"Prepayment Fee" shall mean the "Spread Maintenance Premium" as defined in the Mezzanine A Loan Agreement, or any other prepayment fee or premium payable under the Mezzanine A Loan Agreement.

"Purchase Date" shall have the meaning assigned to such term in Section 9.

"Purchase Option Notice" shall have the meaning assigned to such term in Section 20.

"Purchase Option Event" shall have the meaning assigned to such term in Section 20.

"Qualified Servicer" shall mean any nationally recognized commercial mortgage loan servicer on the applicable list of "approved servicers" or "approved special servicers," as applicable, of pools of commercial mortgage loans rated by Fitch, Moody's or S&P.

"Qualified Transferee" means any one or more of the following (but excluding Mezzanine A Borrower or any Mezzanine A Borrower Related Parties):

(i) a real estate investment trust, bank, saving and loan association, investment bank, insurance company, trust company, commercial credit corporation, pension plan, pension fund or pension advisory firm, mutual fund, government entity or plan, provided that any such Person satisfies the Eligibility Requirements;

(ii) an investment company, money management firm or "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act of 1933, as amended, or an institutional "accredited investor" within the meaning of Regulation D under the Securities Act of 1933, as amended, provided that, in any case, such Person satisfies the Eligibility Requirements;

(iii) an institution substantially similar to any of the foregoing entities described in clauses (i) or (ii) above that satisfies the Eligibility Requirements;

(iv) any entity Controlled by any one or more of the entities described in clauses (i), (ii) or (iii) above;

(v) a Qualified Trustee (or in the case of a CDO, a single purpose bankruptcy-remote entity which contemporaneously pledges its interest in the applicable participation interest (or any portion thereof) to a Qualified Trustee) in connection with (A) a securitization of, (B) the creation of collateralized debt obligations ("CDO") secured by, or (C) a financing through an "owner trust" of, the Mezzanine A Loan, or any interest therein (any of the foregoing, a "Securitization Vehicle"), provided that (1) one or more classes of securities issued by such Securitization Vehicle is initially rated at least investment grade by each of the Rating Agencies which assigned a rating to one or more classes of securities issued in connection with a Securitization of the Mortgage Loan; (2) in the case of a Securitization Vehicle that is not a CDO, the special servicer of such Securitization Vehicle has a Required Special Servicer Rating (such entity, an "Approved Servicer") and such Approved Servicer is required to service and administer such Mezzanine A Loan (or any interest therein) in accordance with servicing

arrangements for the assets held by the Securitization Vehicle which require that such Approved Servicer act in accordance with a servicing standard notwithstanding any contrary direction or instruction from any other Person; or (3) in the case of a Securitization Vehicle that is a CDO, the CDO Asset Manager (and, if applicable, each Intervening Trust Vehicle that is not administered and managed by a Qualified Trustee, or a CDO Asset Manager which is a Qualified Transferee) are each a Qualified Transferee under clauses (i), (ii), (iii) or (iv) of this definition;

(vi) an investment fund, limited liability company, limited partnership or general partnership where a Permitted Fund Manager or an entity that is otherwise a Qualified Transferee under clauses (i), (ii), (iii) or (iv) of this definition, acts as the general partner, managing member or fund manager and at least 50% of the equity interests in such investment fund are owned, directly or indirectly, by one or more of the following: a Qualified Transferee under clauses (i), (ii), (iii) or (iv) of this definition; an institutional "accredited investor" within the meaning of Regulation D promulgated under the Securities Act of 1933, as amended; and/or a "qualified institutional buyer" or both within the meaning of Rule 144A promulgated under the Securities Exchange Act of 1934, as amended; provided such institutional "accredited investors" or "qualified institutional buyers" that are used to satisfy the 50% test set forth above in this clause (vi) satisfy the financial tests in clause (i) of the definition of Eligibility Requirements; or

(vii) (a) Morgan Stanley or any Person that Controls, is Controlled by, or is under common Control with Morgan Stanley, or an institutional investor in any of the foregoing entities (provided such institutional investor meets the Eligibility Requirements) (each, a " Permitted Person"), (b) any investment fund, limited liability company, limited partnership or general partnership investing through a fund with committed capital of at least $250,000,000 where the general partner, managing member or fund/collateral manager is a Permitted Person or (c) any investment fund, limited liability company, limited partnership, or general partnership investing through a fund with committed capital of at least $250,000,000 where the general partner, managing member, or fund/collateral manager is the same entity that is the general partner, managing member or fund/collateral manager of a Permitted Person.

"Qualified Trustee" means (i) a corporation, national bank, national banking association or a trust company, organized and doing business under the laws of any state or the United States of America, authorized under such laws to exercise corporate trust powers and to accept the trust conferred, having a combined capital and surplus of at least $100,000,000 and subject to supervision or examination by federal or state authority, (ii) an institution insured by the Federal Deposit Insurance Corporation or (iii) an institution whose long-term senior unsecured debt is rated either of the then in effect top two rating categories of each of the Rating Agencies (provided, however, if the Mortgage Loan has been securitized, the rating requirement of any agency not a Rating Agency will be disregarded).

"Rating Agencies" shall have the meaning assigned to such term in the Intercreditor Agreement.

"Rating Agency Confirmation" shall mean, at any time that any portion of the Mortgage Loan is an asset of a Securitization, each of the applicable Rating Agencies shall have confirmed in writing that the occurrence of the event with respect to which such Rating Agency Confirmation is sought shall not result in a downgrade, qualification or withdrawal of the

applicable rating or ratings ascribed by such Rating Agency to any of the Certificates then outstanding. In the event that neither the Mortgage Loan nor any portion thereof is part of a Securitization, any action that would otherwise require a Rating Agency Confirmation shall require the consent of the Mortgage Lender.

"Realized Principal Loss" shall mean any reduction in the Mezzanine A Loan Principal Balance that does not result in an accompanying payment of principal to any of the Holders, which may result from, but is not limited to, one of the following circumstances: (i) the cancellation or forgiveness of any portion of the Mezzanine A Loan Principal Balance in connection with a bankruptcy or similar proceeding or a modification or amendment of the Mezzanine A Loan; or (ii) a reduction in the Mezzanine A Interest Rate in connection with a bankruptcy or similar proceeding involving the related Mezzanine A Borrower or a modification or amendment of the Mezzanine A Loan, that as a result of the application of Section 6, results in the application of principal to pay interest to one or more Participation Holders (each such Realized Principal Loss described in this clause (ii) shall be deemed to have been incurred on the Payment Date for each affected Monthly Payment).

"Redirection Notice" shall have the meaning assigned to such term in Section 16.

"Remittance Date" shall have the meaning assigned to such term in the Servicing Agreement.

"REO Property" shall mean the Separate Collateral to which title has been acquired on behalf of Participation A Holder and Participation B Holder through foreclosure, transfer in lieu of foreclosure or otherwise.

"Required Special Servicer Rating" shall mean (i) in the case of Fitch, a rating of "CSS3", (ii) in the case of S&P, such special servicer is on the S&P list of approved special servicers and (iii) in the case of Moody's, such special servicer is acting as special servicer with respect to one or more loans in a commercial mortgage loan securitization that was rated by Moody's within the six month period prior to the date of determination, and Moody's has not downgraded or withdrawn the then-current rating on any class of commercial mortgage securities or placed any class of commercial mortgage securities on watch citing the continuation of such special servicer as special servicer with respect to such commercial mortgage securities. The requirement of any agency not a Rating Agency shall be disregarded.

"S&P" shall mean Standard & Poor's Ratings Services, a Division of The McGraw-Hill Companies, Inc., and its successors in interest.

"Securitization" shall mean the sale of all or a portion of the Mortgage Loan to a depositor who will in turn include the Mortgage Loan or such portion thereof as part of a securitization of one or more mortgage loans.

"Separate Collateral" shall mean the "Separate Collateral" with respect to Mezzanine A Loan as defined in the Intercreditor Agreement.

"Sequential Pay Event" shall mean any monetary or other material Event of Default with respect to the Mezzanine A Loan that has not been cured pursuant to the terms hereof.

"Servicer" shall mean the servicer under the Servicing Agreement and any successor thereunder approved by the Participation Holder and in any event excluding the Mezzanine A Borrower and any Mezzanine A Borrower Related Party.

"Servicing Agreement" shall mean the servicing agreement entered into between the Mezzanine A Lender and the Servicer with respect to the Mezzanine A Loan, or any subsequent servicing agreement entered into pursuant to Section 3.

"Servicing Fee" shall have the meaning assigned to such term or comparable term in the Servicing Agreement.

"Servicing Standard" shall have the meaning assigned to the term "Accepted Servicing Practices" in the Servicing Agreement.

"Special Servicer" shall have the meaning assigned to such term in Section 3(c).

"Specially Serviced Mezzanine Loan" shall mean the Mezzanine A Loan upon the occurrence of any of the following: (a) the Mezzanine A Borrower fails to make a monthly debt service payment for a period of 60 days after the related Payment Date; (b) the Servicer (or either of the Participation Holders) has received notice or has actual knowledge that the Mezzanine A Borrower has become the subject of any bankruptcy, insolvency or similar proceeding, admitted in writing its inability to pay its debts as they come due or made an assignment for the benefit of creditors; (c) except with respect to matters already addressed in clause (a) of this definition, the Servicer (or either of the Participation Holders) has received notice or has actual knowledge that the Mezzanine A Borrower is in default beyond any applicable notice and/or grace periods in the performance or observance of any of its obligations under the Mezzanine A Loan Documents the failure of which to cure materially and adversely affects the interests of the Participation Holders; (d) the Mezzanine A Borrower fails to make the Balloon Payment as and when due; or (e) delivery of a notice pursuant to the Intercreditor Agreement from the holder of the Mortgage Loan of the occurrence of a Mortgage Loan Event of Default or the Servicer (or either of the Participation Holders) has actual knowledge of a Mortgage Loan Event of Default.

The Mezzanine A Loan shall no longer be considered a Specially Serviced Mezzanine Loan (i) with respect to the circumstances described in clause (a) or (d) above, when the Mezzanine A Loan Borrower has paid in full all payments due under the Mezzanine A Loan and has made three consecutive full and timely monthly debt service payments under the terms of the Mezzanine A Loan or, if the Mezzanine A Loan is "worked out," when the Mezzanine A Loan Borrower has made three consecutive full and timely monthly debt service payments under the terms of the Mezzanine A Loan as modified in connection with such workout; (ii) with respect to the circumstances described in clauses (b) above, when such circumstances cease to exist in the good faith judgment of the Servicer or the Special Servicer; (iii) with respect to the circumstances described in clause (c), (e), (f) or (g) above, when the Mezzanine A Loan Borrower has cured, or caused the cure of, such default; provided, in any case, that at that time

no other circumstance identified in clauses (a) through (g) above exists that would cause the Mezzanine A Loan to continue to be characterized as a Specially Serviced Mezzanine Loan.

"Taxes" shall have the meaning assigned to such term in Section 29.

"Threshold Event Collateral" shall have the meaning assigned to such term in Section 19(e).

"Threshold Event Cure" shall have the meaning assigned to such term in Section 19(e).

"Transfer" shall mean any assignment, pledge, conveyance, sale, transfer, mortgage, encumbrance, grant of a security interest, issuance of a participation interest, or other disposition, either directly or indirectly, by operation of law or otherwise.

"Trust and Servicing Agreement" shall mean the Trust and Servicing Agreement entered into in connection with the Securitization of the Mortgage Loan.

"Updated Appraisal" shall mean an Appraisal of the Mortgaged Property, conducted subsequent to any Appraisal performed on or prior to the date of this Agreement, by an Appraiser selected by the Servicer (and, if such Appraisal is being obtained at the request of a Participation Holder, with the approval of such Participation Holder), in accordance with MAI standards, the costs of which shall be borne by the Participation Holders, unless such Updated Appraisal is required to be paid for by the Controlling Holder pursuant to Section 19 hereof.

2. Form of Participations; Acquisition of Participations, Subordination of Participation B . (a) Participation A shall be evidenced by one or more definitive certificates substantially in the form of Exhibit C hereto. On the date hereof, on the terms and conditions set forth herein, the Mezzanine A Lender shall issue Participation A to the Participation A Holder. Thereafter, the Participation A Holder shall be deemed the owner of Participation A.

(b) Participation B shall be evidenced by one or more definitive certificates substantially in the form of Exhibit C hereto. On the date hereof, on the terms and conditions set forth herein, the Mezzanine A Lender shall issue Participation B to the Participation B Holder. Thereafter, the Participation B Holder shall be deemed the owner of Participation B.

(c) Participation B and the right of the Participation B Holder to receive payments with respect to Participation B shall, subject to the provisions of this Agreement, at all times (including, without limitation, subsequent to the filing of any bankruptcy, insolvency or similar proceeding with respect to the Mortgage Borrower, the Mezzanine A Borrower or any guarantor) be junior, subject and subordinate to Participation A and the rights of the Participation A Holder to receive payments of interest, principal and other amounts with respect to Participation A.

