



**INTERVEST NATIONAL BANK**  
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JOHN J. ARVONIO  
CHAIRMAN &  
CHIEF EXECUTIVE OFFICER  
PRESIDENT  
SENIOR VICE PRESIDENT &  
CHIEF FINANCIAL OFFICER

In reply, please refer to:

March 11, 2008

160 Madison Avenue Owners Corp.  
c/o Claude Simon  
160 Madison Avenue  
New York, New York 10016

Re: **First Mortgage Loan**  
**Principal Amount: \$1,700,000.00**  
**Property: 160 Madison Avenue, New York, New York**

Gentlemen:

Intervest National Bank (“Lender”) agrees to make, and by your execution of this letter (the “Commitment”) you agree to accept, a mortgage loan (the “Loan”) covering the property known as 160 Madison Avenue, New York, New York (the “Property”), on the following terms and conditions, as well as the General Conditions of Commitment attached hereto as Exhibit A.

1. **BORROWER:** 160 Madison Avenue Owners Corp., an entity wholly owned by Claude Simon. If Borrower is an entity, then only the individual named in this paragraph (and any other individual approved by Lender in its sole discretion) shall be a Principal of the entity as defined in Paragraph 23 of this Commitment. Paragraphs 23 and 24 of this Commitment set forth requirements for information concerning Borrower and its Principals that must be delivered to Lender.

2. **ESTATE IN PROPERTY:** Fee.
3. **PRINCIPAL AMOUNT:** \$1,700,000.00

4. **MATURITY DATE:** The Maturity Date will be the earlier of (i) May 1, 2011; or (ii) the 3rd anniversary of the “Base Anniversary Date”. If the date the Loan closes (the “Closing Date”) is on or

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before the 15<sup>th</sup> day of the calendar month, the Base Anniversary Date will be the 1<sup>st</sup> day of the calendar month in which the Closing Date occurs. If the Closing Date is after the 15<sup>th</sup> day of the calendar month, the Base Anniversary Date will be the 1<sup>st</sup> day of the calendar month following the calendar month in which the Closing Date occurs.

5. PAYMENTS: A payment of interest only calculated at the Interest Rate shall be due at the closing of the Loan (the "Closing") for the portion of the calendar month in which the Closing Date occurs, covering the period from the Closing Date until the end of the month. Then monthly payments shall be due and payable on the first day of each calendar month, commencing on the 1<sup>st</sup> day of the second full calendar month after the Closing Date, and continuing thereafter on the 1<sup>st</sup> day of each calendar month to and including the Maturity Date. If the Closing Date occurs on or before the 5<sup>th</sup> day of the calendar month, a payment of interest for the calendar month in which the Closing Date occurs will not be due at Closing, and the first regular monthly payment will be due instead on the 1<sup>st</sup> day of the first full calendar month after the Closing Date.

The monthly payment shall be as follows: commencing with the monthly payment due on the 1<sup>st</sup> day of the second full calendar month after the Closing Date (or first full calendar month, if the Closing Date occurs on or before the 5<sup>th</sup> day of the calendar month), and monthly payments for the balance of the term of the Loan, \$14,500.00.

6. INTEREST RATE: The Interest Rate in effect on any day shall be as follows: commencing on the Closing Date and for the balance of the term of the Loan, 6.125 % per annum.

7. LOAN PROCEEDS DISCOUNT: Borrower shall pay an origination fee of \$8,500.00 the "Loan Proceeds Discount"). In the event of any prepayment of the Loan, no portion of the Loan Proceeds Discount will be refundable. Deposits on the Loan Proceeds Discount (the "Loan Proceeds Discount Deposit") shall be made as follows: \$8,500.00, which is payable by Borrower, upon execution of this Commitment by Borrower, upon receipt of which the Loan Proceeds Discount has been paid in full. The Loan Proceeds Discount Deposit is non-refundable.

8. SECURITY: First Mortgage on the Property.

9. PREPAYMENT; FEE: The Loan is not prepayable prior to the 6<sup>th</sup> monthly anniversary of the Base Anniversary Date. Thereafter, the Loan is prepayable in whole only (not in part) on 30 days prior written notice. At the time the Loan is paid off, whether at or after maturity, by prepayment, by acceleration or otherwise, and at the time of any modification or extension of the Loan given by Lender (any such time, a "Fee Payment Date"), Borrower shall pay a fee (the "Fee Payment") equal to ½% of the original principal balance.

10. RECOURSE: The Loan will be non-recourse to Borrower, under a clause the text of which is set forth in Paragraph B.7 of the General Conditions of Commitment.

11. GUARANTY: No third party guarantees (references to Guarantors in the attached General Conditions of Commitment are inapplicable), except in connection with Paragraph B.7 of the General Conditions of Commitment.

12. DUE ON SALE, ETC.: See Paragraph B.6 of the General Conditions of Commitment.

13. COSTS DEPOSIT; INSPECTION FEE: Borrower will pay to Lender a deposit of \$4,500.00 (the "Costs Deposit"), which has been paid and is non-refundable. The Costs Deposit will be applied to the cost of an appraisal pursuant to Paragraph A.3 of the General Conditions of the Commitment, an environmental inspection report pursuant to Paragraph A.4 of the General Conditions of Commitment and otherwise as set forth in Paragraph C.1 of the General Conditions of Commitment.

Borrower shall pay a property inspection fee (the "Inspection Fee") of \$750.00, which has been paid and is non-refundable.

14. ATTORNEY'S FEES: Borrower will pay to Lender's Counsel, Butzel Long, a non-refundable fee of \$8,000.00 (the "Attorneys Fees") for legal fees in connection with the Loan, of which \$4,000.00 has already been paid, and of which the balance of \$4,000.00 is payable upon execution of this Commitment by Borrower. Borrower will pay at Closing the out-of-pocket disbursements of Lender's Counsel. Borrower will pay additional Attorneys Fees as follows:

(a) If Lender is requested to take any existing mortgages by assignment, then whether or not Lender agrees to accept such mortgages by assignment, additional Attorneys Fees shall be due at Closing to cover the additional cost of review of such mortgages and preparation of documents, in the amount of \$1,000.00 for up to 4 hours of time, plus \$250.00 per hour (calculated in quarter hour increments) for time in excess of 4 hours.

(b) If Lender's Counsel attends any portion of the Closing (or meetings relating to the Closing) out of its office, Borrower will pay at Closing additional Attorneys Fees at the rate of \$250.00 per hour (calculated in quarter hour increments) for the door-to-door time of the attorney attending the Closing out of the office of Lender's Counsel, plus travel costs. If the Closing (or any meetings relating to the Closing) in Lender's Counsel's office exceeds 4 hours, Borrower will pay at Closing additional Attorneys Fees at the rate of \$250.00 per hour (calculated in quarter hour increments) for such Closing time in excess of 4 hours.

(c) Additional Attorneys Fees are due in connection with any Closing adjournment or extension pursuant to Paragraph C.5 or C.6 of the General Conditions of Commitment.

(d) Additional Attorneys Fees shall be due as follows: (i) if the state in which the Property is located uses any form of real property security document other than a mortgage, \$1,500.00 additional Attorneys Fees; (ii) if there is a bankruptcy or similar proceeding pending, or a receiver shall have been appointed, with respect to the Property, \$1,000.00 additional Attorneys Fees; (iii) if there are more than 10 commercial or office leases on the Property, \$25.00 additional Attorneys Fees for each such lease in excess of 10 leases; and (iv) \$50.00 additional Attorneys Fees for each lease for which the Lender requires an estoppel or subordination.

(e) In addition to the foregoing, additional Attorneys Fees may be due if there are unusual circumstances in connection with the Loan which materially increase the time Lender's Counsel spends on the Loan.

15. COMMITMENT EXPIRATION DATE: April 15, 2008 at 2:00 P.M.

16. CLOSING DATE: On or before the Commitment Expiration Date. See Section C.5 of the General Terms of Commitment for procedures for setting a Closing Date, and consequences of adjournments.

