

GUARANTY OF PAYMENT OF RE COURSE OBLIGATIONS

GUARANTY OF PAYMENT, dated April 23, 2008 (this "Guaranty") from the undersigned, Claude Simon ("Guarantor"), having an address as indicated below, to Intervest National Bank (hereinafter, together with its successors and assigns, referred to as "Lender"), having an address at 1 Rockefeller Plaza, Suite 400, New York, New York 10020-2002.

PRELIMINARY STATEMENT

WHEREAS, 160 Madison Avenue Owners Corp. ("Borrower") has requested Lender to lend to Borrower \$1,700,000.00 (the "Loan") to assist the Borrower with respect to the refinancing of certain premises known as 160 Madison Avenue, New York, New York and more fully described in Schedule A of the Mortgage (as hereinafter defined), and the improvements situated thereon (such premises and improvements are collectively hereinafter referred to as the "Premises").

WHEREAS, the Loan is evidenced by a certain Mortgage Note in the amount of \$1,700,000.00 (the "Note"), and secured by the mortgage (the "Mortgage") dated the date hereof, encumbering the Premises;

WHEREAS, as part of the consideration for making the Loan, Borrower has agreed to procure and deliver to Lender this Guaranty;

WHEREAS, Lender has declined to make the Loan unless this Guaranty is duly executed by Guarantor and delivered to Lender.

NOW, THEREFORE, in consideration of the premises and as part of the consideration for making the Loan, the Guarantor covenants and agrees to and with Lender as follows:

(1) Guarantor unconditionally, absolutely and irrevocably, jointly and severally, guarantee to Lender the punctual, prompt and complete payment of Borrower's Recourse Obligations (as hereinafter defined), it being expressly understood and agreed that this is a continuing Guaranty and an instrument for the payment of money only, and that the obligations of the Guarantor are and shall be absolute, unconditional and irrevocable under any and all circumstances without regard to the legality, binding effect, validity, regularity, or enforceability of the Note, the Mortgage or any other documents executed in connection herewith or therewith, a true copy of each of such documents Guarantor hereby acknowledges having received, reviewed and approved.

(2) Guarantor agrees that his/her liabilities under this Guaranty shall be unaffected, regardless of whether notice or consideration is given or their further consent obtained, by (i) any amendment, supplement, modification or other change in the Note, the Mortgage or any other instrument made to or with Lender by Borrower or any person or entity who succeeds Borrower as owner of the Premises, or any part thereof, (ii) any extension of time for the observance or performance required thereby, (iii) any sale, assignment or foreclosure of the Note or the Mortgage, or both, or any sale of the Premises, or any part thereof, (iv) exculpatory provisions in any of such instruments limiting Lender's recourse to property encumbered by the Mortgage or any other security or limiting Lender's rights to enforce a deficiency judgment against Borrower, (v) any release of Borrower or Guarantor or any other person or entity from performance or observance of any of the agreements, terms, covenants or conditions contained in any of such instruments whether by operation of law or otherwise, (vi) Lender's failure to record the Mortgage or file any UCC-1 Financing Statements, or to otherwise perfect, protect, secure or insure any security interest or lien given as security for the Note, (vii) any accuracy or inaccuracy of any representations or warranties made by Borrower in the Mortgage or by Guarantor in this Guaranty, (viii) any bankruptcy, insolvency, liquidation, moratorium, reorganization, arrangement for

the benefit of creditors, receivership, trusteeship or other law of like import affecting Borrower, the Premises, Guarantor or any of his/her successors and assigns, including, but not limited to, any automatic stay granted pursuant to any provision of a bankruptcy or similar law, (ix) notwithstanding any provision to the contrary contained or implied in the Mortgage or by law or in equity, any recovery as a result of the exercise of any of Lender's rights or remedies under the Mortgage unless as a result thereof Lender has been paid the entire amount owed to Lender under the Note and the Mortgage (hereinafter such obligations owed to Lender are referred to as the "Indebtedness") and (xi) any defense given to a guarantor or surety at law or in equity.

(3) Guarantor waives any and all legal requirements that Lender shall institute any action or proceedings at law or in equity against Borrower, or anyone else, or exhaust its remedies against Borrower, or anyone else in respect of the Loan, the Note or the Mortgage or in respect of any other security held by Lender as a condition precedent to bringing an action against Guarantor upon this Guaranty. All remedies afforded to Lender by reason of this Guaranty are separate and cumulative remedies and no one of such remedies, whether exercised by Lender or not, shall be deemed to be an exclusion of any of the other remedies available to Lender and shall not limit or prejudice any other legal or equitable remedy which Lender may have. This is a guaranty of payment and not of collection.