(d) The parties hereto acknowledge and agree that as of the date hereof (i) Participation A has been fully funded and the Participation A Principal Balance is $45,000,000.00, and (ii) Participation B is not yet funded, with an initial Participation B Principal Balance of $0, which will be automatically increased (up to a maximum principal

balance of $16,500,000) by the amount of any Future Advances under the related Future Funding Obligation made by the Participation B Holder pursuant to Section 17.

3. Administration of the Mezzanine A Loan . (a) From and after the date hereof, administration of the Mezzanine A Loan shall be governed by this Agreement and the Servicing Agreement. In the event of a conflict between the provisions of this Agreement and the provisions of the Servicing Agreement, this Agreement shall control. The Participation Holders acknowledge that the Servicer is to comply with this Agreement and the Mezzanine A Loan Documents in the servicing of the Mezzanine A Loan. The Holders each acknowledge that Midland Loan Services, Inc., is the initial Servicer pursuant to the terms of the Servicing Agreement.

The Participation A Holder and the Participation B Holder acknowledge that the Servicer shall be required to service and administer the Mezzanine A Loan in accordance with the Servicing Standard as set forth in such Servicing Agreement.

(b) The Servicer may be removed by the Controlling Holder, without cause, upon at least thirty (30) days' prior written notice to the Servicer and the other Participation Holder. A Participation Holder senior to the Controlling Holder, if any, shall have the right to remove the Servicer and appoint a replacement Servicer if the Controlling Holder fails to remove the Servicer and appoint a successor Servicer within ten (10) Business Days following the occurrence of any of the following events: (i) the Servicer ceases to be a Qualified Servicer; or (ii) an Event of Default (as defined in the Servicing Agreement) by the Servicer under the Servicing Agreement shall have occurred and continue beyond the expiration of all applicable grace or cure periods (notice of which Event of Default may be given by either Participation Holder with the consent of the other Participation Holder, such consent not to be withheld, delayed or conditioned unreasonably). Any replacement Servicer must be a Qualified Servicer that is approved by all of the Participation Holders and the applicable servicing agreement must be approved by all of the Participation Holders, such approvals not to be unreasonably withheld, conditioned or delayed.

(c) Upon the Mezzanine A Loan becoming a Specially Serviced Mezzanine Loan and so long as the Mezzanine A Loan remains a Specially Serviced Mezzanine Loan, the Controlling Holder shall have the right to appoint a Qualified Servicer reasonably acceptable to the other Participation Holder (a "Special Servicer") to undertake special servicing with respect to the Mezzanine A Loan pursuant to a separate written agreement with the Special Servicer (the "Special Servicer Agreement"), the terms and conditions of which shall be reasonably acceptable to the Controlling Holder and the other Participation Holder. The Special Servicer may be removed by the Controlling Holder, without cause, upon at least thirty (30) days' prior written notice to the Special Servicer and the other Participation Holder. A Participation Holder more senior to the Controlling Holder, if any, shall have the right to remove the Special Servicer and appoint a replacement Special Servicer if the Controlling Holder fails to remove the Special Servicer and appoint a successor Special Servicer within ten (10) Business Days following the occurrence of an event of default by the Special Servicer under the Special Servicing Agreement which continues beyond the expiration of all applicable grace or cure periods (notice of which event of default may be given by either Participation Holder with the consent of the other Participation Holder, such consent not to be withheld, delayed or conditioned unreasonably).

Any replacement Special Servicer must be a Qualified Servicer that is approved by all of the Participation Holders, and the applicable special servicing agreement must be approved by all of the Participation Holders, such approvals not to be unreasonably withheld, conditioned or delayed.

4. Subordination of Participation B; Payments Prior to a Sequential Pay Event . If no Sequential Pay Event shall have occurred and be continuing (after taking into account any cure made by the Participation B Holder and after the expiration of the cure periods of the Participation B Holder under Section 9), all amounts tendered by the Mezzanine A Borrower or otherwise available for payment on the Mezzanine A Loan (excluding Late Charges and Prepayment Fees, the entitlement to which shall be determined solely in accordance with clauses (g) and (h) below), whether received in the form of Monthly Payments, a Balloon Payment, a payment under any guaranty, liquidation proceeds, proceeds under title, hazard or other insurance policies or awards or settlements in respect of condemnation proceedings or similar exercise of the power of eminent domain (subject to the prior payment of amounts collected on the Mezzanine A Loan that are then due and payable pursuant to the Servicing Agreement to the Servicer, including without limitation Servicing Fees, reimbursement of costs and expenses or indemnity payment to the Servicer as permitted under the Servicing Agreement), shall be applied in the following order of priority (and payments shall be made at such times as are set forth herein):

(a) *first,* to the Participation A Holder, in an amount equal to any unreimbursed Mortgage Loan Cure Payments made by the Participation A Holder;

(b) *second,* to the Participation A Holder, in an amount equal to the Participation A Accrued Interest Amount;

(c) *third,* to the Participation A Holder, in an amount equal to its *pro rata* portion of all principal payments on the Mezzanine A Loan (based on the Participation A Principal Balance and the Participation B Principal Balance), to be applied in reduction of the Participation A Principal Balance;

(d) *fourth,* to the Participation B Holder, in an amount equal to any unreimbursed Mortgage Loan Cure Payments and Mezzanine A Loan Cure Payments made by the Participation B Holder;

(e) *fifth,* to the Participation B Holder, in an amount equal to the accrued and unpaid interest on the Participation B Principal Balance at the Participation B Interest Rate, minus the Servicing Fee;

(f) *sixth,* to the Participation B Holder, in an amount equal to its *pro rata* portion of all principal payments on the Mezzanine A Loan (based on the Participation A Principal Balance and the Participation B Principal Balance), to be applied in reduction of the Participation B Principal Balance;

(g) *seventh,* to Participation A Holder in an amount equal to any Prepayment Fees actually received in respect of Participation A, such amount to be determined (i) if such prepayment is in the nature of a fixed percentage of the amount prepaid, by multiplying such

percentage by the portion of Participation A being prepaid and (ii) if the Prepayment Fee is a "yield maintenance" or "spread maintenance" premium, by separately computing the Prepayment Fee for Participation A based on the formula provided in the Mezzanine A Loan Documents but calculated based on the Participation A Interest Rate and the portion of the Participation A Principal Balance being prepaid;

(h) *eighth,* to the Participation A Holder, Extension Fees actually received with respect to the Mezzanine A Loan;

(i) *ninth,* to Participation B Holder in an amount equal to any Prepayment Fees actually received in respect of Participation B, such amount to be determined (i) if such prepayment is in the nature of a fixed percentage of the amount prepaid, by multiplying such percentage by the portion of Participation B being prepaid and (ii) if the Prepayment Fee is a "yield maintenance" or "spread maintenance" premium, by separately computing the Prepayment Fee for Participation B based on the formula provided in the Mezzanine A Loan Documents but calculated based on the Participation B Interest Rate and the portion of the Participation B Principal Balance being prepaid;

(j) *tenth,* to the Participation B Holder, Extension Fees actually received with respect to the Mezzanine A Loan;

(k) *eleventh,* to the Participation A Holder and the Participation B Holder, *pro rata* (based on the Participation A Principal Balance and the Participation B Principal Balance (determined prior to the then-current application of funds)), any default interest (in excess of interest amounts applied under clauses (b) and (e)) and Late Charges, to the extent actually paid by the Mezzanine A Borrower;

(l) *twelfth,* if any excess amount is paid by the Mezzanine A Borrower and is not required to be returned to the Mezzanine A Borrower or to a party other than a Participation Holder under the Mezzanine A Loan Documents, and not otherwise applied in accordance with the foregoing clauses (a) through (h) of this Section 4, such amount shall be paid to the Participation A Holder and the Participation B Holder, *pro rata* (based on the Participation A Principal Balance and the Participation B Principal Balance (determined prior to the then-current application of funds)).

5. Payments Following a Sequential Pay Event. If a Sequential Pay Event shall have occurred and be continuing and remains uncured, all amounts tendered by the Mezzanine A Borrower or otherwise available for payment of the Mezzanine A Loan (excluding Late Charges, default interest and Prepayment Fees, the entitlement to which shall be determined solely in accordance with clauses (g), (h), (i) and (j) below), whether received in the form of Monthly Payments, a Balloon Payment, a payment under any guaranty, liquidation proceeds, proceeds under title, hazard or other insurance policies or awards or settlements in respect of condemnation proceedings or similar exercise of the power of eminent domain (subject to the prior payment of amounts collected on the Mezzanine A Loan that are then due and payable pursuant to the Servicing Agreement to the Servicer, including without limitation Servicing Fees, reimbursement of costs and expenses or indemnity payment to the Servicer as permitted under

the Servicing Agreement) shall be applied in the following order of priority (and payments shall be made at such times as are set forth herein):

(a) *first,* to the Participation A Holder, in an amount equal to any unreimbursed Mortgage Loan Cure Payments made by the Participation A Holder;

(b) *second,* to the Participation A Holder, in an amount equal to the Participation A Accrued Interest Amount;

(c) *third,* to the Participation A Holder, in an amount equal to the Participation A Principal Balance, until such amount has been paid in full;

(d) *fourth,* to the Participation B Holder, in an amount equal to any unreimbursed Mortgage Loan Cure Payments and Mezzanine A Loan Cure Payments, made by the Participation B Holder;

(e) *fifth,* to the Participation B Holder, in an amount equal to the accrued and unpaid interest on the Participation B Principal Balance at the Participation B Interest Rate, minus the Servicing Fee;

(f) *sixth,* to the Participation B Holder in an amount equal to the Participation B Principal Balance, until such principal amount has been paid in full;

(g) *seventh,* to Participation A Holder in an amount equal to any Prepayment Fees actually received in respect of Participation A, such amount to be determined (i) if such prepayment is in the nature of a fixed percentage of the amount prepaid, by multiplying such percentage by the portion of Participation A being prepaid and (ii) if the Prepayment Fee is a "yield maintenance" or "spread maintenance" premium, by separately computing the Prepayment Fee for Participation A based on the formula provided in the Mezzanine A Loan Documents but calculated based on the Participation A Interest Rate and the portion of the Participation A Principal Balance being prepaid;

(h) *eighth,* to the Participation A Holder, Extension Fees actually received with respect to the Mezzanine A Loan;

(i) *ninth,* to Participation B Holder in an amount equal to any Prepayment Fees actually received in respect of Participation B, such amount to be determined (i) if such prepayment is in the nature of a fixed percentage of the amount prepaid, by multiplying such percentage by the portion of Participation B being prepaid and (ii) if the Prepayment Fee is a "yield maintenance" or "spread maintenance" premium, by separately computing the Prepayment Fee for Participation B based on the formula provided in the Mezzanine A Loan Documents but calculated based on the Participation B Interest Rate and the portion of the Participation B Principal Balance being prepaid;

(j) *tenth,* to the Participation B Holder, Extension Fees actually received with respect to the Mezzanine A Loan;

(k) *eleventh,* to the Participation A Holder and the Participation B Holder, *pro rata* (based on the Participation A Principal Balance and the Participation B Principal Balance (determined prior to the then-current application of funds)), any default interest (in excess of interest amounts applied under clauses (b) and (e)) and Late Charges, to the extent actually received in respect of the Mezzanine A Loan; and

(l) *twelfth,* if any excess amount is paid by the Mezzanine A Borrower and is not required to be returned to the Mezzanine A Borrower or to a party other than a Holder under the Mezzanine A Loan Documents, and not otherwise applied in accordance with the foregoing clauses (a) through (h) of this Section 5, such amount shall be paid to the Participation A Holder and the Participation B Holder, *pro rata* (based on the Participation A Principal Balance and the Participation B Principal Balance).

6. Workout. Notwithstanding anything to the contrary contained herein, but subject to the terms and conditions of the Servicing Agreement and Sections 18 and 19 of this Agreement, if, in connection with a workout or proposed workout of the Mezzanine A Loan, the terms thereof are modified such that (i) the Mezzanine A Loan Principal Balance is decreased, (ii) the Mezzanine A Interest Rate is reduced, (iii) payments of interest or principal on the Mezzanine A Loan are waived, reduced or deferred or (iv) any other adjustment is made to any of the payment terms of the Mezzanine A Loan, other than an extension of the maturity date, all payments to the Participation A Holder pursuant to Sections 4 and 5, as applicable, shall be made as though such workout did not occur, with the payment terms of Participation A remaining the same as they are on the date hereof (subject, however, to the remaining part of this sentence), and the full economic effect of all waivers, reductions or deferrals of amounts due on the Mezzanine A Loan shall be borne *first* by the Participation B Holder (up to the Participation B Principal Balance together with accrued interest thereon at Participation B Interest Rate) and *then* by the Participation A Holder. Notwithstanding the foregoing, in no event shall the priority of payments be modified without the prior written consent of the Participation A Holder and the Participation B Holder.