17. LOAN PURPOSE: Loan proceeds will be used to refinance the Property.

18. BROKER: None, other than Berko & Associates, LLC/Nesli Erdogan and Borrower, shall pay any commissions or fees which may be due to such broker.

19. SUPERIOR MORTGAGES: None. This is a First Mortgage.

20. JUNIOR MORTGAGES AND ENCUMBRANCES: None permitted. Any existing mortgages on the Property shall be paid off at Closing and satisfied of record, provided that upon request of Borrower, and subject to Lender's review of documentation and approval, which may be given or withheld in Lender's absolute discretion, Lender may agree to accept any existing mortgage by assignment, subject to modification and consolidation pursuant to the terms of this Commitment.

In addition, with the exception of the loan contemplated hereunder, no financing, pledge or encumbrance of any interest in the Property, Borrower or any member or shareholder of Borrower is permitted.

21. LENDER'S COUNSEL: Butzel Long  
380 Madison Avenue, 22<sup>nd</sup> Floor  
New York, New York 10019  
Attention: Samuel M. Ofsevit, Esq.  
Telephone: 212-818-1110  
Fax: 212-818-0494

22. TITLE INSURANCE: Title insurance for the mortgage, satisfactory to Lender, will be obtained through a "national" title insurance company licensed to issue title insurance in the state in which the Property is located and acceptable to Lender. Neither the Borrower's Counsel, the Lender's Counsel or the counsel to any seller of the Property or holder of an existing mortgage on the Property may act as agent for or representative of the Title Company in connection with the Loan; nor can the agent or representative of the Title Company be controlled by, affiliated with, or related in any way to, any party involved directly or indirectly in the sale or mortgage transaction.

23. BORROWER INFORMATION: Borrower shall promptly furnish the following information to Lender (if the entity that will be Borrower has not yet been formed at the time Borrower returns this Commitment, the information which is dependent on the formation of such entity shall be furnished not later than the date the Financial Statements are required to be provided to Lender pursuant to Paragraph 24 of this Commitment):

(a) an executed Credit Report Authorization (in the form annexed hereto), executed for each Principal (as defined below), for Borrower entity, and for any Principal Entity (as defined below).

(b) the name, social security number, date of birth, residence address and telephone number, and business address and telephone number, of each Principal and/or Principal Entity, and of each director, officer, limited partner, or non-managing member of Borrower. Any changes in the identity of the

individuals named pursuant to this paragraph shall be subject to Lender's approval in its absolute discretion, and Borrower shall promptly provide the foregoing information (and Credit Report Authorization for any new Principals) with respect to any such new individuals.

The term "Principal" shall mean each stockholder, officer, director, partner, member or manager of Borrower or of any entity at any level which serves as an officer, director, partner, member or manager of Borrower. The term "Principal Entity" shall mean any entity which, directly or indirectly, is an owner of a profits interest or voting security of Borrower entity.

24. FINANCIAL STATEMENTS: Borrower shall furnish to Lender, (i) financial statements and income tax returns for Borrower and for each Principal (and if Lender requests, for each Principal Entity), covering a period of at least 1 year and with an ending date not more than 6 months prior to the date of this Commitment, and (ii) income tax returns for Borrower and for each Principal (and if Lender requests, for each Principal Entity), covering calendar years 2004, 2005 and 2006, if available; and all such financial statements and tax returns shall be in form and substance satisfactory to Lender in its absolute discretion. Such financial statements and income tax returns shall be furnished to Lender within 5 business days after the date that Lender delivers to Borrower (or its counsel) a countersigned copy of this Commitment. If such financial statements and income tax returns, in form and substance satisfactory to Lender in its absolute discretion, are not delivered by such date, Lender may terminate this Commitment in the manner and on the conditions provided in Paragraph C.2 of the General Conditions of Commitment.

25. ADDITIONAL TERMS

A. The Loan is subject to the approval of the Loan Committee and/or the Board of Directors of Lender, which approval shall be in the sole discretion of the Loan Committee and/or the Board of Directors.

B. The Appraisal referred to in Paragraph A.3 of the General Conditions of Commitment shall be subject to the approval of the Loan Committee and/or the Board of Directors of Lender, which approval shall be in the sole discretion of the Loan Committee and/or the Board of Directors. The Principal Amount of the Loan shall not exceed 65% of the appraised value of the Property. If 65% of the appraised value of the Property is less than \$1,700,000.00 and the Appraisal is otherwise satisfactory to Lender in its sole discretion, then the Principal Amount of the Loan shall be in the amount which is no greater than 65% of the appraised value, provided, however, that the dollar amount of the payments set forth in Paragraph 5 of this Commitment shall be reduced approximately pro rata, but the dollar amount of the Loan Proceeds Discount provided in Paragraph 7 of this Commitment shall not be reduced.

C. A debt service coverage ratio with respect to the current operation of the Property is not applicable. Borrower and its Principal(s) shall provide credit documentation satisfactory to Lender that they have the financial resources to support the Property and the Loan.

D. No demolition, excavation or construction is permitted during the Loan Term.

E. The prior commitment letter dated July 13, 2007, as amended September 7, 2007, is null and void and of no further force or effect.

F. It is a condition of closing that Claude Simon owns legally and beneficially 100% of the issued and outstanding shares of Borrower and that such shares are free of liens and unencumbered.

G. It is a further condition of closing that: (i) Claude Simon shall have acquired prior to closing all of the legal and beneficial interests in Borrower; (ii) Claude Simon shall have filed all required transfer tax returns in connection with the acquisition of such legal and beneficial interests and paid all transfer taxes in connection therewith; and (iii) Borrower shall have provided to Lender all transfer tax returns in connection with the transfer of such interests and proof of payment of all required taxes.

H. Borrower shall at closing indemnify and hold Lender harmless from and against any claim, loss, damage or expense Lender may suffer or incur on account of the non-payment of any transfer taxes, interest and/or penalties due in connection with any transfer of the Property or the transfer of legal and/or beneficial interests in Borrower.

The attached General Conditions of Commitment are an integral part of this Commitment.

Borrower acknowledges that this Commitment has been issued by Lender based on representations made by Borrower, oral and in writing, and without any due diligence review of the Property, Borrower, Principals or any Principal Entity having been performed by Lender. Accordingly, if any representation made by Borrower or any Principal or Principal Entity is untrue or inaccurate in any material respect, or if a credit check on any Principal or Principal Entity produces information that is not completely satisfactory to Lender in its sole discretion, or if any other information concerning the Property, Borrower, or any Principal or Principal Entity not previously disclosed to Lender in writing comes to Lender's attention prior to Closing that is not completely satisfactory to Lender in its sole discretion, Lender may terminate this Commitment in the manner and on the conditions provided in Paragraph C.2 of the General Conditions of Commitment. Borrower further acknowledges that Lender has not reviewed in full all of the information previously submitted to Lender concerning the Property, including without limitation, any departmental search reports on the Property that may have been submitted, and that Lender reserves the right to make further requirements and conditions to the Closing of the Loan, and the right to terminate this Commitment in the manner and on the conditions provided in Paragraph C.2 of the General Conditions of Commitment, if all of such information furnished by Borrower is not completely satisfactory to Lender in its absolute discretion.

This Commitment shall become binding on Lender only if and when:

- (i) it has been signed by Borrower below, and signed by Borrower and Principals (and any Principal Entity) on the Credit Report Authorization attached, and returned to and actually received by Lender, no later than 2:00 P.M. on March 18, 2008, together with:
  - (A) a check made payable to Lender for:
    - \$8,500.00 for the portion of the Loan Proceeds Discount Deposit which is due upon execution of this Commitment by Borrower (Paragraph 7 of this Commitment);
  - (B) a check for \$4,000.00 made payable to Lender's Counsel for the balance of the Attorneys Fees (Paragraph 14 of this Commitment);

- (ii) a copy of this Commitment has been executed by Lender and returned to Borrower; and
- (iii) Borrower has furnished to Lender within the time periods provided in Paragraphs 23 and 24, respectively, of this Commitment, the information concerning Principals of Borrower required pursuant to Paragraph 23 of this Commitment and the financial statements and income tax returns required pursuant to Paragraph 24 of this Commitment.

