

Mr. Jules Demchick
c/o JD Carlisle LLC
352 Park Avenue South – 15th Floor
New York, New York 10010

May 23, 2011

Mr. Claude Simon
160 Madison Avenue
New York, New York 10016

Dear Mr. Simon:

This letter is to confirm that Jules Demchick, in his individual capacity, will agree to lend to the Borrower (as hereinafter defined) up to the sum of Two Million and 00/100 Dollars (\$2,000,000) (the "Loan"), which Loan shall bear interest in the amount of four percent (4%) per annum. The proceeds of the Loan may only be used by Borrower to deliver an earnest money deposit in escrow (the "Deposit") pursuant to a *bona fide* contract to purchase real property within Manhattan for the purposes of relocating Mr. Simon's business operations from 160 Madison Avenue, New York, New York (the "Contract").

No later than thirty (30) days prior to the date that Mr. Simon anticipates executing the Contract and delivering the Deposit, Mr. Simon may deliver notice to Mr. Demchick requesting the Loan, which notice shall include (a) the identity and ownership of the purchaser under the Contract who will be the Borrower of the Loan (the "Borrower"), (b) the amount of the Deposit, (c) a copy of the proposed Contract, (d) an estimated date that the Loan will be required (i.e., the estimated date the Deposit will be due), and (e) reasonably satisfactory evidence that the Contract is for the purposes recited above. At the execution of the Contract, Mr. Demchick will make the Loan in the amount of the Deposit (up to the maximum amount of \$2,000,000) on the following conditions:

- (1) Mr. Simon Controls the Borrower. For purposes of this letter, the term "Controls" shall mean (a) the power to direct the day-to-day business and affairs of the company or corporation; and (b) the ownership, whether directly or indirectly, of no less than 51% of the membership interests or shares in such company or corporation.
- (2) The Borrower delivers a note (the "Note") obligating the Borrower to repay the Loan, together with any interest and other amounts due thereunder, to Mr. Demchick at the earlier of (a) the Closing (as defined in that certain Contract of Sale, dated as of even date herewith, by and between 160 Madison Avenue Owners Corporation and RE Asset LLC (the "Purchase Agreement")); and (b) the expiration of the six (6) month scheduled closing date in the Purchase Agreement, subject to day-for-day extensions only if RE Asset LLC adjourns the scheduled

closing date. The repayment of the Loan may be offset against the Purchase Price (as defined in the Purchase Agreement) payable at Closing.

- (3) Mr. Simon delivers a personal guaranty (the "Guaranty") of any payments owed by the Borrower under the Note;
- (4) The Borrower delivers a collateral assignment to Mr. Demchick of the Borrower's rights under the Contract (including in the Deposit) (the "Collateral Assignment");
- (5) The escrow provisions for the Deposit in the Contract contain instructions to the escrow agent (the "Instructions") that in the event the Borrower is entitled to receive a return of the Deposit under the Contract, the escrow agent shall deliver the Deposit to Mr. Demchick (unless and until Mr. Demchick delivers notice to escrow agent waiving such Instructions). Upon the indefeasible payment of the Loan in full, Mr. Demchick shall deliver a waiver of the Instructions to the escrow agent; and
- (6) The Note, Guaranty, Collateral Assignment and Instructions are in form and substance satisfactory to Mr. Demchick, in his sole discretion.

This letter, and the obligations of Mr. Demchick thereunder, shall terminate and be of no further force and effect upon the earliest of (a) the making of the Loan (in which event, the terms of the Note, Guaranty, Collateral Assignment and Instructions shall govern the matters contemplated herein); (b) the Closing (whether or not the Loan has been made); or (c) the expiration of the six (6) month scheduled closing date in the Purchase Agreement, subject to day-for-day extensions only if RE Asset LLC adjourns the scheduled closing date.

The terms of this letter are solely for the benefit of Mr. Simon, and no third party shall have any rights with respect to, or the right to rely upon, this letter. This letter, and Mr. Simon's rights thereunder, may not be assigned in whole or in part by Mr. Simon, without the prior written consent of Mr. Demchick, which consent shall be in Mr. Demchick's sole and absolute discretion.

This letter may be executed in any number of counterparts (whether facsimile, original, portable document format or otherwise), each of which when executed and delivered shall be deemed to be an original, and such counterparts together shall constitute one and the same letter. This letter shall be governed by, construed and enforced in accordance with the laws of the State of New York, without reference to any conflicts of laws provisions thereof and without the aid of any rule, canon or custom requiring construction against the draftsman. This letter contains the entire agreement between the parties pertaining to the subject matter hereof and fully supersedes all prior written or oral agreements and understandings between the parties pertaining to such subject matter.

* * *

If you are in agreement with the foregoing, please countersign this letter in the space provided below and return a fully executed copy to my attention.

Very truly yours,

A handwritten signature in black ink, appearing to be 'JD', written over a horizontal line.

Jules Demchick

ACCEPTED AND AGREED:

Claude Simon

If you are in agreement with the foregoing, please countersign this letter in the space provided below and return a fully executed copy to my attention.

Very truly yours,

Jules Demchick

ACCEPTED AND AGREED:

A handwritten signature in cursive script, appearing to read "Claude Simon", written over a horizontal line.

Claude Simon