7. Collection Accounts; Payment Procedure. Pursuant to the terms of the Servicing Agreement, the Servicer shall be required to establish and maintain the Collection Account or Collection Accounts, as applicable. Each of the Participation A Holder and the Participation B Holder hereby directs the Servicer, in accordance with the priorities set forth in Section 4 or 5, as applicable, and subject to the terms of the Servicing Agreement, to deposit into the applicable Collection Account within one (1) Business Day of receipt all payments received with respect to the Mezzanine A Loan. Amounts on deposit in the Collection Account shall be applied at the times and for the purposes specified in this Agreement and the Servicing Agreement; provided that, the Participation Holders shall be entitled to receive, not later than the Remittance Date, remittances from the applicable Collection Account of all payments received with respect to and allocable to Participation A or Participation B, as applicable, by wire transfer to accounts maintained by each Participation Holder and designated to the Servicer in writing; provided that the Servicer shall use reasonable efforts to remit to the Participation Holders, on the Business Day of receipt and in any event not later than the next Business Day, delinquent payments received by the Servicer after the related Payment Date.

If any Servicer holding or having distributed any amount received or collected in respect of Participation A or Participation B determines, or a court of competent jurisdiction orders, at any time that any amount received or collected in respect of Participation A or Participation B must, pursuant to any insolvency, bankruptcy, fraudulent conveyance, preference or similar law, be returned to the Mezzanine A Borrower or paid to the Participation A Holder, the Participation B Holder, or any Servicer or paid to any other Person, then, notwithstanding any other provision of this Agreement, no Servicer shall be required to distribute any portion thereof to the Participation A Holder or the Participation B Holder, as applicable, and the Participation A Holder or the Participation B Holder, as applicable, shall promptly on demand repay to such Servicer the portion thereof which shall have been theretofore distributed to the Participation A Holder or the Participation B Holder, as applicable, together with interest thereon at such rate, if any, as such Servicer shall have been required to pay to the Mezzanine Borrower, the Participation A Holder, the Participation B Holder, any Servicer or such other Person with respect thereto. Each of the Participation A Holder and the Participation B Holder agrees that if at any time it shall receive from any sources whatsoever any payment on account of the Mezzanine A Loan in excess of its distributable share thereof, it will promptly remit such excess to the Servicer. The Servicer shall have the right to offset any amounts due hereunder from the Participation A Holder or the Participation B Holder, as applicable, with respect to the Mezzanine A Loan against any future payments due to the Participation A Holder or the Participation B Holder, as applicable, under the Mezzanine A Loan, provided, that the obligations of the Participation A Holder and the Participation B Holder under this Section 7 are separate and distinct obligations from one another and in no event shall any Servicer enforce the obligations of the Participation A Holder against the Participation B Holder or the obligations of the Participation B Holder against the Participation A Holder. The obligations of the Participation A Holder and the Participation B Holder under this Section 7 constitute absolute, unconditional and continuing obligations and the Servicer shall be deemed a third party beneficiary of these provisions.

8. Limitation on Liability. Neither the Mezzanine A Lender nor the Participation A Holder (including as Controlling Holder) shall have any liability to the Participation B Holder with respect to Participation B, except with respect to losses actually suffered due to the gross negligence, willful misconduct or breach of this Agreement on the part of the Mezzanine A Lender or the Participation A Holder, as applicable. Neither the Mezzanine A Lender nor the Participation B Holder (including as Controlling Holder) shall have any liability to the Participation A Holder with respect to Participation A except with respect to losses actually suffered due to the gross negligence, willful misconduct or breach of this Agreement on the part of the Mezzanine A Lender or the Participation B Holder, as applicable.

9. Participation A Purchase Option: Mezzanine A Loan Cure Rights . (a) (i) In the event that (a) any payment of principal or interest on the Mezzanine A Loan becomes ninety (90) or more days delinquent (in whole or in part), (b) the Mezzanine A Loan has been accelerated, (c) the outstanding principal balance of the Mezzanine A Loan is not paid at maturity, (d) Mezzanine A Borrower files a petition for bankruptcy, or (e) except with respect to matters already addressed in this Section 9(a), the Mezzanine A Borrower is in default for a period of sixty (60) consecutive calendar days beyond any applicable notice and/or grace periods in the performance or observance of any of its obligations under the Mezzanine A Loan Documents, the failure of which to cure materially and adversely affects the interests of the

Participation Holders (a "Participation A Purchase Option Event"), then upon notice from the Servicer (or, if Servicer fails to give such notice, and the Participation B Holder gives such notice to the Participation A Holder and the Servicer, then at any time following such notice by the Participation B Holder of such occurrence), the Participation B Holder shall have the right, by written notice to the Participation A Holder and the Servicer (a " Participation B Holder Purchase Notice"), to purchase Participation A at the Defaulted Mezzanine A Loan Purchase Price and, upon the delivery of written notice thereof to the Participation A Holder and the Servicer, the Participation A Holder shall sell (and the Participation B Holder shall purchase) Participation A at the Defaulted Mezzanine A Loan Purchase Price, on a date (the "Purchase Date") not less than five (5) Business Days nor more than ten (10) Business Days after the date of the Participation B Holder Purchase Notice, as shall be established by the Participation B Holder. On the Purchase Date, the Participation B Holder shall also pay all reasonable third-party, out-of-pocket costs and expenses of the Participation A Holder (and any Servicer) in connection with such purchase. Concurrently with payment to the Participation A Holder of the Defaulted Mezzanine A Loan Purchase Price, the Participation A Holder shall deliver or cause to be delivered to the Participation B Holder all Mezzanine A Loan Documents held by or on behalf of the Participation A Holder and will execute in favor of the Participation B Holder or its designee assignment documentation, in form and substance reasonably acceptable to the Participation B Holder, at the sole cost and expense of the Participation B Holder to assign Participation A and its rights hereunder and its rights as holder of the Mezzanine A Loan (without recourse, representations or warranties, except for representations as to Participation A Holder's ownership, due execution and delivery and not having previously assigned, transferred, participated or encumbered its rights in Participation A as of the consummation of the assignment of Participation A, unless such participation or encumbrance will be released prior to or at the time of the transfer). The right of the Participation B Holder to purchase Participation A shall automatically terminate (x) upon a transfer or sale of the Separate Collateral relating to the Mezzanine A Loan, or (y) if a Participation A Purchase Option Event ceases to exist. The Defaulted Mezzanine A Loan Purchase Price shall be calculated by the Participation A Holder three (3) Business Days prior to the Purchase Date and shall be confirmed or adjusted on the Business Day prior to the Purchase Date. Absent manifest error, the Defaulted Mezzanine A Loan Purchase Price established by the Participation A Holder shall be binding upon the Participation A Holder and the Participation B Holder.

(ii) Notwithstanding anything contained herein to the contrary, (A) any purchase of the Mortgage Loan by the Participation B Holder pursuant to Section 20 shall require the purchase of Participation A as provided in Section 20 as a condition to purchasing the Mortgage Loan, and any such purchase shall be made within the time frames, and in accordance with the procedures, required by Section 20 (and the Participation A Holder shall calculate the Defaulted Mezzanine A Loan Purchase Price in sufficient time to permit payment of such Defaulted Mezzanine A Loan Purchase Price in accordance with such procedures), and (B) in the event that the Participation A Holder shall have purchased the Mortgage Loan pursuant to Section 20, then the Participation B Holder acquiring Participation A pursuant to this Section 9 shall also be required to purchase the Mortgage Loan from the Participation A Holder pursuant to Section 20 and the terms of the Intercreditor Agreement.

(b) (i) In the event that the Mezzanine A Borrower fails to make any payment of principal or interest on the Mezzanine A Loan (a " Monetary Default") by the end of the applicable grace period (the "Grace Period") for such payment permitted under the applicable Mezzanine A Loan Documents or the Mezzanine A Borrower otherwise defaults and does not cure such default within the applicable grace period (also a " Grace Period"), then upon notice from the Servicer (or, if Servicer fails to give such notice, then upon Participation B Holder's notice to Participation A Holder and the Servicer of such occurrence) (a "Mezzanine A Default Notice") of such occurrence, the Participation B Holder shall have the right, exercisable by the Participation B Holder by giving written notice within five (5) Business Days of receipt of the Mezzanine A Default Notice, to cure such default, (a) in the case of a Monetary Default within five (5) Business Days of receipt of the Mezzanine A Default Notice and (b) in the case of a default, other than a Monetary Default or a bankruptcy of the Mezzanine A Borrower, within 30 days of receipt of the Mezzanine A Default Notice as long as the Participation B Holder is diligently proceeding with such cure. Notwithstanding the foregoing, with respect to a non-monetary default, if such non-monetary default is susceptible of cure but cannot reasonably be cured within the period required above and if curative action was promptly commenced and is being continuously and diligently pursued by the Participation B Holder, the Participation B Holder shall be given an additional period of time (not to exceed sixty (60) days unless the Participation B Holder has commenced and is diligently pursuing foreclosure) as is reasonably necessary for the Participation B Holder in the exercise of due diligence to cure such non-monetary default for so long as (i) the Participation B Holder shall be curing all monetary defaults under the Mortgage Loan and the Mezzanine A Loan, and (ii) during such non-monetary cure period, there is no material impairment, as determined in the reasonable judgment of Participation A Holder, to the value, use or operation of the Mortgaged Property or the Separate Collateral related to the Mezzanine A Loan, or by reason of the continuation of such cure period; provided, however, that any additional cure period granted to the Participation B Holder hereunder shall automatically terminate upon the bankruptcy (or similar insolvency) of the Mortgage Borrower or the Mezzanine A Borrower. In addition, the Participation B Holder may not cure: (a) more than three (3) successive defaults of the same type, (b) more than four (4) defaults in any twelve (12) month period, or (c) more than six (6) defaults during the term of the Mezzanine A Loan. At the time such cure payment is made or other cure is otherwise effected, the Participation B Holder shall pay or reimburse the Participation A Holder and the Servicer for all costs, expenses, losses, liabilities, obligations, damages, penalties, and disbursements imposed on, incurred by or asserted against the Participation A Holder during the period of time from the expiration of such Grace Period until such cure payment is made or other cure is otherwise effected ("Cure Period Liabilities") (excluding any such Cure Period Liabilities resulting from gross negligence or willful misconduct of, or a violation of this Agreement or the Mezzanine A Loan Documents by, the Participation A Holder or the Servicer).

(ii) So long as a Monetary Default exists for which a cure payment permitted hereunder is made, or a non-monetary default exists for which Participation B Holder (or its designee) is pursuing a cure within the time limit and in accordance with the terms of this Section 9(b), then for a period of up to ninety (90) days (or such additional time as may be necessary if the Participation B Holder has commenced and is diligently pursuing foreclosure of the Separate Collateral) such Monetary Default or non-monetary default shall not be treated as an Event of Default by the Servicer or the Participation A Holder (A) for purposes of Sections 4 and 5 hereof or (B) for purposes of accelerating the

Mezzanine A Loan, modifying, amending or waiving any provisions of the Mezzanine A Loan Documents or commencing proceedings for foreclosure or the taking of title by deed-in-lieu of foreclosure or other similar legal proceedings with respect to the collateral provided under the Mezzanine A Loan Documents; provided that such limitations shall not prevent the Servicer from sending notices of the default to the Mezzanine A Borrower or any related guarantor or making demands on the Mezzanine A Borrower or any related guarantor or from collecting default interest or late payment charges from the Mezzanine A Borrower; provided further that such limitations shall not prevent the Controlling Holder from, in accordance with the terms hereof, enforcing the rights or remedies of the Mezzanine A Lender under the Mezzanine A Loan Agreement. The right of the Participation B Holder to reimbursement of any payment made by the Participation B Holder in respect of a cure hereunder (" Mezzanine A Loan Cure Payment ") shall be subordinate in all respects to the right of the Participation A Holder to distributions with respect to the Mezzanine A Loan and to all amounts distributable to it, as and to the extent set forth in Section 4 or 5 , as applicable.