This Commitment shall remain in effect until the Commitment Expiration Date unless earlier terminated in accordance with the terms hereof.

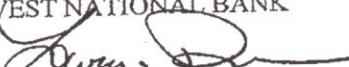
**THIS COMMITMENT WILL NOT BECOME BINDING ON LENDER IF IT IS CHANGED IN ANY WAY, OR IF ANY LETTER IMPOSING ANY CONDITIONS UPON BORROWER'S OR LENDER'S ACCEPTANCE THEREOF IS RETURNED WITH THIS COMMITMENT.**

**THIS COMMITMENT WILL NOT BECOME BINDING ON LENDER UNLESS IT HAS BEEN SIGNED BY THE LENDER AND ALL OF THE DOCUMENTS AND INFORMATION CALLED FOR ABOVE IS PROVIDED TO THE LENDER.**

TIME IS OF THE ESSENCE FOR EACH OF BORROWER'S OBLIGATIONS AND REQUIREMENTS UNDER THIS COMMITMENT. SEE PARAGRAPH C.7 OF THE GENERAL CONDITIONS OF COMMITMENT. THE FAILURE BY BORROWER TO PERFORM ANY OBLIGATION OR REQUIREMENT UNDER THIS COMMITMENT BY THE TIME OR DATE WHEN DUE ENTITLES LENDER TO TERMINATE THIS COMMITMENT IN THE MANNER AND ON THE CONDITIONS PROVIDED IN PARAGRAPH C.2 OF THE GENERAL CONDITIONS OF COMMITMENT.

Very truly yours,

INTERVEST NATIONAL BANK

By:   
Lowell S. Dansker, Chief Executive Officer

Accepted and Agreed to on behalf  
of Borrower this 13 day of March, 2008

160 MADISON AVENUE OWNERS CORP.

By: Claude Simon  
Name: CLAUDE SIMON  
Title: President

## EXHIBIT A

### INTERVEST NATIONAL BANK

#### General Conditions of Commitment

##### A. Conditions Precedent to Loan Closing

1. Loan Documents. Borrower shall execute a Promissory Note and Mortgage and/or a Consolidation, Modification and Extension Agreement (the "Mortgage"), the Guarantors shall execute a Guaranty, and Borrower and the Guarantors shall execute such other loan and security documents as Lender shall specify (all of such documents collectively, the "Loan Documents"), which shall be on Lender's documents, and otherwise shall be in form and substance satisfactory to Lender in its sole discretion.

2. Title Insurance. Lender shall receive a mortgage policy of title insurance in form and substance satisfactory to Lender in its sole discretion, and issued by a "national" title insurance company licensed to issue title insurance in the state in which the Property is located and satisfactory to Lender in its sole discretion (the "Title Company"). In addition, the results of the departmental searches and any other title related information supplied by the Title Company shall be satisfactory to Lender in its sole discretion. Lender will order from the Title company, in Borrower's name and at Borrower's expense, a mortgage title report, any searches as Lender deems appropriate, and a survey of the Property satisfactory to Lender and its counsel. The survey shall be certified to the Title Company and Lender, shall show dimensions and locations of any improvements, easements, rights-of-way, adjoining sites, encroachments and the extent thereof, established building lines and street lines, the distance to, and names of the nearest intersecting streets, and such other details as Lender may request, and shall comply with the minimum detail requirements for land title surveys as adopted by the American Land Title Association and American Congress on Surveying and Mapping. Neither Borrower's counsel, the Lender's Counsel, or the counsel to any seller of the Property or holder of an existing mortgage on the Property, may act as agent for or representative of the Title Company in connection with the Loan. Neither the Borrower's Counsel, the Lender's Counsel or the counsel to any seller of the Property or holder of an existing mortgage on the Property may act as agent for or representative of the Title Company in connection with the Loan; nor can the agent or representative of the Title Company be controlled by, affiliated with, or related in any way to, any party involved directly or indirectly in the sale or mortgage transaction.

3. Appraisal. Lender shall receive an appraisal of the Property satisfactory in all respects to Lender in its sole discretion. Lender shall order the appraisal from an appraiser selected by Lender, and Borrower shall pay the cost thereof.

4. Environmental Assessment. Lender, shall order a "Phase I" Environmental Assessment of the Property, from a company selected by Lender, which shall be satisfactory to Lender in all respects. Lender reserves the right to order a "Phase II" assessment and any other reports that Lender may deem necessary or appropriate in its sole and absolute discretion. Borrower shall pay the cost of all such environmental reports or assessments.

5. Insurance Policies. Borrower shall deliver to Lender the evidence of the insurance coverages specified on the Insurance Schedule attached hereto, satisfactory in all respects to Lender in its sole discretion. Borrower shall also deliver to Lender evidence, satisfactory to Lender in its sole discretion, of payment of premiums on all insurance policies covering a period of at least 1 year following the Closing Date.

6. Borrower Documentation. If Borrower is other than an individual, Borrower shall deliver to Lender true and complete copies of Borrower's and any Principal Entity's organizational documents, together with certificates or other instruments evidencing, to the satisfaction of Lender's Counsel in its sole discretion, that Borrower is qualified to conduct business in the state in which the Property is located and has no franchise, income, sales or other taxes due and unpaid.

7. Leases. Borrower shall make available for inspection by Lender, and at Lender's request shall photocopy and deliver to Lender, at any time until Closing of the Loan, true and complete copies of all leases demising any portion of the Property (the "Leases"). Borrower represents, warrants and covenants to Lender that (i) the rents set forth on the rent roll attached to Exhibit B hereto are true and correct and are the amounts actually being collected from tenants, and such rents do not (and on the Closing Date will not) exceed the maximum rents permitted by law to be charged or collected in connection with the Property, (ii) each Lease in effect with respect to the Property has been examined by Borrower and its attorney, (iii) each Lease is (and on the Closing Date will be) subject and subordinate to the Loan and the Loan Documents, and (iv) no Lease contains any option to purchase.

8. Additional Closing Documentation. Borrower shall provide to Lender prior to the Closing of the Loan such additional certificates and documents as Lender may specify in its sole discretion, including, but not limited to, tenant estoppel certificates in a form satisfactory to Lender.

9. Financial Condition. The financial condition of Borrower, any Principals and Principal Entities, and the Property on the date of the Commitment and on the Closing Date shall be satisfactory to Lender in its sole discretion.

10. Borrower's Counsel; Opinion. Borrower shall be represented by counsel in all aspects of the Loan. Lender shall receive the favorable opinion of Borrower's counsel as to such matters as Lender may request, on a form to be provided by Lender and in substance satisfactory to Lender in its sole discretion, including, but not limited to, the following matters:

(a) Borrower, if other than an individual, is validly formed and existing under the laws of the state of its formation, and is duly qualified and, if applicable, in good standing in the state in which the Property is located, and in all other jurisdictions in which the character of its properties or the conduct of its business makes such qualification necessary.

(b) Borrower has full right, power, and authority to execute and deliver, and has duly authorized, executed, and delivered, each of the Loan Documents. The Loan Documents constitute legal, valid, and binding agreements, enforceable in accordance with their respective terms, subject only to any applicable bankruptcy, insolvency, reorganization, or moratorium law, or other laws affecting creditors' rights generally.

(c) The execution, delivery, and performance of the Loan Documents does not breach or violate any legal requirement nor any agreement of which Borrower's counsel, after due and diligent inquiry, has knowledge and that binds or affects Borrower or the Property.