(4) Guarantor agrees that until each and every term, covenant and condition of this Guaranty is fully performed and fulfilled, he/she shall not be released by any act or thing which might, but for this provision, be deemed a legal or equitable discharge of a surety or a guarantor, or by reason of any waiver, extension, modification, forbearance or delay or other act or omission of Lender or its failure to proceed promptly or otherwise, or by reason of any action taken or omitted or circumstance which may or might vary the risk or affect rights or remedies by reason of any further dealings between Borrower and Lender, whether relating to the Loan, the Note, the Mortgage or otherwise, and Guarantor waives and surrenders any defense to his/her liabilities hereunder based upon any of the foregoing acts, omissions, agreements, waivers or any of them and also waives and relinquishes all other rights and remedies accorded by applicable law to guarantors and sureties, it being the purpose and intent of this Guaranty that the obligations of Guarantor hereunder are and that this Guaranty is absolute, irrevocable and unconditional under any and all circumstances. No amendment, modification, discharge, waiver or release of this Guaranty shall be established by conduct, custom or course or business.

(5) Guarantor waives notice of acceptance of this Guaranty and of presentment for payment, demand, protest, notice of protest and of dishonor, notices of default and all other notices of every kind and description now or hereafter provided by any constitution, statute or rule of law.

(6) If Guarantor shall advance or become obligated to pay any sums with respect to this Guaranty, the Note, the Mortgage or the Loan, or for any other purpose in connection with the Premises, or any part thereof, or if for any reason whatsoever Borrower or any subsequent owner of the Premises, or any part thereof, is now, or shall hereafter become, indebted to Guarantor, Guarantor agrees that the amount of such sums and of such indebtedness and all interest thereon shall at all times be subordinate as to lien, time of payment and in all other respects to all sums, including principal, interest and other amounts at any time owing to Lender under the Loan or the obligations evidencing the same or the Note or the Mortgage and that Guarantor shall not be entitled to enforce or receive payment thereof until the Indebtedness is paid in full. Nothing herein contained is intended or shall be construed to give Guarantor any right of subrogation in or under the Loan, the obligations evidencing the same, the Note or the Mortgage or any right to participate in any way therein or in the right, title or interest of Lender in or to the Premises, or any part thereof, or other property, notwithstanding any payment made by Guarantor with respect to this Guaranty, the Note, the Mortgage or the Loan, all such rights of subrogation and participation being expressly waived and released until the indebtedness is paid in full.

(7) Any notice, demand or request by Lender to Guarantor shall be in writing and shall be deemed to have been duly given or made three (3) business days following the date when mailed by certified or

registered mail, postage prepaid, return receipt requested, addressed to Guarantor at his/her address set forth at the foot hereof.

(8) This Guaranty is, and shall be deemed to be, a contract entered into under the laws of the State of New York and shall be in all respects construed and interpreted in accordance with the laws of such jurisdiction; and no defense shall be interposed in any action or proceeding hereon unless such defense is also given or allowed by the laws of the State of New York. The undersigned agrees to submit to personal jurisdiction in the State of New York in any action or proceeding arising out of this Guaranty (and, in the furtherance of such agreement, the undersigned hereby designates Vernon & Ginsberg, LLP as agent for service of process in any such action or proceeding).

(9) The Guarantor represents and warrants that as of the date hereof:

(a) The most recent financial statements of Guarantor, copies having been furnished to Lender, fairly present the financial condition of Guarantor as of such date, and since the date of such financial statements, there have been no material adverse change in such condition.

(b) There are no actions, suits or proceedings pending or, to the knowledge of the Guarantors, threatened against or affecting Guarantor or the properties of the Guarantor before any court, governmental department, arbitrator, commission, board, bureau, agency or instrumentality, domestic or foreign, which, if determined adversely to Guarantor, would have a material adverse effect on the financial condition, business, properties or operations of Guarantor.

(c) Neither the business nor properties of Guarantor is affected by a fire, explosion, strike, lockout, or other labor dispute, drought, storm, hail, earthquake, embargo, acts of God or of the public enemy or other casualty (whether or not covered by insurance) which would have a material adverse effect upon the financial condition, business, properties or operations of Guarantor.

(d) Guarantor is not a party to any indenture, loan or credit agreement or any lease or other agreement or instrument or subject to any charter or other restriction which would have a material adverse effect on the ability of Guarantor to carry out his/her obligations under this Guaranty.

(e) Guarantor has the full power, legal right, authority and requisite capacity to execute and deliver this Guaranty, and to observe, perform and fulfill the provisions hereof.