10. Representations of the Mezzanine A Lender . The Mezzanine A Lender represents and warrants that the execution, delivery and performance of this Agreement are within its corporate powers, has been duly authorized by all necessary corporate action, and does not contravene the Mezzanine A Lender's charter or any law or contractual restriction binding upon the Mezzanine A Lender, and that this Agreement is the legal, valid and binding obligation of the Mezzanine A Lender enforceable against it in accordance with its terms. The Mezzanine A Lender further represents and warrants, as of the date hereof, that (a) all of the Mezzanine A Loan Documents consist of all of the documents listed on Exhibit D attached hereto and made a part hereof; (b) all of the Mortgage Loan Documents consist of (i) all of the documents listed on Exhibit A to the Intercreditor Agreement and (ii) (A) that certain First Omnibus Amendment to Loan Agreement and Other Loan Documents (Mortgage Loan) effective as of August 15, 2007, and (B) that certain Amended and Restated Promissory Note effective as of August 15, 2007; (c) Mezzanine A Lender has possession of the Mezzanine A Loan Documents; (d) no monetary Event of Default exists, and, to the actual knowledge of Mezzanine A Lender, no material non-monetary Event of Default exists; and (e) the outstanding principal balance of the Mezzanine A Loan as of the date hereof is $45,000,000.00.

11. Representations of the Participation Holders . Each Participation Holder acknowledges that such Participation Holder is acquiring its Participation for its own account in the ordinary course of its business. Each Participation Holder represents and warrants that the execution, delivery and performance of this Agreement are within its corporate powers, have been duly authorized by all necessary corporate action, and do not contravene such Participation Holder's charter or any law or contractual restriction binding upon such Participation Holder, and that this Agreement is the legal, valid and binding obligation of such Participation Holder enforceable against such Participation Holder in accordance with its terms. Each Participation Holder further represents and warrants that it is a Qualified Transferee.

12. Independent Analyses of the Participation Holder . Each Participation Holder acknowledges that such Participation Holder has, independently and without reliance upon the Mezzanine A Lender or the other Participation Holder and based on such documents and information as such Participation Holder has deemed appropriate, made such Participation

Holder's own credit analysis and decision to purchase its Participation. Each Participation Holder hereby acknowledges that the Mezzanine A Lender shall have no responsibility for (i) the collectability of the Mezzanine A Loan, (ii) the validity, enforceability or legal effect of any of the Mezzanine A Loan Documents or the title insurance policy or policies or any survey furnished or to be furnished in connection with the origination of the Mezzanine A Loan, (iii) the validity, sufficiency or effectiveness of the lien created or to be created by the Mezzanine A Loan Documents, or (iv) the financial condition of the Mezzanine A Borrower. Each Participation Holder assumes all risk of loss in connection with its Participation for reasons other than gross negligence, willful misconduct or breach of this Agreement by the other Participation Holder or gross negligence, willful misconduct or breach of the Servicing Agreement by any Servicer. Each Participation Holder acknowledges that the Mezzanine A Loan is subject to the Intercreditor Agreement.

13. No Creation of a Partnership or Exclusive Purchase Right . Nothing contained in this Agreement, and no action taken pursuant hereto shall be deemed to constitute among the parties to this Agreement a partnership, association, joint venture or other entity. None of the Mezzanine A Lender and the Participation Holders shall have any obligation whatsoever to offer to the other Participation Holders the opportunity to purchase notes or interests relating to any future loans originated by such parties or any of their Affiliates, and if any such party chooses to offer to the other Participation Holder, the opportunity to purchase notes or interests in any future mortgage loans originated by such party or its Affiliates, such offer shall be at such purchase price and interest rate as such party chooses, in its sole and absolute discretion. No Participation Holder shall have any obligation whatsoever to purchase from the other Participation Holder or the Mezzanine A Lender any notes or interests in any future loans originated by such party or any of its Affiliates.

14. Not a Security. Neither Participation A nor Participation B shall be deemed to be a security within the meaning of the Securities Act of 1933 or the Securities Exchange Act of 1934.

15. Transfer of Participations. (a) A Participation Holder shall not Transfer any of its beneficial interest in its Participation unless (i) the consent of the other Participation Holder (not to be unreasonably withheld, conditioned or delayed) has been obtained, and, to the extent required under the Intercreditor Agreement, a Rating Agency Confirmation has been obtained with respect to such Transfer, in which case the related transferee shall thereafter be deemed to be a "Qualified Transferee" for all purposes under this Agreement, or (ii) such Transfer is to a Qualified Transferee, and such Transfer otherwise complies with Section 15 of the Intercreditor Agreement, or (iii) such Transfer is of less then forty-nine percent (49%) of the Participation Holder's interest (provided in such event that no Participation Holder shall Transfer or allow any transferee to further transfer such Participation if more than 49% in the aggregate of the original Participation held by such Participation Holder will be held by a Person other than a Qualified Transferee). Any such transferee (other than, except as required pursuant to Section 16 hereof, a Loan Pledgee) must assume in writing the obligations of the transferring Participation Holder hereunder accruing from and after the date of such Transfer and agree to be bound by the terms and provisions hereof and in the Intercreditor Agreement. Upon such Transfer effected in accordance with the terms of this Agreement, the transferring Participation Holder shall be released from any and all liabilities or obligations accruing hereunder to the holder of the related

Participation from and after the date of such Transfer. Such proposed transferee shall also remake each of the representations and warranties contained herein (except those in the second sentence of Section 10) for the benefit of the Mezzanine A Lender and the other Participation Holder. Notwithstanding the foregoing, no Participation Holder shall Transfer all or any portion of its Participation to Mezzanine A Borrower or a Mezzanine A Borrower Related Party and any such transfer without the consent of the other Participation Holder shall be void.

(b) At least three (3) Business days prior to any Transfer of a Participation, the transferring Participation Holder shall provide to the Mezzanine A Lender and the other Participation Holders and, if any Certificates are outstanding, to the Rating Agencies, a certification that such Transfer will be made in accordance with this Section 15, such certification to include the name and contact information of the Qualified Transferee.

(c) Each Participation Holder acknowledges that any Rating Agency Confirmation may be granted or denied by the Rating Agencies in their sole and absolute discretion and that such Rating Agencies may charge customary fees in connection with any such action.

(d) In connection with a Transfer pursuant to this Section 15, the transferee of a Participation shall be responsible for providing written notice to the Servicer of such Transfer, which notice shall contain the name, address and contact information of such transferee and wire transfer or other payment instructions for distributions to be made to such transferee by the Servicer. The Servicer shall not be liable for any failure to make distributions to a transferee resulting from a failure of such transferee to provide the notice required under this Section 15(d) to the Servicer.

(e) Notwithstanding anything to the contrary contained in this Section 15, a Holder shall have no right to Transfer all or any portion of its legal and beneficial interest in its Participation in the event such Transfer is not permitted under the terms of the Intercreditor Agreement and any such Transfer shall be deemed to be prohibited under the terms of this Agreement and shall be null and void.

(f) The Participation Holders acknowledge that the Servicer shall maintain a record of the names and addresses of, and wire transfer instructions for, the Participation Holders, from time to time, to the extent such information is provided in writing to the Servicer, by the Participation Holders (the "Participation Record"). Each Participation Holder will inform the Servicer of its name, address, wiring instructions and taxpayer identification number. Upon the sale of a Participation or portion thereof, the transferring Participation Holder shall inform the Servicer in writing that such transfer has taken place and provide the Servicer with the name, address, wiring instructions and tax identification number of the transferee. In the event a Participation Holder transfers its Participation without notice to the Servicer, the Servicer shall have no liability for any misdirected payment on such Participation and shall have no obligation to recover and redirect such payment. If any Participation Holder transfers a Participation or a portion thereof, at the written request of the transferring Participation Holder (or any transferee of all or a portion of the applicable Participation), the Mezzanine A Lender shall issue to the requesting Person and/or such transferee(s) one or more substitute participation certificates (each, in substantially the form annexed hereto as Exhibit C), reflecting the ownership interest of

such Person and transferee(s) in the applicable Participation. The requesting Participation Holder shall reimburse the Servicer for its reasonable out-of-pocket costs and expenses (including reasonable attorneys' fees and disbursements) incurred in connection with the terms of this Section 15(g). The Servicer shall promptly provide the names and addresses of the Participation Holders to any other party hereto or any successor Participation Holder upon written request and any such Person may, without further investigation, conclusively rely upon such information. The Servicer shall have no liability to any Person for the provision of any such names and addresses.

Upon request by Participation B Holder, the Mezzanine A Lender (as holder of legal title to the Mezzanine A Loan) shall issue a new participation certificate with a revised schedule of the principal balance thereof reflecting the increase in the Participation B Principal Balance. The Participation B Holder shall reimburse the Mezzanine A Lender for its reasonable out-of-pocket costs and expenses (including reasonable attorneys' fees and disbursements) incurred in connection with the terms of this paragraph.

The Servicer shall also note on the Participation Record any Pledges entered into by a Participation Holder and any Redirection Notices received in respect of such Pledges to the extent such information is provided in writing to the Servicer. The Servicer shall have no liability for any misdirected payment made in reliance on such Redirection Notices that it in good faith believes to be genuine.

(g) For so long as the full principal amount of Participation B has not been advanced, any Transfer of any portion of Participation B shall not include a Transfer of any portion of the Participation B Holder's Future Advance Obligations unless (1) the consent of the Participation A Holder has been obtained, which consent shall not be unreasonably withheld, conditioned or delayed, or (2) such transferee is a Qualified Transferee (with a rating of A- or better from S&P if the Future Advance has not been fully funded). Any Transfer of any Future Advance Obligations or portions thereof shall be subject to the following restrictions: (i) all such Transfers shall be made upon at least five (5) Business Days' prior written notice to the Holders, and (ii) the transferee shall (x) execute an assignment and assumption agreement whereby such transferee assumes all or a ratable portion, as the case may be, of the obligations of the transferring party hereunder with respect to the Future Advance from and after the date of such assignment, (y) agree in writing to be bound by the Servicing Agreement and (z) assume the obligations of the transferring party to make the Future Advance under the Mezzanine Loan Documents.

16. Financing of a Participation. Notwithstanding any other provision hereof, a Participation Holder may enter into a pledge (a " Pledge") of its Participation to any entity which has extended a credit facility to such Participation Holder and would otherwise be deemed to be either a Qualified Transferee (a "Loan Pledgee"), on the terms and conditions set forth in this Section 16 and Section 16 of the Intercreditor Agreement. Upon written notice by a Participation Holder to the Mortgage Lender, the Servicer and each other Participation Holder that the Pledge has been effected, each Participation Holder agrees to acknowledge receipt of such notice and following receipt of such notice (whether or not receipt is acknowledged) agrees: (a) to give Loan Pledgee a copy of each written notice of default given to the pledging Participation Holder; (b) to allow Loan Pledgee a period of at least ten (10) days (in respect of a

monetary default) and a reasonable period of not less than thirty (30) days, but not more than sixty (60) days (in respect of a non-monetary default) to cure a default by the pledging Participation Holder in respect of its obligations hereunder, but Loan Pledgee shall not be obligated to cure any such default; (c) that no amendment, modification, waiver or termination of any of the Participation Holder's rights under this Agreement shall be effective without the written consent of Loan Pledgee which consent shall not be unreasonably withheld; and (d) that, upon written notice (a " Redirection Notice") to the Servicer by Loan Pledgee that the pledging Participation Holder is in default, beyond applicable cure periods, under such Participation Holder's obligations to Loan Pledgee pursuant to the applicable credit agreement between the pledging Participation Holder and Loan Pledgee (which notice need not be joined in or confirmed by the pledging Participation Holder), and until such Redirection Notice is withdrawn or rescinded by Loan Pledgee, the Servicer shall remit to Loan Pledgee and not to the pledging Participation Holder, any payments that the Servicer would otherwise be obligated to pay to the pledging Participation Holder from time to time pursuant to this Agreement, any Mezzanine A Loan Document, the Servicing Agreement or any other agreement between Mortgage Lender and Mezzanine A Lender that relates to the Mortgage Loan and/or the Mezzanine A Loan, as applicable. Each Participation Holder hereby unconditionally and absolutely releases the Servicer, each other Participation Holder and the Mezzanine A Lender from any liability to such Participation Holder on account of such parties' compliance with any Redirection Notice believed by such party to have been delivered by Loan Pledgee. The Loan Pledgee shall be permitted to fully exercise its rights and remedies against the pledging Participation Holder, and realize on any and all collateral granted by such Participation Holder to Loan Pledgee (and accept an assignment in lieu of foreclosure as to such collateral), in accordance with applicable law and this Agreement. In such event, the Mezzanine A Lender, the Servicer and each other Participation Holder shall recognize any Loan Pledgee that is, and any purchaser which is also, a Qualified Transferee at any foreclosure or similar sale held by Loan Pledgee or any transfer in lieu of such foreclosure and its successors and assigns, as the successor to the pledging Participation Holder's rights, remedies and obligations under this Agreement and the Mezzanine A Loan Documents and any such Loan Pledgee or Qualified Transferee shall assume in the writing the obligations of such Participation Holder hereunder accruing from and after such Transfer and agrees to be bound by the terms and provisions hereof. The rights of Loan Pledgee under this Section 16 shall remain effective unless and until Loan Pledgee shall have notified the Mezzanine A Lender, the Servicer and each other Participation Holder in writing that its interest in the pledged Participation has terminated,

17. Other Business Activities of the Participation A Holder and Participation B Holder . Each of the parties hereto acknowledges that each Participation Holder may make loans or otherwise extend credit to, and generally engage in any kind of business with, any Affiliate of the Mezzanine A Borrower (the "Mezzanine A Borrower Related Parties "), and receive payments on such other loans or extensions of credit to Mezzanine A Borrower Related Parties and otherwise act with respect thereto freely and without accountability in the same manner as if this Agreement and the transactions contemplated hereby were not in effect.