11. Additional Conditions. Each of the following representations and warranties, and each other representation and warranty made by Borrower in any other provision of the Commitment or any documents or materials submitted to Lender, shall be true on the date hereof and on the Closing Date, and each of the following covenants to be performed by Borrower and conditions to be satisfied prior to the Closing Date, and each other covenant of Borrower and condition to be satisfied prior to the Closing Date provided in any other provision of the Commitment, shall have been performed or satisfied to the satisfaction of Lender in its absolute discretion:

(a) Borrower represents and warrants to Lender that the actual use and operation of the Property is in compliance with the current certificate of occupancy for the Property;

(b) Borrower represents and warrants to Lender that the information regarding the Property contained in the documents attached hereto as Exhibit B is true and correct;

(c) on the Closing Date, all matters relating to or affecting the Property and Borrower shall be as represented to Lender, without any material adverse change;

(d) on the Closing Date, no event shall have occurred and be continuing that, with notice or lapse of time or both, would constitute a default under any provision of the Loan Documents;

(e) prior to the Closing Date, there shall not have occurred any material adverse change in the physical condition of the Property from its condition on the date of the Commitment;

(f) prior to the Closing Date, there shall not have come to the attention of Lender any information that leads Lender to believe, in its absolute judgment, that the financial condition of Borrower, any Principal or Principal Entity, or the Property is less strong than was represented to Lender on or before the date of the Commitment or in the financial statements delivered pursuant to Paragraph 24 of the Commitment, and on the Closing Date the financial condition of Borrower, any Principal and Principal Entity, and the Property shall be satisfactory to Lender in its absolute discretion;

(g) Borrower represents and warrants to Lender that there is no condemnation or similar proceeding pending or threatened relating to the Property, and on the Closing Date no such proceeding shall be pending or threatened;

(h) Borrower represents and warrants to Lender that (i) there are not, and on the Closing Date there shall not be, pending any proceedings under any bankruptcy or insolvency law by or against Borrower or any Guarantor, (ii) Borrower and Guarantors have not made, and on the Closing Date will not have made, any general assignment for the benefit of creditors, (iii) no part of the Property or assets of Borrower or any Guarantor is subject, or on the Closing Date will be subject, to any outstanding attachment or other judicial process, and (iv) Borrower and each Guarantor is, and on the Closing Date will be, solvent and able to pay its obligations as they come due, and is not, and on the Closing Date will

not be, contemplating any act of insolvency or other action that could become the basis for a filing under any bankruptcy or insolvency law;

(i) Borrower represents and warrants to Lender that during the 5-year period immediately preceding the date of this Commitment, neither Borrower nor any Principal or Principal Entity has been adjudged bankrupt or reorganized due to insolvency, or been an executive officer, director, general partner, managing member or manager of an entity at or within one year of the time that such entity was adjudged bankrupt or reorganized due to insolvency;

(j) on the Closing Date, there shall not have occurred any sale, transfer or assignment of any interest in the Property, any sale, transfer or assignment of any interest, direct or indirect, in Borrower, or any financing, pledge or other encumbrance of any interest in the Property or Borrower; and

(k) prior to the Closing Date, no other event shall have occurred or condition changed, such that Lender believes the security for the Loan potentially would be impaired.

**B. Certain Terms of the Loan Documents**

1. **Monthly Payments.** Interest for the calendar month in which the Closing Date occurs shall be due and payable at Closing. Thereafter, monthly payments shall commence on the 1<sup>st</sup> day of the second calendar month following the calendar month in which the Closing Date occurs, and shall continue on the 1<sup>st</sup> day of each calendar month thereafter until the Maturity Date, when all outstanding principal, together with all accrued and unpaid interest, shall be due and payable in full. If the Closing Date occurs on or before the 5<sup>th</sup> day of the calendar month, a payment of interest for the calendar month in which the Closing Date occurs will not be due at Closing, and the first regular monthly payment will be due instead on the 1<sup>st</sup> day of the first full calendar month after the Closing Date. Interest will be calculated on the basis of a 360-day year for the actual number of days elapsed.

2. **Default Interest; Late Charges.** If the entire outstanding principal balance and accrued interest are not paid in full and received by Lender at its offices at or before 1:00 P.M. on the Maturity Date (whether the scheduled Maturity Date or earlier by reason of prepayment or acceleration), the rate of interest charged on the unpaid principal balance of the Loan will be increased to 24% per annum from the date on which such payment first became due. If any other installmcnt of principal, interest or deposits due under the Loan Documents is not paid and received by Lender at its offices at or before 1:00 P.M., within five (5) days after the due date (with no further grace period), a late charge of six (6¢) cents for each \$1.00 overdue shall become immediately due and payable. In the event any such payment has not been paid and received by Lender at its offices at or before 1:00 P.M. on the 15<sup>th</sup> day of the month (with no grace period), an additional late charge of 4¢ cents for each \$1.00 overdue shall be payable. In addition, all amounts advanced by Lender to protect the security of the Loan, or that Lender is otherwise permitted to advance under the terms of the Loan Documents, will bear interest at the rate of 24% per annum from the date on which such funds are advanced. However, in no event shall the interest rate charged be greater than the maximum rate permitted by law.

3. **Deposits.** Together with the monthly installments of debt service due on the Loan, Borrower shall deposit with Lender monthly an amount equal to 1/12<sup>th</sup> of 110% of the amounts estimated by Lender to be due for the annual payments of real estate taxes, water and sewer charges or meters,

assessments and insurance premiums relating to the Property, so that 30 days prior to the due date of each payment of real estate taxes, water and sewer charges or meters, assessments, or insurance premiums, Lender shall hold deposits allocated to such payment equal to 110% of the amount of the payment due. The amounts so collected shall not earn interest.

4. Service Fee. The Mortgage will provide for an annual Loan service fee to be paid by Borrower calculated per tax lot included in the Property and based on the original Loan amount, as follows: (i) Loan amount \$1,000,000.00 or less — \$250.00 for the first tax lot plus \$125.00 for each additional tax lot; (ii) Loan amount more than \$1,000,000.00 and \$2,500,000.00 or less — \$350.00 for the first tax lot plus \$175.00 for each additional tax lot; (iii) Loan amount more than \$2,500,000.00 and \$5,000,000.00 or less — \$500.00 for the first tax lot plus \$250.00 for each additional tax lot; and (iv) Loan amount more than \$5,000,000.00 — \$650.00 for the first tax lot plus \$325.00 for each additional tax lot. Mortgagee shall deduct the service charge from the Deposits being held by Mortgagee. There shall be no proration of this charge on the maturity date or the date of (or by reason of) any prepayment.

5. Reporting Requirements. The reporting requirements in the Loan Documents will include (without limitation):

- (a) annually such financial statements for the Property as Lender may request; and
- (b) upon request (but not more than twice in any year) a current certified rent schedule setting forth the name of each tenant, space occupied, monthly rent, arrears, lease security and lease expiration date.

6. Due on Sale and Financing. The Loan Documents will provide that any sale, transfer or assignment of any interest in the Property, any sale transfer or assignment of any interest in Borrower, or any financing, pledge or encumbrance of any interest in the Property or Borrower shall be a default by Borrower, entitling Lender, at its option, to exercise any or all of its remedies (including acceleration) for default provided in the Loan Documents.

Notwithstanding anything to the contrary contained herein, Lender shall allow members of the borrowing entity to assign their ownership interest in said entity to their immediate family members, provided that:

- (a) Borrower is in compliance with all of the terms, covenants, conditions and undertakings in the Mortgage;
- (b) the Lender is notified of the Assignment in writing at least 15 days prior to the Assignment;
- (c) the Assignee provides all of the credit and financial information set forth in the Commitment and is approved by Lender;
- (d) the Assignee assumes all of the terms, conditions, obligations and liabilities of Assignor under the Commitment/Mortgage;
- (e) Claude Simon owns a controlling interest in and controls the borrowing entity;

(f) the Assignee pays Lender's administrative fee of \$500.00, plus the costs of all required credit and OFAC (Patriot Act) searches.

For purposes of such an assignment, "control" shall mean possession of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting equity interests, by contract or otherwise (such definition to have the same meaning as such definition has in Regulation Section 230.405 under the Securities Act of 1933).