(10) Guarantor covenants that, until full performance of and compliance with all of the obligations imposed upon Guarantor herein, Guarantor shall:

(a) promptly upon obtaining knowledge of any failure by Guarantor to comply with any obligation imposed upon Guarantor to give written notice thereof, specify the nature of such failure and the remedial action that Guarantor proposes to take with respect thereto;

(b) promptly upon obtaining knowledge of any pending or threatened litigation in which Borrower or Guarantor has, or may, become a party defendant and in which the damages claimed exceed, or may exceed, One Hundred Thousand (\$100,000.00) Dollars, give Lender written notice thereof;

(c) within ninety (90) days of the end of each calendar year, furnish to Lender balance sheets and such information relating to the financial condition and affairs of Guarantor as from time to time may be requested by Lender or as may otherwise be required pursuant to the terms of any of the documents executed in connection with the Loan; and

(d) not transfer or dispose of any assets to any person or entity for less than fair market value.

(11) Should Lender be obligated by any bankruptcy or other law to repay to Borrower or Guarantor or to any trustee, receiver or other representative of any of them, any amounts previously paid in respect of this Guaranty, then this Guaranty shall be reinstated to include the amount of such repayment. Lender shall not be required to litigate or otherwise dispute its obligation to make such repayments if, in good faith and on the advice of counsel, it believes that such obligation exists.

(12) If any action, suit or proceeding which either directly or indirectly involves this Guaranty is commenced, Guarantor waives his/her right to any jury trial in connection therewith.

(13) If any of the provisions of this Guaranty, or the application thereto to any person or circumstances, shall, to any extent, be invalid or unenforceable, the remainder of this Guaranty, or the application of such provision or provision to persons or circumstances other than those as to whom or which it is held invalid or enforceable, shall not be affected thereby, and every provision of this Guaranty shall be valid and enforceable to the fullest extent permitted by law.

(14) Guarantor agrees to indemnify Lender against any reasonable loss, cost or expense in the nature of costs, expenses and reasonable attorney's fees and expenses incurred in attempting to enforce the guaranty. Guarantor waives any right or claim of right to cause a marshaling of Borrower's assets or to cause Lender to proceed against any security for the Note before proceeding against Guarantor. Guarantor agrees that any payments required to be made by him/her hereunder shall become due in accordance with the Note and Mortgage immediately upon the happening of any default following the expiration of any applicable grace period under the Note or the Mortgage and without presentment of the Note to Borrower, demand for payment or protest thereof, or notice of nonpayment or protest thereof.

(15) This Guaranty is separate, distinct and in addition to any liability or obligations that Guarantor may have under any other guaranty executed by Guarantor in connection with any other loan from Lender to Borrower and no other agreement or guaranty executed in connection with the Loan shall act to reduce or set-off Guarantor's liability hereunder.

(16) For purposes of this Guaranty, Borrower's ARecourse Obligations@ shall mean, with respect to the Premises, all losses or damages suffered by Lender, in connection with (i) security deposits of tenants under Leases, and any rents that are collected more than one month in advance; (ii) proceeds paid under any insurance policies by reason of damage, loss or destruction to any portion of the Premises, or proceeds or awards resulting from the condemnation or other taking in lieu of condemnation of any portion of the premises, which are not applied in accordance with the terms of the Mortgage; (iii) any loss arising as a result of any violation of any Hazardous Substance Law (as defined in the Mortgage), any amount for which Borrower has agreed to indemnify Lender under Paragraph 9(f)(iii) of the Mortgage, and any loss arising as a result of any breach of a representation or covenant of Borrower under Paragraph 9(f) of the Mortgage; (iv) any loss resulting from the intentional or fraudulent commission of waste or omission of an action which results in waste to the premises; and (v) all costs, fees and expenses of enforcing payment of the obligations contained in (i) through (iv) above, whether by litigation or otherwise.

(17) This Guaranty shall be binding upon the heirs, legal representatives, successors and assigns of Guarantor and shall inure to the benefit of Lender and its successors and assigns.

(18) This Guaranty may not be modified, amended, discharged or otherwise changed orally, but only by an instrument in writing which is executed and delivered by Guarantor and Lender.

(19) Guarantor acknowledges that he/she has received a true copy of this Guaranty, and agrees that he/she has executed and delivered this Guaranty to Lender, intending that Lender materially and justifiably rely thereon in advancing the Loan evidenced by the Note and secured by the Mortgage.

(20) In interpreting this Guaranty, the singular shall include the plural; the plural shall include the singular; and the use of any gender shall include all genders.

IN WITNESS WHEREOF, Guarantor has duly executed this Guaranty as of the day and year first above written.

Name: Claude Simon
Address: 204 Springwood Avenue
Gibsonville, NC 27249

STATE OF NEW YORK)
)
) SS:
COUNTY OF NEW YORK)

On the 23rd day of April, in the year 2008, before me, the undersigned, a Notary Public in and for said state, personally appeared Claude Simon, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public