18. Exercise of Remedies by the Servicer. (a) Each Participation Holder acknowledges that, subject to the terms of this Agreement, (i) the Servicer may exercise or refrain from exercising any rights that the Participation A Holder may have hereunder in a manner that may be adverse to the interests of the Participation B Holder, so long as such actions

are in accordance with the Servicing Standard, (ii) the Servicer shall not have any liability whatsoever to any Participation Holder as a result of the Servicer's exercise of such rights or any omission to exercise such rights, except as expressly provided herein or for acts or omissions that are taken or omitted to be taken by the Servicer that constitute the negligence or willful misconduct of the Servicer or a breach of this Agreement, and (iii) the Servicer shall service and administer the Mezzanine A Loan on behalf of the Participation Holders in accordance with the Servicing Standard, taking into account the interests of the Participation Holders; but in all cases recognizing the fact that Participation B is subject and subordinate to Participation A in accordance with the terms of this Agreement. Each Participation Holder agrees that the Servicer, to the extent consistent with the terms of this Agreement and subject to Section 19, shall have the sole and exclusive authority with respect to the administration of, and exercise of rights and remedies with respect to, the Mezzanine A Loan (except with respect to the funding of Future Advances pursuant to Section 17 and as otherwise provided in this Agreement or the Servicing Agreement), including, without limitation, the sole and exclusive authority (i) to modify or waive any of the terms of the Mezzanine A Loan Documents, (ii) to consent to any action or failure to act by the Mezzanine A Borrower or any party to the Mezzanine A Loan Documents, (iii) to vote all claims with respect to the Mezzanine A Loan in any bankruptcy, insolvency or other similar proceedings and (iv) to take legal action to enforce or protect the Holders' interests with respect to the Mezzanine A Loan or to refrain from exercising any powers or rights under the Mezzanine A Loan Documents, including the right at any time to call or waive any Events of Default, or accelerate or refrain from accelerating the Mezzanine A Loan or institute any foreclosure action, foreclosure sale, sale by power of sale or acceptance of a transfer or assignment in lieu of foreclosure, and in each case, acting in accordance with the Servicing Standard and the terms of this Agreement. No Participation Holder shall have any voting, consent or other rights whatsoever with respect to the administration of, or exercise of its rights and remedies with respect to, the Mezzanine A Loan, except as provided in this Agreement. Each Holder agrees that it shall have no right to, and hereby presently and irrevocably assigns and conveys to the Servicer (acting on behalf of the Participation Holders), the rights, if any, that such Participation Holder has (i) to declare or cause the Servicer to declare an Event of Default under the Mezzanine A Loan, (ii) to exercise any remedies with respect to the Mezzanine A Loan, including, without limitation, filing or causing the Servicer to file any bankruptcy petition against the Mezzanine A Borrower or (iii) to vote any claims with respect to the Mezzanine A Loan in any bankruptcy, insolvency or similar type of proceeding of the Mezzanine A Borrower, provided, that the foregoing shall not be construed to contravene the rights of the Participation Holders under Section 19. Each Participation Holder shall, from time to time, execute such documents as the Servicer shall reasonably request to evidence such assignment with respect to the rights described in clause (iii) of the preceding sentence.

(b) Notwithstanding anything to the contrary contained herein, in no event shall the Servicer be permitted to take any action or refrain from taking any action which would violate the laws of any applicable jurisdiction, breach the Mezzanine A Loan Documents, or be inconsistent with the Servicing Standard or violate any other provisions of the Servicing Agreement, the Intercreditor Agreement or this Agreement.

19. Certain Powers of the Controlling Holder. (a) Notwithstanding anything in any other Section of this Agreement to the contrary, but in all cases subject to Sections 19(b), and (c), the Servicer will not be permitted to take any of the actions identified in

clauses (i) through (xxiii) of this sentence, unless and until the Servicer has notified the Controlling Holder in writing (with copies to all Participation Holders) of the Servicer's intent to take or permit the particular action and the Controlling Holder has consented to the particular action, which consent rights shall extend ten (10) Business Days after the Controlling Holder's (and such senior Participation Holder's, if applicable) receipt of written notice of the Servicer's intent to take a particular action and having been provided with all reasonably requested information with respect thereto:

(i) any adoption or implementation of or waiver of delivery of a business plan or annual budget submitted by the Mezzanine A Borrower with respect to the Separate Collateral or the Mortgaged Property;

(ii) the execution or renewal, or modification, of any lease (if a lender approval is provided for in the applicable Mezzanine A Loan Documents), or modification of the Mezzanine A Loan Documents modifying those instances for which lender approval is required, or waiving any such approval;

(iii) material alterations on the Mortgaged Property (if approval by the lender is required by the related Mezzanine A Loan Documents);

(iv) the release of any escrow held in conjunction with the Mezzanine A Loan to the Mezzanine A Loan Borrower not expressly required by the related Mezzanine A Loan Documents or under applicable law, or waiver of any required deposits or modification of the Mezzanine A Loan Documents to eliminate or alter escrow requirements;

(v) material change in any Mezzanine A Loan Documents, this Agreement or the Intercreditor Agreement;

(vi) the waiver of any notice provisions related to prepayment;

(vii) any modification or waiver of a monetary term of the Mezzanine A Loan and any modification of, or waiver that would result in the extension of the Maturity Date, a reduction in the interest rate on the Mezzanine A Note or the monthly debt service payment or Prepayment Fee payable on the Mezzanine A Note or a deferral or forgiveness of interest (including, without limitation, default interest) on or principal of the Mezzanine A Note or Late Charges payable with respect thereto, or a modification or waiver of any other monetary term of the Mezzanine A Note relating to the timing or amount of any payment of principal and interest (including, without limitation, default interest);

(viii) any modification of, or waiver with respect to, the Mezzanine A Loan that would result in a discounted pay-off of the Mezzanine A Note;

(ix) any foreclosure upon or comparable conversion (which may include acquisition of an REO Property) of the ownership of the Separate Collateral or any acquisition of the Separate Collateral by transfer or assignment in lieu of foreclosure or other exercise of remedies;

(x) any release of the Mezzanine A Borrower or any guarantor from liability with respect to the Mezzanine A Loan;

(xi) any waiver of or determination not to enforce a "due-on-sale" or "due-on-encumbrance" clause (unless such clause is not exercisable under applicable law or such exercise is reasonably likely to result in successful legal action by the Mezzanine A Borrower);

(xii) any substitution or release of collateral for the Mezzanine A Loan, except as permitted by the Mezzanine A Loan Documents;

(xiii) any transfer of the Mortgaged Property or any portion thereof, or any transfer of any direct or indirect ownership interest in the Mortgage Borrower or the Mezzanine A Borrower by a Person entitled to exercise voting rights, directly or indirectly, in such Mezzanine A Borrower, except in each case as permitted by the Mezzanine A Loan Documents;

(xiv) any incurrence of additional debt by the Mortgage Borrower, the Mezzanine A Borrower or any mezzanine financing by any beneficial owner of the Mezzanine A Borrower, or the incurrence of any indebtedness by the Participation Holders with respect to any REO Property;

(xv) the voting on any plan of reorganization, restructuring or similar plan in the bankruptcy of the Mezzanine A Borrower;

(xvi) any proposed modification or waiver of any provision of the Mezzanine A Loan Documents governing the types, nature or amount of insurance coverage required to be obtained and maintained by the Mezzanine A Borrower;

(xvii) any renewal or replacement of the then existing insurance policies (to the extent the lender's approval is required under the applicable Mezzanine A Loan Documents);

(xviii) providing any consent under the Intercreditor Agreement or agreeing to any modification of the Mortgage Loan Documents or the Mezzanine A Loan Documents;

(xix) determination of Net Cash Flow in any instance under the Mezzanine A Loan Documents when relevant;

(xx) any action to bring the Mortgaged Property or REO Property into compliance with any laws relating to hazardous materials or other environmental laws;

(xxi) the settlement of any insurance claim or condemnation proceeding for a cash payment that will be applied to the principal amount of the Mezzanine A Loan, if such settlement would result in a shortfall of amounts due and payable to the Controlling Holder;

(xxii) any alteration of cash management provisions or arrangements relating to the Mortgage Loan or the Mezzanine A Loan; and

(xxiii) consenting to any other matter for which consent of the holder of the Mezzanine A Loan is required under the Mezzanine A Loan Documents;

provided that, if the Controlling Holder fails to notify the Servicer of its response to any such proposed action within ten (10) Business Days after receipt by the Controlling Holder of written notice of such a proposed action, the approval of the Controlling Holder shall be deemed to have been given; provided, further, that if the Servicer reasonably determines immediate action is necessary in accordance with the Servicing Standard, the Servicer may take such action without waiting for the Controlling Holder's or, as hereinafter provided, such senior Holders' consent, but will promptly so advise the Participation Holders.

(b) Notwithstanding anything in this Section 19 to the contrary, the Servicer may, in its sole discretion, reject any advice or consultation provided by the Controlling Holder and shall not comply with any advice or consultation provided by the Controlling Holder if such advice or consultation would (i) require or cause the Servicer to violate any applicable law, (ii) violate the Servicing Standard, (iii) require or cause the Servicer to violate any other provisions of this Agreement, or (iv) require or cause the Servicer to violate the terms of the Mezzanine A Loan or the Intercreditor Agreement.

Notwithstanding anything in this Section 19 to the contrary, so long as the Controlling Holder is the Participation B Holder, it may not consent to any modification, waiver, amendment or release of any provision of the Mezzanine A Loan Documents, this Agreement, the Intercreditor Agreement or the Servicing Standard, or consent to any other action that would cause (or vote in favor of any plan of reorganization or similar plan or proposal that would have the effect of causing) (i) a change in the amount or timing of payments of principal, interest or other amounts to Participation A (after taking into account of the provisions of this Agreement, including, without limitation, Section 6 hereof), (ii) an extension of the Maturity Date (except as a result of the exercise by the Mezzanine A Borrower of an as-of-right extension pursuant to the terms of the Mezzanine A Loan Agreement), (iii) a reduction of the Mezzanine A Interest Rate or Participation A Interest Rate, (iv) a reduction or forgiveness of any portion of the principal amount of the Participation A Principal Balance (except as a result of principal payments received by the Participation A Holder), (v) an increase in the amount of the Senior Loan except as permitted under the Intercreditor Agreement, (vi) a release or subordination of any of the Separate Collateral, (vii) a release of any guarantor from any liability under any guaranty or indemnity it has delivered in connection with the Mezzanine A Loan, or (viii) a change in this Section 19 or Section 6 of this Agreement, unless it has received the approval for such consent from the Participation A Holder. As to any other matters specified in Section 19(a), the Participation B Holder (if it is the Controlling Holder) and the Participation A Holder (if it is the Controlling Holder) shall consult, on a non-binding basis, with the Participation A Holder or the Participation B Holder, respectively, before such Participation Holder grants its consent to the action.

(c) No Controlling Holder shall owe any fiduciary duty to the other Participation Holder. By its acceptance of an interest in the Mezzanine A Loan, each

Participation Holder will be deemed to have confirmed its understanding that (i) a Controlling Holder may take or refrain from taking actions that favor the interests of the Controlling Holder or its Affiliates over the other Participation Holder, (ii) a Controlling Holder may take or refrain from taking actions that favor its interest or the interests of its Affiliates over the other Participation Holder, (iii) a Controlling Holder may have special relationships and interests that conflict with the interest of the other Participation Holder and will be deemed to have agreed to take no action against a Controlling Holder or any of their officers, directors, employees, principals or agents as a result of such a special relationships or conflicts, and (iv) no Controlling Holder shall be liable by reason of its having acted or refrained from acting solely in its interest or in the interest of its Affiliates. The provisions of this subsection (c), however, shall not limit the obligation of the Servicer to service and administer the Mezzanine A Loan on behalf of the Participation Holders in accordance with the Servicing Standard.