Notwithstanding the above, the right of members of Borrower to "assign" their ownership interests in Borrower (as set forth above), shall expressly not be construed to permit Borrower or any member to pledge or otherwise encumber, in any manner whatsoever, the Property or any ownership interest in the Mortgaged Property or in Borrower.

7. Exculpation. The Mortgage will contain the following exculpatory clause:

"32. Partial Exculpation of Mortgagor

(a) Notwithstanding anything to the contrary contained in this Mortgage (but subject to Paragraphs 32(b) and (c)), in any action brought to enforce the obligation of Mortgagor to pay the indebtedness evidenced by the Note or to enforce the obligations of Mortgagor created or arising under this Mortgage, the judgment or decree shall be enforceable against only the Mortgaged Property. Mortgagee shall have no right to sue for, seek or demand any deficiency judgment or personal money judgment against (i) any officer, director, shareholder, member, manager or principal of Mortgagor or any officer, director, shareholder or principal of a member or manager of Mortgagor, (ii) any officer, director, shareholder, partner, member or manager of any entity which is a shareholder, partner, member or manager of Mortgagor, or (iii) any legal representative, heir, legatee, successor or assignee of any of the foregoing, in any foreclosure action under or by reason of, or in connection with, this Mortgage. Any such judgment shall not be subject to execution on, or be a lien on, assets of any of the persons described in clauses (i) through (iii) above except to the extent of any such person's interest in the Mortgaged Property.

(b) The provisions of this Paragraph 32 shall not (i) prevent recourse to the Mortgaged Property, through the foreclosure or enforcement of any lien or security interest granted to Mortgagee under the Mortgage, (ii) limit or impair the rights of Mortgagee to apply Deposits, or to apply proceeds of insurance or condemnation under this Mortgage, to the payment of the obligations secured by this Mortgage, (iii) constitute a waiver, release or discharge of, or otherwise affect the obligation to pay, any indebtedness evidenced or secured by the Note or this Mortgage, (iv) limit the right of any person to name Mortgagor or any transferee of an interest in the Mortgaged Property, or any tenant or occupant of the Property, or any other person claiming an interest in or right to the Property, as party defendant in any action or suit for judicial foreclosure, (v) limit the right of Mortgagee to exercise or seek against any person any equitable remedy (including specific performance and injunctive relief) so long as, subject to Paragraph 32(c), no judgment in the nature of a deficiency or personal money judgment shall be asked for, obtained or enforced against Mortgagor or any of the persons described in clauses (i) through (iii) of Paragraph 32(a), or (vi) limit the liability of, and the right of Mortgagee to obtain and enforce a

personal judgment against, any person who shall have guaranteed either or both of payment and performance of any or all of the obligations evidenced or secured by the Note or this Mortgage.

(c) The foregoing provisions of this Paragraph 32 shall in no way limit or otherwise affect the personal liability of Mortgagor and any other responsible person (including the other persons described in clauses (i) through (iii) of Paragraph 32(a)) with respect to, and Mortgagor and any such responsible person shall be personally liable for the payment of (i) all 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 Mortgaged Property, or proceeds or awards resulting from the condemnation or other taking in lieu of condemnation of any portion of the Mortgaged Property, which are not applied in accordance with the terms of this Mortgage; (iii) any loss arising as a result of any violation of any Hazardous Substance Law, any amount for which Mortgagor has agreed to indemnify Mortgagee under Paragraph 9(f)(iii) *[cross-reference to a paragraph in the Mortgage Form (not to a paragraph of this Commitment) with respect to environmental matters]*, and any loss arising as a result of any breach of a representation or covenant of Mortgagor under Paragraph 9(g) *[cross-reference to a paragraph in the Mortgage Form (not to a paragraph of this Commitment) with respect to illegal activities and RICO]*; (iv) any loss resulting from the intentional or fraudulent commission of waste or omission of an action which results in waste to the Mortgaged Property; and (v) all costs, fees and expenses of enforcing payment of the obligations contained in (i) through (iv) above, whether by litigation or otherwise.”

**The provisions of Paragraph 32(c) shall be personally guaranteed by those parties described in clauses (i) through (iii) of Paragraph 32(a).**

**C. Additional Terms of Commitment**

1. **Expenses.** Borrower shall pay all taxes and assessments, and all recording fees, mortgage taxes, title insurance premiums and other charges of the Title Company, and all other expenses of closing the Loan, whether or not the Loan is entered into, unless the Loan is not entered into because of the willful and wrongful default of Lender. The Loan Proceeds Discount Deposit, the Costs Deposit, the Appraisal Fee (if Paragraph 13 of the Commitment provides for payment of an Appraisal Fee prior to Closing) and the Attorneys Fees shall be deemed to be earned in full upon acceptance of the Commitment by Borrower. If the Commitment is terminated for any reason whatsoever (other than willful and wrongful default by Lender), Borrower shall not be entitled to a refund of all or any part of the Loan Proceeds Discount Deposit, the Costs Deposit, or the Appraisal Fee, which shall be retained by Lender as liquidated damages, or the Attorneys Fees. In the event of Closing of the Loan, the Costs Deposit will be applied by Lender against, judgment searches, credit reports (at a cost of \$125.00 for the first person or entity and \$50.00 for each additional person or entity), photographs (at a cost of \$50.00), Inspection Fee (provided that if the Inspection Fee was paid by Borrower prior to Closing, it shall not be charged at Closing), DHCR fees and other due diligence expenses (which may include fees of special counsel for such purposes), with any balance to be applied against title charges and/or other amounts payable by Borrower at Closing. If such costs exceed the amount of the Costs Deposit, Borrower shall pay the balance of such costs at Closing. All of the foregoing costs and expenses may, at Lender's option, be deducted from the Loan proceeds at Closing.

2. Termination. Lender may, at its option exercised by written notice to Borrower, terminate the Commitment if (i) Borrower breaches any provision contained in the Commitment (including without limitation failure by Borrower to perform any obligation or requirement of Borrower by the time or date when due, with time of the essence), (ii) Borrower has made any representation or warranty to Lender that was untrue when made or that becomes untrue, (iii) any check delivered to Lender, Lender's Counsel or any other party in connection with this Commitment or the Loan fails due collection, or (iv) any condition to Closing the Loan set forth in the Commitment has not been met to the absolute satisfaction of Lender in its sole discretion.

The Commitment shall terminate automatically on the Commitment Expiration Date (or if it has been extended pursuant to Paragraph C.6, on the Extended Expiration Date) unless (i) a Closing Date has been fixed in accordance with the procedures in Paragraph C.5 of these General Conditions of Commitment, and (ii) all parties necessary to close the Loan in accordance with Lender's closing requirements have assembled at the place fixed for Closing by 11:00 A.M., and the Closing has been completed by 5:00 P.M., on the Commitment Expiration Date (or Extended Expiration Date, if applicable). Such automatic termination shall apply no matter what the reason (other than Lender's default) for the failure to meet such deadlines, including without limitation Lender's refusal to fix a Closing Date because Borrower has failed to deliver any documents, or has failed to complete any other requirements for Closing, by the time or date specified in this Commitment.

Any delay in the exercise of Lender's right to terminate the Commitment upon the occurrence of any of the above events shall not be construed as a waiver of such right. The failure of Lender to act in any such event shall not be construed as a waiver of its right to act with respect to any subsequent event of a similar nature. Upon any termination of this Commitment, the Loan Proceeds Discount Deposit, the Costs Deposit, the Attorneys fees, any fees paid for any extension of the Commitment, and any other fees, deposits, costs or payments of any kind, made by or on behalf of Borrower to Lender or for its account, or to Lender's Counsel, shall be non-refundable, and the persons or entities to whom all such amounts shall have been paid shall be entitled to keep the full amount of such payments, and all of Lender's obligations pursuant to the Commitment shall cease and be of no further force and effect.

3. Commissions. Borrower shall pay, and hold Lender harmless from, any and all claims of any brokers or anyone claiming a right to any fees with whom it has dealt in connection with the financing of the Property. Borrower represents to Lender that it has not contracted with, nor does it know of, any broker or other person entitled to compensation who has participated in the application for the Loan, except as otherwise set forth in Paragraph 18 of the Commitment.

4. Closing. Except as Lender in its absolute discretion may otherwise agree, the Closing of the Loan shall take place at the offices of Lender's Counsel. If the Loan is being made in connection with the purchase of the Property by Borrower, a pre-Closing of the Loan shall take place at the offices of Lender's Counsel, and the Closing may be completed at the place where the closing of the purchase of the Property takes place. If the Property is located in a state in which an escrow closing is customary, the parties shall execute such closing escrow agreement as Lender shall require, and Lender shall not be obligated to fund the Loan until each and every document which Lender may require in connection with the Closing of the Loan (and if applicable, in connection with the closing of the purchase of the Property) either has been delivered into escrow or been delivered to Lender's Counsel, and all funds of all parties necessary to close the Loan (and if applicable, the purchase of the Property) have been delivered into

escrow, with a "national" title insurance company (and not an agent or attorney), in each case conditioned only on the funding of the Loan and recording of documents to be recorded.

5. Closing Date. A Closing Date shall be fixed in accordance with the following procedures:

(a) Borrower shall give Lender's Counsel notice in writing of a proposed Closing Date, not less than three business days prior to the date proposed. The date proposed as the Closing Date shall be subject to approval by Lender based on its schedule and the schedule of Lender's Counsel. Lender will not fix a Closing Date with Borrower unless all of the information and documents required to be delivered by Borrower pursuant to the terms of this Commitment have been delivered to Lender's Counsel and are satisfactory to Lender in form and in substance. If a Closing Date has not been fixed pursuant to this Paragraph 4 by at least three business days prior to the Commitment Expiration Date, then unless Lender agrees to an extension of the Commitment pursuant to Paragraph C.6 of these General Conditions of Commitment, the Commitment will terminate on the Commitment Expiration Date.

(b) After a Closing Date has been fixed, Borrower may adjourn the Closing to a later date that is on or prior to the Commitment Expiration Date, by written notice to Lender's Counsel, provided that (i) the adjourned Closing Date must be at least three business days after the date on which Borrower gives notice that it is adjourning any previously fixed Closing Date, and not later than the Commitment Expiration Date, and (ii) any adjourned Closing Date must be acceptable to Lender and Lender's Counsel. If Borrower does not comply with these procedures for an adjournment of a Closing Date that has been fixed, then the Commitment will terminate if the Closing does not actually occur (which shall mean that all parties necessary to close the Loan in accordance with Lender's closing requirements have assembled at the place fixed for Closing by 11:00 A.M., and the Closing has been completed by 5:00 P.M.) on the Closing Date that was previously fixed. If the Closing does occur, Borrower shall pay at Closing (x) to Lender's Counsel, additional Attorneys' Fees of \$500.00 if the Closing takes place on an adjourned Closing Date which is 5 business days or more after the date Borrower gives notice of adjournment of a previously fixed Closing Date, or \$1,000.00 if such period is less than 5 business days, and (y) to Lender, a fee equal to the interest that would have accrued under the Loan from and including the original Closing Date that was adjourned to the actual Closing Date.

(c) An adjourned Closing Date may also be adjourned by Borrower, provided Borrower complies with the procedures set forth in paragraph (b) above, and further additional Attorneys' fees of \$500.00 or \$1,000.00, as the case may be (as provided in clause (x) of paragraph (b) above) are paid at Closing with respect to each such adjournment.

6. Commitment Extensions

(a) **ANY REQUEST FOR AN EXTENSION OF THE COMMITMENT EXPIRATION DATE MAY BE GRANTED OR DENIED BY LENDER IN ITS ABSOLUTE DISCRETION, FOR ANY OR NO REASON.** If Borrower requests an extension and Lender is willing to grant such extension, the extension shall be to a date (the "Extended Expiration Date") which is 15 calendar days after the Commitment Expiration Date (or if such date would fall on a weekend or holiday, the Extended Expiration Date shall be the next business day). As a condition to any such extension, Borrower shall pay by certified checks (i) to Lender, a non-refundable extension fee of \$500.00 if the Loan amount is \$2,000,000.00 or less, or if the Loan amount is more than \$2,000,000.00, \$500.00 plus an

additional \$250.00 for each \$1,000,000.00 or part thereof that the Loan amount exceeds \$2,000,000.00, which fee shall not be credited against any cost or expense otherwise payable by Borrower at Closing; (ii) to Lender's Counsel, additional Attorneys Fees of \$500.00; (iii) to Lender, the balance of the Loan Proceeds Discount; and (iv) to Lender, an amount, as determined by Lender, equal to the interest that would have accrued under the Loan from and including the Commitment Expiration Date, or if earlier from and including the first Closing Date that may have been fixed pursuant to Paragraph C.5, to and including the Extended Expiration Date. All of the amounts payable pursuant to this Paragraph C.6(a) shall be non-refundable if the Closing of the Loan does not occur. Any such extension shall be subject to such other conditions, and payment of such other fees, as Lender may require.

(b) Following the granting of an extension of the Commitment Expiration Date pursuant to Paragraph C.6(a), a Closing Date shall be fixed in the same manner as is provided in Paragraph C.5 of these General Conditions of Commitment. If the Closing does occur, the amount paid by Borrower pursuant to clause (iv) of Paragraph C.6(a) above shall be treated as a fee payable to Lender for the placement of the Loan, except for an amount, to be treated as interest and for which Borrower shall receive a credit against the interest due under the Loan at Closing, equal to that portion of the amount paid under clause (iv) of Paragraph C.6(a) above which equals interest calculated for the period from and including the actual Closing Date to and including the Extended Expiration Date.

7. Time of the Essence. Time is of the essence for the performance by Borrower of its obligations, and the completion of requirements for Closing, under this Commitment. Borrower acknowledges that delays by Borrower in the performance of its obligations hereunder, or in the completion of requirements for Closing provided for herein, result in additional costs for Lender which are difficult or impossible to quantify, including without limitation time of its personnel, cost of the funds set aside for the Loan, and other opportunities for the use of those funds which may be lost. Accordingly, as a material and bargained for condition to Lender's agreement to issue this Commitment, Borrower acknowledges and agrees that the failure by Borrower to perform any of its obligations provided in this Commitment, or the failure of Borrower to complete any of the requirements for Closing, by the time or date specified in this Commitment, without any grace, cure, extension or notice period, shall entitle Lender to terminate this Commitment in the manner and on the conditions set forth in Paragraph C.2.

8. Notices. All notices or communications to be given pursuant to the Commitment shall be in writing and shall be effective only if given or served (i) by mail, certified or registered United States mail, postage prepaid, return receipt requested, addressed to Borrower or Lender, as the case may be, at the address set forth in the Commitment, or (ii) by fax to the fax number set forth in the Commitment (in the case of a notice to Lender, in care of Lender's Counsel at the fax number set forth in the Commitment), or (iii) by overnight courier addressed to Borrower or Lender as the case may be, at the address set forth in the Commitment; in any case at such other address or fax number as either party may from time to time designate by like notice. Such notice shall be deemed to have been given or served in the case of mailing, 72 hours after the time that the same is deposited in the United States mail, postage prepaid, in the manner aforesaid, and in the case of fax, on the date the fax transmission is confirmed received if prior to 4:00 P.M. on such date, or on the next business day if after 4:00 P.M. on such date, or if by overnight, on the next business day.

9. Representations. Borrower represents and warrants to Lender that all of the information contained in the Commitment and in the documents and materials that Borrower has submitted to Lender

is true and complete, and Borrower acknowledges and agrees that Lender is relying on such information in making its decision to enter into the Loan. All representations or warranties made by Borrower in connection with the Loan, in the Commitment, in any information or materials furnished to Lender or otherwise shall survive the Closing of the Loan.

10. Jury Trial. Borrower hereby waives any right that it may have to a trial by jury in any action in any way connected with or related to the Commitment or the Loan.