(d) Pursuant to the terms of the Servicing Agreement, within sixty (60) days after (i) an Appraisal Reduction Event and (ii) each date thereafter on which the Servicer, consistent with the Servicing Standard, determines that an Updated Appraisal is required (but in no event more often than once each 120 days) and, during the continuance of an Appraisal Reduction Event, every 12 months following the occurrence of such Appraisal Reduction Event, the Servicer shall obtain an Updated Appraisal of the Mortgaged Property (or a letter update to an existing Appraisal of such Mortgaged Property, provided such existing Appraisal is less than two (2) years old and no material change has occurred with respect to such Mortgaged Property or the applicable commercial or residential real estate market) from an Appraiser selected by the Servicer, except that the Servicer shall not be required to obtain an Updated Appraisal of the Mortgaged Property, if and for so long as there exists an Appraisal of such Mortgaged Property which is less than twelve (12) months old and the Servicer has no knowledge that any material change has occurred with respect to such Mortgaged Property or the applicable commercial or residential real estate market. Each of the Participation A Holder and the Participation B Holder shall have the right, at any time and at its own expense, to request that the Servicer obtain an Updated Appraisal of the Mortgaged Property or REO Property, as the case may be. Appraisal Reduction Amounts shall be allocated to reduce the Participation B Principal Balance and the Participation A Principal Balance, up to the outstanding amount thereof, *first,* to Participation B and after Participation B Principal Balance has been reduced to zero ($0), *then* to Participation A, solely for purposes of determining the identity of the Controlling Holder. The Servicer shall give written notice to each Participation Holder of any Appraisal Reduction Amount calculated with respect to the Mezzanine A Loan and any allocation thereof to reduce the principal balance of such Holder. The parties hereto acknowledge and agree that, as of the date hereof, no Appraisal Reduction Event has occurred and is continuing.

(e) Notwithstanding the definitions of a Control Appraisal Event, the Controlling Holder shall be entitled to avoid a Control Appraisal Event and a consequent loss of Controlling Holder status, caused by application of an Appraisal Reduction Amount, unless the application of such Appraisal Reduction Amount that results in a Control Appraisal Event reduces the applicable Participation Principal Balance to zero, upon satisfaction of the following conditions (which must be satisfied within fifteen (15) days of the receipt of an Updated Appraisal that indicates a Control Appraisal Event and consequent loss of Controlling Holder status has occurred; provided that if the entity that was Controlling Holder at the time of such Control Appraisal Event has provided notice to the Servicer of its intention to post Threshold

Event Collateral, during such fifteen (15) day period such entity shall remain the Controlling Holder): (i) the Controlling Holder shall have delivered, as a supplement to the appraised value of the Mortgaged Property, to the Servicer (in each case together with documentation reasonably acceptable to the Servicer in accordance with Servicing Standard to create and perfect a security interest in such Threshold Event Collateral in favor of the Servicer for the benefit of the other Participation Holder) (a) cash collateral for the benefit of, and acceptable to the Servicer, or (b) an unconditional and irrevocable standby letter of credit payable on sight demand issued by a bank or other financial institution the long-term unsecured debt obligations of which are rated at least "AA" by S&P and "Aa2" by Moody's or the short term obligations of which are rated at least "A-1" by S&P and "P-1" by Moody's (either (a) or (b), the " Threshold Event Collateral"), and (ii) the Threshold Event Collateral shall be in an amount which, when added to the appraised value of the Mortgaged Property as determined based on the Updated Appraisal, would cause the Control Appraisal Event and consequent loss of Controlling Holder status not to occur. Any interest earned on cash collateral posted shall inure to the benefit of the party that posted such collateral. If the requirements of this subsection are satisfied by the Controlling Holder (a "Threshold Event Cure"), no Control Appraisal Event and consequent loss of Controlling Holder status caused by application of an Appraisal Reduction Amount shall be deemed to have occurred. If a letter of credit is furnished as Threshold Event Collateral, the Controlling Holder shall be required to renew such letter of credit not later than thirty (30) days prior to expiration thereof or to replace such letter of credit with either a substitute letter of credit with an expiration date that is greater than forty-five (45) days from the date of substitution or other Threshold Event Collateral; provided, however, that if a letter of credit is not renewed prior to thirty (30) days prior to the expiration date of such letter of credit, the Servicer shall draw upon such letter of credit (which draw shall be permitted under the terms thereof) and hold the proceeds thereof as Threshold Event Collateral. In addition, if a letter of credit is initially furnished as Threshold Event Collateral and the issuer of such letter of credit at any time no longer satisfies the unsecured debt rating requirements set forth above, the Controlling Holder shall be required within thirty (30) days of notice from the Servicer of the occurrence of such event to replace such original letter of credit with a replacement letter of credit from an issuer meeting the rating requirements. If a new replacement letter of credit from an issuer with the required ratings is not in place within thirty (30) days of such event, the Servicer shall draw upon such letter of credit (which draw shall be permitted under the terms thereof) and hold the proceeds thereof as Threshold Event Collateral. The Threshold Event Cure shall continue until (i) the appraised value of the Mortgaged Property plus the value of the Threshold Event Collateral would not be sufficient to prevent a Control Appraisal Event and consequent loss of Controlling Holder status from occurring (unless the Controlling Holder then posts additional Threshold Event Collateral to avoid loss of Controlling Holder status); or (ii) the occurrence of a Final Recovery Determination; or (iii) the Threshold Event Collateral is fully released to the Controlling Holder pursuant to the immediately following sentence. If the appraised value of the Mortgaged Properties, upon any redetermination thereof, is sufficient to avoid the occurrence of a Control Appraisal Event and consequent loss of Controlling Holder status without taking into consideration all or some portion of the Threshold Event Collateral previously delivered by the Controlling Holder, all or such portion of Threshold Event Collateral held by the Servicer shall promptly be returned to the Controlling Holder (at its sole expense). If the appraised value of the Mortgaged Property, upon any redetermination thereof, is not sufficient to avoid the occurrence of a Control Appraisal Event and consequent loss of Controlling Holder status, after taking into

consideration any Threshold Event Collateral previously delivered by the Controlling Holder, then the Threshold Cure Event shall no longer exist, unless within fifteen (15) days of such determination the Controlling Holder posts additional Threshold Event Collateral in accordance with the same terms on which it posted the initial Threshold Event Collateral, in a sufficient amount such that the appraised value of the Mortgaged Property, as so redetermined, together with all Threshold Event Collateral then posted, shall be sufficient to avoid the occurrence of a Control Appraisal Event and consequent loss of Controlling Holder status. For so long as Threshold Event Collateral shall have been posted, the Servicer shall obtain, at the request of any Participation Holder, on a quarterly basis, commencing with the date that is three (3) months after the first posting of Threshold Event Collateral and continuing at three (3) month intervals thereafter, an Updated Appraisal of the Mortgaged Property (or a letter update to an existing Appraisal of the Mortgaged Property, provided such existing Appraisal is less than two (2) years old and no material change shall have occurred with respect to such Mortgaged Property or the applicable commercial real estate market), from an Appraiser selected by the Servicer (with the approval of the requesting Participation Holder), at the expense of such Participation Holder. Any Threshold Event Cure shall be deemed to cease to exist if the Controlling Holder shall fail to pay for any such Appraisal or letter update within 30 days after it is requested to do so by the Servicer or any Holder, or if the Controlling Holder or an Affiliate thereof is the Servicer and shall fail to obtain such Appraisal or letter update. If the Controlling Holder or an Affiliate thereof is also the Servicer, the Participation A Holder shall hold, monitor and administer the Threshold Event Collateral. Upon a Final Recovery Determination, such Threshold Event Collateral shall be available to reimburse the Participation A Holder for any losses with respect to its Participation after application of the net proceeds of liquidation, not in excess of the principal balance thereof, plus accrued and unpaid interest thereon at the applicable interest rate and all other costs reimbursable under this Agreement and to the extent not so utilized, shall be returned to the posting Participation Holder.

20. Rights Under the Intercreditor Agreement. (a) Purchase Option. (i) In the event that a "Purchase Option Event" (as defined in the Intercreditor Agreement) with respect to the Mortgage Loan has occurred (a " Purchase Option Event"), triggering the right of the Mezzanine A Lender to purchase the Mortgage Loan pursuant to the Intercreditor Agreement (of which event the Servicer shall be required to promptly notify each Participation Holder), each of the Participation A Holder and the Participation B Holder shall have the right (but not the obligation) by written notice to the Servicer and the other Participation Holder (a "Purchase Option Notice") to initiate the purchase of the Mortgage Loan in accordance with the terms of the Intercreditor Agreement. In the event that both the Participation A Holder and the Participation B Holder elect to purchase the Mortgage Loan, the Participation B Holder shall have the prior right to so purchase the Mortgage Loan, provided that the Participation B Holder in such event shall also be required to concurrently purchase Participation A from the Participation A Holder for a price equal to the Defaulted Mezzanine A Loan Purchase Price. In the event that the Participation A Holder has elected to purchase the Mortgage Loan by delivery of a Purchase Option Notice, the Participation B Holder shall, within five (5) Business Days of the delivery of such notice, provide written notice to the Servicer and the Participation A Holder as to whether the Participation B Holder will exercise its prior right to purchase the Mortgage Loan and Participation A. If the Participation B Holder has elected to purchase the Mortgage Loan and it fails to complete such purchase within ten (10) Business Days of delivery of a Purchase Option Notice or fails to concurrently purchase Participation A as required hereunder

(other than as a result of a default or breach by the Participation A Holder as seller of Participation A), then such Purchase Option Notice shall be deemed invalid, such defaulting Participation B Holder shall cease to have any right to purchase the Mortgage Loan (and Participation A) in connection with the applicable Purchase Option Event and the Participation A Holder shall thereafter be entitled to exercise the purchase rights under, and in accordance with, the Intercreditor Agreement with respect to such Purchase Option Event. Following the occurrence of a Purchase Option Event, each of the Participation A Holder and the Participation B Holder shall keep the other Participation Holder informed as to such Holder's intention to exercise any of its respective rights in connection with the Purchase Option Event.

(ii) If the Participation B Holder elects to purchase the Mortgage Loan and Participation A pursuant to the terms hereof, concurrently with payment to the Participation A Holder of the Defaulted Mezzanine A Loan Purchase Price, the Participation A Holder shall deliver or cause to be delivered to the Participation B Holder all Mezzanine A Loan Documents held by or on behalf of the Participation A Holder and will execute in favor of the Participation B Holder or its designee assignment documentation, in form and substance reasonably acceptable to the Participation B Holder, at the sole cost and expense of the Participation B Holder to assign Participation A and its rights hereunder and its rights as holder of the Mezzanine A Loan (without recourse, representations or warranties, except for representations as to Participation A Holder's ownership due execution and delivery, and not having previously assigned, transferred, participated or encumbered its rights in Participation A as of the consummation of the assignment of Participation A, unless such participation or encumbrance will be released prior to the transfer).

(b) Cure Rights after Mortgage Loan Event of Default. (i) In the event a Mortgage Loan Default Notice has been delivered to the Mezzanine A Lender (which the Servicer shall be required to promptly forward (with a copy sent by facsimile or e-mail as soon as reasonably possible following its receipt thereof) to each Participation Holder), and the default identified in such Mortgage Loan Default Notice is a monetary default relating to a liquidated sum of money, each of the Participation A Holder and the Participation B Holder shall have right to exercise the cure rights of the Mezzanine A Lender under the Intercreditor Agreement within the same period of time provided to the Mezzanine A Lender under the Intercreditor Agreement. If the Participation A Holder cures such default, then Participation B Holder shall reimburse to Participation A Holder the costs and expenses of curing such default within ten (10) Business Days of written demand therefor by Participation A Holder.

(ii) If the default identified in the Mortgage Loan Default Notice is of a non-monetary nature, each of the Participation A Holder and the Participation B Holder shall have right to exercise the cure rights of the Mezzanine A Lender under the Intercreditor Agreement within the same period of time provided to the Mezzanine A Lender under the Intercreditor Agreement. If a Participation Holder is exercising its cure right, it shall consult with the other Participation Holder and keep such other Participation Holder informed as to its progress. If the Participation A Holder cures such default, then Participation B Holder shall reimburse the costs and expenses of curing such default to Participation A Holder within ten (10) Business Days of written demand therefor by Participation A Holder.

(iii) Prior to or concurrently with undertaking any curative action pursuant to this Section 20(b), a Participation Holder shall provide the Servicer and the other Participation Holder with written notice thereof.

(c) Intentionally Omitted.

(d) Subject to the terms of this Agreement, including without limitation, this Section 20 and Section 19, the Controlling Holder shall exercise each of the rights granted to the "First Mezzanine Lender" and "Directing Junior Lender" under and pursuant to the Intercreditor Agreement.

(e) The Participation Holders agree that the Servicer shall make reasonable effort to cause the Mortgage Loan Servicer to send a copy of the Mortgage Loan Default Notice directly to the Participation Holders.