11. Disbursement of Loan Proceeds. Disbursement of the Loan proceeds will be made by check, or at Lender's sole discretion, by wire transfer.

12. Delivery of Documentation. Except where any provision of this Commitment provides for a different date, all insurance documentation, copies of Borrower's or any Principal Entity's organizational documents and authorizing resolutions, and all other documentation or information which Borrower is or may be required to deliver to Lender or to Lender's Counsel pursuant to this Commitment, shall be delivered not less than five days prior to the date fixed as the Closing Date.

13. Miscellaneous

(a) Borrower hereby authorizes Lender and its principals, agents and affiliates to make such disclosures of any and all information and documents furnished by Borrower and any Guarantor, to such persons or entities as Lender or such principals, agents or affiliates may deem necessary or desirable in their sole discretion in connection with the Commitment or the Loan, provided that any such disclosure of information with respect to Principals of Borrower will be limited to disclosures required by regulatory authorities or as otherwise required by law or court process. Lender and its principals, agents and affiliates shall have no liability to Borrower, any Guarantor, any Principal or Principal Entity, or any other person or entity for any such disclosure.

(b) Borrower hereby authorizes Lender's Counsel to send copies of any or all correspondence and documents which Lender's Counsel sends to Borrower's counsel, directly to Borrower and/or to any broker involved in the Loan, provided that this shall not obligate Lender or Lender's Counsel to provide such copies to Borrower or such broker, and neither Lender nor Lender's Counsel shall have any liability for failure to send such copies directly to Borrower or such broker.

(c) The Commitment shall be governed by and interpreted under the laws of the State of New York applicable to agreements entered into and to be wholly performed within such State.

(d) The Commitment cannot be modified or terminated, nor any of its provisions waived, except in writing signed by the party against whom enforcement of such modification is sought. This Commitment is not assignable by Borrower. Lender may assign its obligations under this Agreement to any other entity or person which assumes such obligations.

(e) All reports and approvals received or to be received by Lender relating to the Property shall be solely for the Lender's purposes, it being understood that, notwithstanding the delivery to Borrower of copies of any such reports, approvals, appraisals and/or environmental audits, the same shall not be deemed to be for the benefit of Borrower, any purchaser of all or a portion of the Property or

any other party, other than the Lender; it being further understood that neither the Lender nor its appraiser, environmental consultant or engineer, nor any other person inspecting the Property at the request of Lender, shall have any liability to any party other than the Lender by reason of any such reports or approvals or by reason of Lender's acceptance or rejection of any of them.

(f) The Property is intended to include all parcels owned and/or under contract to be purchased by Borrower or any entity related to Borrower, which are contiguous to any portion of the Property identified by the address(es) referred to herein, and no portion of the Property is intended to be "carved out".

## INTERVEST NATIONAL BANK

### Insurance Schedule

A. Insurance Policy Coverages. The following is a summary of the coverages required by the Mortgage, and is subject to the more detailed provisions of the Mortgage:

1. Property insurance:
  - (a) All risk, 100% replacement cost, no co-insurance.
  - (b) Deductible not greater than \$10,000.00.
  - (c) Loss of rents equal to one year's rent roll.
2. Boiler and machinery insurance:
  - (a) \$250,000.00 per occurrence.
  - (b) No deductible.
3. Liability insurance:
  - (a) Combined single limit of at least \$3,000,000.00 per occurrence (may include the coverage provided by an excess liability policy).
  - (b) No deductible.

B. Evidence of Insurance. The insurance coverage required must be evidenced by the following:

1. Property coverage - must be shown on a certificate meeting the following requirements:
  - (a) Acord Form 27 or equivalent - it must contain a provision, satisfactory to Lender's Counsel, which states that the insurance coverages shown on the form are in force for the benefit of the named certificate holder.
  - (b) Lender must be listed as having an "Additional Interest" as "Mortgagee" and "Loss Payee" as follows:

Intervest National Bank  
its successors and/or assigns  
One Rockefeller Plaza, Suite 400  
New York, NY 10020-2002

(c) The form must provide for the New York standard mortgagee endorsement (or equivalent for other states) and must contain a provision requiring the insurance company to give Lender 30 days notice of any termination of the policy.

(d) The form must contain a statement that the policy is 100% replacement cost, with no co-insurance.

2. Liability coverages (including boiler and machinery):

(a) Acord Form 25s (edition 3/93) or equivalent.

(b) Lender must be listed as a "Certificate Holder" as follows:

Intervest National Bank  
its successors and/or assigns  
One Rockefeller Plaza, Suite 400  
New York, NY 10020-2002

(c) The general public liability insurance policy shall contain (and the certificate shall reflect) a contractual liability endorsement with respect to injury to persons and damage to property within the scope of the indemnification obligations of mortgagor contained in the Mortgage.

3. Each insurance company issuing a policy must have a Best's rating of at least A-,

VIII.

4. A paid bill showing that the premiums on all of the insurance policies have been paid for a full year from the Closing Date, must be delivered. The bill should itemize the premium allocated to each policy; where a single policy includes both property and liability coverages, a single premium amount for the whole policy is acceptable.

5. The insurance policies required under Section A of this Insurance Schedule may be included in blanket insurance policies covering other properties owned by Borrower or its affiliates, provided, that the blanket insurance policies comply with the requirements of the Mortgage and this Insurance Schedule, and further provided that the Evidence of Insurance with respect to the property insurance indicates that the amount of the all-risk insurance available with respect to the Mortgaged Property shall not be reduced below the Agreed Value Endorsement amount, and the amount of the other insurance required to be provided under the Mortgage shall not be reduced below the respective limits herein specified, notwithstanding claims with respect to other property of the insureds.

EXHIBIT B

Information Furnished by Borrower

1. Rent roll
2. Property Information

## Credit Report Authorization and Patriot Act Disclosure

The undersigned hereby authorizes any person or entity (a "Credit Source") to which a photocopy of this Credit Report Authorization is presented, to furnish to INTERVEST and/or such person or entities as it may designate, such information concerning the credit and financial affairs of the undersigned as may be in the possession or knowledge of the Credit Source. The undersigned principal hereby agrees to indemnify and hold the Credit Source harmless from and against any liability, damages, cost or expense (including attorneys fees) that the Credit Source may incur as a result of releasing credit or financial information relating to the undersigned pursuant to this Credit Report Authorization.

In accordance with the provisions of the USA Patriot Act, Federal law requires financial institutions to obtain, verify and record information that identifies each person who applies for a mortgage loan. We require that name, date of birth, and address be submitted with the initial loan application. We also require a clear and legible photocopy of your driver's license, resident alien card or military ID. Do not fax photocopies of required information; send them via regular US Mail or overnight delivery. In addition, your name will be checked against the Office of Foreign Assets Control (OFAC) list.

Signed on behalf of  
corporation, LLC, company  
or partnership, if applicable

x Claude Simon

Signed by: CLAUDE SIMON

Print company name

160 Madison Ave Owners Corp

TIN: 13-3189657

Formation date: 9-21-83

Address: 160 Madison Ave 7th Floor

City: New York

State: NY Zip: 10016

Telephone: 212-683-9300

Fax: 212 889 5573

### Credit Report Authorization and Patriot Act Disclosure

The undersigned hereby authorizes any person or entity (a "Credit Source") to which a photocopy of this Credit Report Authorization is presented, to furnish to INTERVEST and/or such person or entities as it may designate, such information concerning the credit and financial affairs of the undersigned as may be in the possession or knowledge of the Credit Source. The undersigned principal hereby agrees to indemnify and hold the Credit Source harmless from and against any liability, damages, cost or expense (including attorneys fees) that the Credit Source may incur as a result of releasing credit or financial information relating to the undersigned pursuant to this Credit Report Authorization.

In accordance with the provisions of the USA Patriot Act, Federal law requires financial institutions to obtain, verify and record information that identifies each person who applies for a mortgage loan. We require that name, date of birth, and address be submitted with the initial loan application. We also require a clear and legible photocopy of your driver's license, resident alien card or military ID. Do not fax photocopies of required information; send them via regular US Mail or overnight delivery. In addition, your name will be checked against the Office of Foreign Assets Control (OFAC) list.