21. REO Mezzanine Loan. In the event the Separate Collateral is acquired pursuant to a foreclosure or deed (or assignment) in lieu of foreclosure, the Separate Collateral shall be held for the benefit of the Participation Holders based upon their respective percentage interests in the Mezzanine A Loan and the Participation Holders hereby agree to negotiate in good faith to reach an agreement relating to the ownership, operation, maintenance, management, leasing and marketing of the Mortgaged Property, which agreement shall, in any event, provide that, to the extent that any decision is required to be made thereunder with respect to such matters, the Controlling Holder (as then determined in accordance with the provisions of this Agreement as if the Mezzanine A Loan were still outstanding) shall be entitled to make such decisions. Notwithstanding any such acquisition of title and cancellation of the Mezzanine A Loan, such Mezzanine A Loan shall be considered an "REO Mezzanine Loan" held by the Participation Holders until such time as the Separate Collateral (or the Mortgaged Property) shall be sold, transferred or conveyed by the Participation Holders and this Agreement shall continue in full force and effect during such ownership of the Separate Collateral. Consistent with the foregoing, for purposes of all calculations hereunder, so long as such "REO Mezzanine Loan" shall be considered outstanding, payments and collections with respect to the Separate Collateral received in any month (net of related expenses) shall be applied to amounts which would have been payable under the Mezzanine A Loan in accordance with the terms of this Agreement.

22. Future Advance. MSMC or any successor or assign that has assumed the Future Advance Obligations in accordance with Section 15 (the "Funding Party") hereby agrees to remit to the Mezzanine A Borrower the Future Advance to the extent such Future Advance is required to be made under the Mezzanine A Loan Agreement and the Mezzanine A Loan Documents, it being the specific intent of the parties hereto that the Participation B Holder shall be liable for making the Future Advance. Funding Party shall remit the Future Advance on the date that such Future Advance is required to be made pursuant to the Mezzanine A Loan Documents and Mezzanine A Loan Agreement. The parties hereto agree that the determination of whether the Mezzanine A Borrower is entitled to receive the Future Advance shall rest solely with Funding Party who shall be solely responsible for funding the Future Advance and conducting any and all due diligence, loan documentation and pre-funding requirements in connection therewith, and the Funding Party is hereby authorized to deal directly with the

Mezzanine A Borrower solely in connection with the making of the Future Advance and the satisfaction of any conditions precedent set forth in the Mezzanine A Loan Documents.

23. Governing Law; Waiver of Jury Trial. THIS AGREEMENT AND THE RESPECTIVE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED ENTIRELY WITHIN SUCH STATE. EACH OF THE PARTIES HEREBY IRREVOCABLY WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF RELATING TO THIS AGREEMENT.

24. Modifications. This Agreement shall not be modified, cancelled or terminated except by an instrument in writing signed by the parties hereto. The party seeking modification of this Agreement shall be solely responsible for any and all expenses that may arise in order to modify this Agreement. No modification of the duties, obligations or rights of the Servicer under this Agreement shall be effective against the Servicer unless such modification is consented to by the Servicer in writing.

25. Successors and Assigns; Third Party Beneficiaries. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns, provided, that no successor or assigns of the initial Mezzanine A Lender shall have any liability for a breach of a representation or warranty set forth in this Agreement. The Servicer is an intended third-party beneficiary of this Agreement.

26. Counterparts. This Agreement may be executed in any number of counterparts and all of such counterparts shall together constitute one and the same instrument.

27. Captions. The titles and headings of the paragraphs of this Agreement have been inserted for convenience of reference only and are not intended to summarize or otherwise describe the subject matter of the paragraphs and shall not be given any consideration in the construction of this Agreement.

28. Notices. All notices required hereunder shall be (i) in writing and personally delivered, (ii) sent by facsimile transmission if the sender on the same day sends a confirming copy of such notice by reputable overnight delivery service (charges prepaid), (iii) sent by a reputable overnight delivery service (charges prepaid) or (iv) sent by certified United States mail, postage prepaid, return receipt requested, and addressed to the respective parties at their addresses set forth on Exhibit B hereto, or at such other address as any party shall hereafter inform the other party by written notice given as aforesaid. All written notices so given shall be deemed effective upon receipt.

29. Title and Custody to Mezzanine A Loan Documents. The Participation B Holder shall hold legal title to the Mezzanine A Loan Documents, subject to all rights of all Participation Holders under this Agreement, and the Custodian shall hold the originals of all of the Mezzanine A Loan Documents. The Participation B Holder shall only transfer, and be required to transfer, title to the Mezzanine A Loan Documents in connection with a simultaneous

transfer or sale of Participation B. Notwithstanding the foregoing, at any time, upon at least ten (10) Business Days' request of the Participation A Holder prior to the date of the proposed transfer, Participation B Holder shall transfer legal title to the Mezzanine A Loan Documents to Participation A Holder.

30. Withholding Taxes. (a) If the Servicer or the Mezzanine A Borrower shall be required by law to deduct and withhold Taxes from interest, fees or other amounts payable to a Participation Holder with respect to the Mezzanine A Loan as a result of such Participation Holder constituting a Non-Exempt Person, the Servicer shall be entitled to do so with respect to such Participation Holder's interest in such payment (all withheld amounts being deemed paid to such Participation Holder), provided that the Servicer shall furnish such Participation Holder with a statement setting forth the amount of Taxes withheld, the applicable rate and other information which may reasonably be requested for purposes of assisting Participation Holder to seek any allowable credits or deductions for the Taxes so withheld in each jurisdiction in which such Participation Holder is subject to tax.

(b) Each Participation Holder shall and hereby agrees to indemnify the Servicer against and hold the Servicer harmless from and against any Taxes, interest, penalties and attorneys' fees and disbursements arising or resulting from any failure of the Servicer to withhold Taxes from payment made to such Participation Holder in reliance upon any representation, certificate, statement, document or instrument made or provided by such Participation Holder to the Servicer in connection with the obligation of the Servicer to withhold Taxes from payments made to such Participation Holder, it being expressly understood and agreed that (i) the Servicer shall be absolutely and unconditionally entitled to accept any such representation, certificate, statement, document or instrument as being true and correct in all respects and to fully rely thereon without any obligation or responsibility to investigate or to make any inquiries with respect to the accuracy, veracity, correctness or validity of the same and (ii) such Participation Holder shall, upon request of the Servicer and at its sole cost and expense, defend any claim or action relating to the foregoing indemnification using counsel selected by the Servicer.

(c) Each Participation Holder represents severally, as to itself only, to the Servicer (for the benefit of the Mezzanine A Borrower) that it is not a Non-Exempt Person and that neither the Servicer nor the Mezzanine A Borrower is obligated under applicable law to withhold Taxes on sums paid to it with respect to the Mezzanine A Loan or otherwise pursuant to this Agreement. Contemporaneously with the execution of this Agreement and from time to time as necessary during the term of this Agreement, each Participation Holder shall deliver to the Servicer evidence satisfactory to the Servicer substantiating that it is not a Non-Exempt Person and that the Servicer is not obligated under applicable law to withhold Taxes on sums paid to it with respect to the Mezzanine A Loan or otherwise under this Agreement. Without limiting the effect of the foregoing, (i) if any Participation Holder is created or organized under the laws of the United States, any state thereof or the District of Columbia, it shall satisfy the requirements of the preceding sentence by furnishing to the Servicer an Internal Revenue Service Form W-9 and (ii) if Participation Holder is not created or organized under the laws of the United States, any state thereof or the District of Columbia, and if the payment of interest or other amounts by the Mezzanine A Borrower is treated for United States income tax purposes as derived in whole or part from sources within the United States, such Participation Holder shall

satisfy the requirements of the preceding sentence by furnishing to the Servicer Internal Revenue Service Form W-8ECI, Form W-8IMY (with appropriate attachments) or Form W-8BEN, or successor forms, as may be required from time to time, duly executed by such Participation Holder, as evidence of such Participation Holder's exemption from the withholding of United States tax with respect thereto. The Servicer shall not be obligated to make any payment hereunder to a Participation Holder in respect of a Participation or otherwise until such Participation Holder shall have furnished to the Servicer the requested forms, certificates, statements or documents.

(d) For purposes of this Section 29, (i) "Non-Exempt Person" shall mean any Person other than a Person who is either (i) a U.S. Person or (ii) has on file with the Agent for the relevant year such duly-executed form(s) or statement(s) which may, from time to time, be prescribed by law and which, pursuant to applicable provisions of (A) any income tax treaty between the United States and the country of residence of such Person, (B) the Code or (C) any applicable rules or regulations in effect under clauses (A) or (B) above, permit the Servicer to make such payments free of any obligation or liability for withholding; and (ii) "Taxes" shall mean any income or other taxes, levies, imposts, duties, fees, assessments or other charges of whatever nature, now or hereafter imposed by any jurisdiction or by any department, agency, state or other political subdivision thereof or therein.

31. Waiver. The Participation B Holder expressly and irrevocably waives for itself and any Person claiming through or under such Participation Holder any and all rights that it may have under Section 1315 of the New York Real Property Actions and Proceedings Law or the provisions of any similar law which purports to give a junior loan participant the right to initiate any loan enforcement or foreclosure proceedings.

32. Notice of Senior Loan Default. The Servicer and the Controlling Holder shall promptly send to the other Participant Holder copies of any "Senior Loan Default Notices" and any "Purchase Notices" (as such terms are defined in the Intercreditor Agreement) received by the Servicer and/or Controlling Holder, and any other notice, financial statement or report received by the Servicer and/or the Controlling Holder under the Intercreditor Agreement.

33. Directing Junior Holder. The Controlling Holder shall have the sole right to designate the "Directing Junior Lender" pursuant to Section 5(f) of the Intercreditor Agreement.

34. Custodian.

(a) On or prior to the date hereof, the Participation Holders shall deliver, or cause to be delivered, the Mezzanine A Loan Documents, together with appropriate documentation sufficient under the Mezzanine A Loan Agreement to deliver the Mezzanine A Loan Documents to the Custodian, to be held by the Custodian on behalf of the Participation Holders.

(b) The Custodian will hold the Mezzanine A Loan Documents delivered to it pursuant to this Section 34, solely for the benefit of the Participation Holders.

(c) The Custodian agrees, for the benefit of the Participation Holders, to review the Mezzanine A Loan Documents after receipt. In performing any such review, the Custodian may conclusively assume the genuineness of any such document and any signature thereon. It is understood that the scope of the Custodian's review of the Mezzanine A Loan Documents is limited solely to confirming that the documents which constitute or are required to constitute the Mezzanine A Loan Documents have been received and further confirming that any and all such documents delivered pursuant to this Section 34 have been executed and purport to relate to the Mezzanine A Loan. The Custodian shall not have any responsibility for determining whether any document is valid and binding or whether the text of any assignment or endorsement is in proper form. Not later than fifteen (15) Business Days after the date hereof, the Custodian shall notify in writing the Participation Holders, as to any part of the Mezzanine A Loan Documents that does not meet the requirements of the definition thereof and shall specify the nature of the defective or missing document or the lack of evidence of filing, as applicable (the " Exception Report").

(d) The Custodian shall retain possession and custody of the Mezzanine A Loan Documents, for the benefit of the Participation Holders, in accordance with and subject to the terms and conditions set forth herein and shall not transfer the Mezzanine A Loan Documents or any of its rights or obligations under this Agreement to any other Person without the prior consent of the Participation Holders.

(e) The Custodian shall not be under any duty or obligation to inspect, review or examine any such documents, instruments, certificates or other papers to determine that they are genuine, enforceable, or appropriate for the represented purpose or that they are other than what they purport to be on their face.

(f) LaSalle Bank National Association shall initially act as Custodian of the Mezzanine A Loan Documents. The Custodian shall execute such instruments as shall be necessary to assign and transfer the legal title to the Mezzanine A Loan Documents at the written direction of the Participation Holders as provided herein, to an entity designated as the replacement or successor Custodian. In addition, the Custodian shall, at the direction and expense of the Participation Holders, cause the Mezzanine A Loan Documents to be delivered to any such transferee at the written direction of the Participation Holders as provided herein. Upon such assignment, transfer, delivery and acceptance by the replacement or successor Custodian, the Custodian shall have no further obligations pursuant to this Agreement.

(g) As compensation for its services, the Custodian of the Mezzanine A Loan Documents pursuant to this Agreement, the Participation Holders agree to pay the Custodian a one-time up-front fee of $3,000 (which cost shall be borne by the Participation B Holder) and agree and acknowledge that the Custodian shall be entitled to reimbursement of such other matters in accordance with the terms of this Agreement (including, but not limited to, legal costs, postage, copy fees, and courier charges), such fees and reimbursement to be paid by the Participation Holders.

(h) The Custodian hereby represents and warrants to each of the Participation Holders, as of the date hereof, that:

(i) The Custodian is a national banking association duly organized, validly existing and in good standing under the laws of the United States of America.

(ii) The execution and delivery of this Agreement by the Custodian, and the performance and compliance with the terms of this Agreement by the Custodian, will not violate the Custodian's organizational documents or constitute a default (or an event which, with notice or lapse of time, or both, would constitute a default) under, or result in the breach of, any material agreement or other instrument to which it is a party or which is applicable to it or any of its assets.

(iii) This Agreement, assuming due authorization, execution and delivery by the other parties hereto, constitutes a valid, legal and binding obligation of the Custodian, enforceable against the Custodian in accordance with the terms hereof, subject to (A) applicable bankruptcy, insolvency, reorganization, moratorium and other laws affecting the enforcement of creditors' rights generally, and (B) general principles of equity, regardless of whether such enforcement is considered in a proceeding in equity or at law.

(iv) The Custodian is not in violation of, and its execution and delivery of this Agreement and its performance and compliance with the terms of this Agreement, will not constitute a violation of, any law, any order or decree of any court or arbiter, or any order, regulation or demand of any federal, state or local governmental or regulatory authority, which violation, in the Custodian's good faith and reasonable judgment, will affect materially and adversely the ability of the Custodian to perform its obligations under this Agreement.

(v) No litigation is pending or, to the best of the Custodian's knowledge, threatened against the Custodian that, if determined adversely to the Custodian, would prohibit the Custodian from entering into this Agreement or, in the Custodian's good faith and reasonable judgment, would materially and adversely affect the ability of the Custodian to perform its obligations under this Agreement.

(vi) Any consent, approval, authorization or order of any court or governmental agency or body required for the execution, delivery and performance by the Custodian of or compliance by the Custodian with this Agreement, or the consummation of the transactions contemplated by this Agreement, has been obtained and is effective, except where the lack of consent, approval, authorization or order would not have a material adverse effect on the performance by the Custodian under this Agreement.

The representations and warranties of the Custodian set forth in Section 34(h) shall survive the execution and delivery of this Agreement and shall inure to the benefit of the Participation Holders for whose benefit they were made for so long as this Agreement remains in effect. Upon discovery by any party hereto of any breach of any of the foregoing representations, warranties and covenants, the party discovering such breach shall give prompt written notice thereof to the other parties hereto.

(i) From time to time and as appropriate for the foreclosure or other servicing of the Mezzanine A Loan, the Servicer, its counsel or its agent may submit to the Custodian a

written or electronic request to release to the Servicer, its counsel or its agent a portion of the Mezzanine A Loan Documents as set forth in such request for release, and the Custodian shall promptly release such files. All documents so released to the Servicer, its counsel or its agent shall be held by such party in trust for the benefit of the Participation Holders and shall be returned to the Custodian when the need therefor in connection with such foreclosure or servicing no longer exists.

(j) Upon payment in full or any other agreed upon settled amount of the Mezzanine A Loan, and upon receipt by the Custodian of a written or electronic request for release from the Servicer stating that the Mezzanine A Loan has been paid in full, the Custodian shall promptly release the related Mezzanine A Loan Documents to the Servicer or its agent.

(k) Upon reasonable prior notice to the Custodian, the Participation Holders and their respective agents, accountants, attorneys and auditors will be permitted during normal business hours to examine the Mezzanine A Loan Documents, documents, records and other papers in the possession of or under the control of the Custodian relating to the Mezzanine A Loan. The Participation Holders will promptly reimburse the Custodian for reasonable out-of-pocket expenses incurred by the Custodian in connection with any such examination.

(l) At its own expense, the Custodian shall maintain at all times during the existence of this Agreement and keep in full force and effect such fidelity bonds and/or insurance policies (including, but not limited to errors and omissions policies) in amounts, with standard coverage and subject to deductibles, all as are customarily maintained by banks which act as trustees and custodians. A certificate of the Custodian stating that each such bond or policy is in full force and effect shall be furnished to any Participation Holder upon request. In the alternative, the Custodian may self-insure if it or its parent affiliate has an unsecured long-term credit rating of at least "BBB" by S&P (or the equivalent rating by Fitch or Moody's). The Participation Holders shall reimburse the Custodian for any third-party, out-of-pocket, reasonable expenses or costs (including reasonable attorney's fees) incurred in connection with the performance of its obligations and duties under this Agreement.

(m) Neither the Custodian nor any of its directors, officers, agents or employees, shall be liable for any action taken or omitted to be taken by it or them hereunder except for its or their own gross negligence, lack of good faith or willful misconduct. In no event shall the Custodian or its directors, officers, agents and employees be held liable for any special, indirect or consequential damages resulting from any action taken or omitted to be taken by it or them hereunder or in connection herewith in good faith and reasonably believed by it or them to be within the purview of this Agreement.

(n) Except upon determination that the duties of the Custodian are no longer permissible under applicable law (as evidenced by an opinion of counsel delivered to the Participation Holders at the expense of the resigning Custodian), the Custodian shall not resign without giving each of the Participation Holders no less than sixty (60) days prior written notice thereof (or such lesser notice as may be acceptable to all the Participation Holders).

(o) Custodian shall cooperate with the Controlling Holder in connection with any exercise of remedies under the Mezzanine A Loan Documents.

[NO FURTHER TEXT ON THIS PAGE]

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

MORGAN STANLEY MORTGAGE CAPITAL HOLDINGS LLC, a New York limited liability company, as Mezzanine A Lender

By: /s/ Jonathan L. Frey
Name: Jonathan L. Frey
Title: Authorized Signatory

MORGAN STANLEY MORTGAGE CAPITAL HOLDINGS LLC, a New York limited liability company, as Participation A Holder

By: /s/ Jonathan L. Frey
Name: Jonathan L. Frey
Title: Authorized Signatory

MORGAN STANLEY MORTGAGE CAPITAL HOLDINGS LLC, a New York limited liability company, as Participation B Holder

By: /s/ Jonathan L. Frey
Name: Jonathan L. Frey
Title: Authorized Signatory

[ADDITIONAL SIGNATURE ON IMMEDIATELY FOLLOWING PAGE]

LASALLE BANK NATIONAL ASSOCIATION, a national banking association, as Custodian

By: /s/ Jose A. Galarza
Name: Jose A. Galarza
Title: Assistant Vice President

EXHIBIT A

MEZZANINE A LOAN SCHEDULE

A. Description of Mezzanine A Loan

Mezzanine A Borrower:	Broadway 500 West Monroe Mezz I LLC, a Delaware limited liability company
Date of Mezzanine A Loan:	July 11, 2007
Initial Principal Amount of Mezzanine A Loan:	$61,500,000.00
Mezzanine A Loan Principal Balance (as of February 26, 2008):	$45,000,000.00
Location of Mortgaged Property:	500 W. Monroe Street Chicago, Illinois
Current Use of Mortgaged Property:	Office
Mezzanine A Interest Rate on the Mezzanine A Loan, as of February 26, 2008:	LIBOR, plus 1.45%
Maturity Date:	Payment Date occurring in August 2009, with three (3) one year extension options

B. Description of Certificates of Participation

Initial Participation A Principal Balance	$45,000,000.00
Initial Participation B Principal Balance	$0
Initial Participation A Percentage Interest	100%
Initial Participation B Percentage Interest	0%
Participation A Interest Rate	LIBOR plus 1.45%
Participation B Interest Rate	LIBOR plus 1.75%

EXHIBIT B

Participation A Holder:

Morgan Stanley Mortgage Capital Holdings LLC
1221 Avenue of the Americas
27th Floor
New York, New York 10020
Attention: James Flaum and Kevin Swartz
Facsimile: (212) 507-4139/4146

with a copy to:

Cadwalader, Wickersham & Taft LLP
One World Financial Center
New York, New York 10281
Attention: John M. Zizzo
Facsimile No.: (212)504-6666

Participation B Holder:

Morgan Stanley Mortgage Capital Holdings LLC
1221 Avenue of the Americas
27th Floor
New York, New York 10020
Attention: James Flaum and Kevin Swartz
Facsimile: (212) 507-4139/4146

with a copy to:

Cadwalader, Wickersham & Taft LLP
One World Financial Center
New York, New York 10281
Attention: John M. Zizzo
Facsimile No.: (212) 504-6666

EXHIBIT C

FORM OF PARTICIPATION [A/B] CERTIFICATE

evidencing a participation interest in the Mezzanine A Loan from Morgan Stanley Mortgage Capital Holdings LLC (the " Mezzanine Lender") to Broadway 500 West Monroe Mezz I LLC in the principal amount of up to $[45,000,000.00][16,500,000.00] (the " Mezzanine Loan"), which Mezzanine Loan is evidenced by a certain Amended and Restated Promissory Note (Mezzanine A Loan) dated as of February 26, 2008 (the " Mezzanine Note").

Participation [A/B] Interest Rate:
LIBOR plus[_____]

Initial Participation [A/B] Principal Balance:
$[_____]

Certificate No. [A/B]-[l]

Percentage Interest Evidenced by this Certificate: [__]%

Ladies and Gentlemen:

In connection with your participation in the Participation [A/B] described below, the undersigned, as holder of the Mezzanine Note hereby certifies that [_____] is the holder of:

The Participation [A/B] issued pursuant to the Mezzanine A Loan Participation Agreement dated as of February __, 2008 (the "Participation Agreement"), covering the Mezzanine A Loan described above. The original principal amount of Participation [A/B] is $ _____ .00.

This Participation [A/B] Certificate is issued pursuant to and the participation evidenced hereby is subject to the terms of the Participation Agreement.

This Participation [A/B] Certificate shall be construed in accordance with the internal laws of the State of New York applicable to agreements made and to be performed in said State, and the obligations, rights and remedies of the Holder hereof shall be determined in accordance with such laws.

IN WITNESS WHEREOF, the Mezzanine Lender has caused this Participation [A/B] Certificate to be duly executed.

MORGAN STANLEY MORTGAGE CAPITAL HOLDINGS LLC

By: _____
Name:
Title:

Participation B Principal Balance

Date	Amount of Future Advance	Remaining Maximum Future Advances	Updated Face Amount of this Participation Certificate	Notation Made By
	$	$	N/A	

EXHIBIT D

MEZZANINE A LOAN DOCUMENTS

All documents dated as of July 11, 2007, unless otherwise indicated.

1. Mezzanine A Loan Agreement
2. First Omnibus Amendment to Loan Agreement and Other Loan Documents (Mezzanine A Loan), effective as of August 15, 2007
3. Second Omnibus Amendment to Loan Agreement and Other Loan Documents (Mezzanine A Loan), dated as of February 26, 2008
4. Promissory Note (Mezzanine A Loan)
5. Amended and Restated Promissory Note (Mezzanine A Loan), effective as of August 15, 2007
6. Second Amended and Restated Promissory Note (Mezzanine A Loan), dated as of February 26, 2008
7. Pledge and Security Agreement (Mezzanine A Loan)
8. Guaranty of Recourse Obligations of Borrower (Mezzanine A Loan)
9. Environmental Indemnity Agreement (Mezzanine A Loan)
10. Subordination of Management Agreement (Mezzanine A Loan)
11. Mezzanine A Cash Management Agreement
12. UCC-1 Financing Statement to be filed in Delaware Secretary of State
13. Collateral Assignment of Interest Rate Cap Agreement (Mezzanine A Loan)
14. Cooperation Agreement

EXHIBIT 31.1
PRINCIPAL EXECUTIVE OFFICER CERTIFICATION
PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Donald A. Miller, CFA, certify that:

1. I have reviewed this Form 10-Q for the quarter ended March 31, 2011 of Piedmont Office Realty Trust, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 5, 2011

By: /s/ Donald A. Miller, CFA
Donald A. Miller, CFA
Chief Executive Officer and President
(Principal Executive Officer)

EXHIBIT 31.2
PRINCIPAL FINANCIAL OFFICER CERTIFICATION
PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Robert E. Bowers, certify that:

1. I have reviewed this Form 10-Q for the quarter ended March 31, 2011 of Piedmont Office Realty Trust, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 5, 2011

By: /s/ Robert E. Bowers
Robert E. Bowers
Chief Financial Officer and Executive Vice President (Principal Financial Officer)

EXHIBIT 32.1
CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 (18 U.S.C. 1350)

In connection with the Report of Piedmont Office Realty Trust, Inc. (the "Registrant") on Form 10-Q for the quarter ended March 31, 2011, as filed with the Securities and Exchange Commission (the "Report"), the undersigned, Donald A. Miller, CFA, Chief Executive Officer of the Registrant, hereby certifies, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge and belief:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

By: /s/ Donald A. Miller, CFA

Donald A. Miller, CFA
Chief Executive Officer and President
May 5, 2011

EXHIBIT 32.2
CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 (18 U.S.C. 1350)

In connection with the Report of Piedmont Office Realty Trust, Inc. (the "Registrant") on Form 10-Q for the quarter ended March 31, 2011, as filed with the Securities and Exchange Commission (the "Report"), the undersigned, Robert E. Bowers, Chief Financial Officer of the Registrant, hereby certifies, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge and belief:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

By: /s/ Robert E. Bowers

Robert E. Bowers
Chief Financial Officer
and Executive Vice President
May 5, 2011