Signed by an  
individual personally

x Clause Simon

Signature

Print Name: CLAUDE SIMON

Social Security #: 106-50-1158

Date of birth: 3-5-56

Address: 1101 Mount Vernon Rd

City: Saperton

State: GA Zip: 30457

Telephone: 912 529 4800

Fax: 912 529 4746

NEW YORK  
DRIVERS LICENSE

356 097 533



DOB 02-03-58  
SIMON CLAUDE A  
71 TONE ROAD  
DELAWARE NY 12723  
SEX M FRESH NY 02-03-58  
ISSUED 07-01-82 EXPIRES 06-84

Serial No.

JOHN M. SIMON

350

1-832  
210  
5/7/1937

Date 3/12/02

Interest National Bank \$ 8500.00  
Eight thousand five hundred Dollars  
citibank

Pay to the order of

John M. Simon

8500.00

CITIBANK, N.A. BR. #32  
AVENUE OF THE AMERICAS AT 23RD STREET  
NEW YORK, NY 10010

Memo

41021000008911 5711153711

468  
1-832  
210  
5/7/1937  
Date  
0350

JOHN M. SIMON  
CLAUDE SIMON

Interest National Bank  
Eight thousand five hundred Dollars  
citibank

Pay to the order of  
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8500.00

CITIBANK, N.A. BR. #32  
AVENUE OF THE AMERICAS AT 23RD STREET  
NEW YORK, NY 10010

Memo

41021000008911 5711153711

Code of any applicable collection agreement  
Subject to the provisions of the Uniform Commercial Code  
Holds and other items are reserved for deposit  
Secured by the signature of the depositor  
Date or Year

PLEASE ENTER TOTAL HERE  
4000.00

FROM SIDE  
468  
CHECK 12  
COIN  
DOLLAR  
QUARTER  
DOLARS CENTS  
LIST CHEKS ONLY OR ATTACH LIST  
DEPOSITS MAY NOT BE AVAILABLE FOR IMMEDIATE WITHDRAWAL  
DATE 3/11/02 00008  
ONE ROCKEFELLER PLAZA - STE. 400  
INTEREST NATIONAL BANK  
NEW YORK, NY 10020-2002  
ADISON AVE 22ND FL  
YORK, NY 10017  
DEPOSIT TICKET  
1-1329/260  
BD106 (1)

**CLOSING CHECKLIST**

LOAN OF \$1,700,000.00

**TO BE MADE BY INTERVEST NATIONAL BANK (“LENDER”)  
TO 160 MADISON AVENUE OWNERS CORP. (“BORROWER”)**

**COVERING PROPERTY KNOWN AS  
160 Madison Avenue  
New York, New York**

<u>NO.</u>	<u>DOCUMENT</u>	<u>RESPONSIBLE PARTY</u>	<u>REQUIRED PRIOR TO CLOSING</u>	<u>REQUIRED AT CLOSING</u>	<u>COMPLETED</u>
<b>COMMITMENT LETTER</b>					
1.	Commitment Letter, including all amendments and modifications thereto	BL	✓		✓
<b>BORROWER'S ORGANIZATIONAL DOCUMENTS</b>					
2.	Organizational Chart	B	✓		✓
<u>Limited Liability Company</u>					
3.	Articles of Organization and all amendments thereto, certified as filed by the Secretary of State	N/A			
4.	Operating Agreement	N/A			
5.	Certificate of Good Standing issued by the Secretary of State where property is located and Proof of Publication	N/A			
6.	Resolution or consent, as applicable	N/A			
<u>Partnership</u>					
7.	Certificate of Doing Business or Certificate of Limited Partnership, certified as filed by the County Clerk or the Secretary of State, respectively, together with any amendments	N/A			
8.	If Limited Partnership, Certificate of Good Standing issued by Secretary of State	N/A			
9.	Partnership Agreement, together with any amendments	N/A			
10.	Partnership Consent	N/A			
<u>Corporation or Corporate Partner or Member</u>					
11.	Certificate of Incorporation and all amendments thereto, certified as filed by the Secretary of State where indicated	B	✓		
12.	By-laws, certified by Borrower	B	✓		

13.	Certificate of Good Standing issued by Secretary of State where property is located	B	✓
14.	Certificate of Corporate Resolutions and Incumbency	B	✓

#### **LEASES**

15.	Residential Lease Form	N/A	
16.	Certified copies of commercial space Lease including all modifications and amendments thereto	B	✓
17.	Tenant estoppel letters (commercial - only form annexed)	B	✓
18.	Subordination Agreements (if required)	B	✓
19.	291-F Notices to space tenants	BL	✓
20.	Rent Roll (as of Closing Date)	B	✓

#### **APPRAISAL, USE AND OCCUPANCY, ENVIRONMENTAL**

21.	Permanent Certificate of Occupancy	B	✓
22.	Phase I Environmental Site Report and other surveys or reports previously performed	B	✓
23.	Appraisal	B	✓

#### **INSURANCE**

24.	Acord Form 27 – All Risk, 100% full replacement value; no co-insurance with New York Standard Mortgage Endorsement	B	✓
25.	Acord Form 25s (edition 3/93) or equivalent for Liability and Boiler and Machinery	B	✓
26.	Flood Certificate	B	✓
27.	Flood Insurance policy, if Flood Certificate indicates premises in flood zone (duplicate originals).	B	✓
28.	Paid Bills showing premiums of all policies paid for twelve (12) months from Closing	B	✓
29.	Letter from Insurance Broker stating (see form attached): (a) annual premium amount per policy; (b) each premium has been paid in full and no premium is being paid in installments; (c) either (i) the premiums have been paid to the insurance company or (ii) the date by which the broker will make payment; and (d) full Best's rating for each insurance company with a copy of the Best's pages.	B	✓

#### **TITLE INSURANCE/SURVEYS**

30.	Title Report	B	✓
31.	UCC-1 Financing Statement search, tax lien search and judgment search (Secretary of State and county where property located and, if required by Lender, where Borrower is organized)	B	✓
32.	[For Refinancing]: Schedule of all Lis Pendens, Foreclosure Actions and Mechanics Liens filed in prior five years (even if cancelled or discontinued).	B	✓
33.	Municipal departmental violation searches, including environmental lien searches	B	✓
34.	New or redated Survey certified to Lender, its successors and/or assigns	B	✓
35.	Evidence of required affirmative insurance and special endorsements required by Lender, including:  (i) Waiver of Arbitration; (ii) Standard New York Loan Policy; (iii) Variable Rate, if applicable; and (iv) Environmental	B	✓
36.	ALTA Title Insurance Policy	B	✓

#### **EXISTING MORTGAGES TO BE ASSIGNED**

37.	Recorded originals of Existing Mortgages being assigned to Lender and all amendments, modifications, consolidations and mesne assignments relating thereto	B	✓
38.	Originals of all Notes secured by the Existing Mortgages being assigned by Lender	B	✓
39.	Assignment(s) of the Existing Mortgages with Covenants setting forth full consideration; and the Notes secured thereby to Lender	B	✓
40.	Borrower's Statement Under Oath for Assignment of Mortgage (Section 275 Affidavit)	B	✓
41.	UCC-3 Financing Statements terminating existing UCC-1 Financing Statements	B	✓
42.	Termination of Assignment of Leases and Rents	B	✓
43.	Pay-off letter(s) from the holder(s) of the Existing Mortgages being assigned to Lender	B	✓

#### **LOAN DOCUMENTS**

44.	Mortgage Note	BL	✓
45.	Mortgage and Security Agreement	BL	✓
46.	Amended and Restated Note	BL	✓
47.	Agreement of Spreader, Consolidation and Modification of Mortgage	BL	✓
48.	Guaranty of Payment	N/A	
49.	Guarantee of Recourse Obligations	BL	✓

50.	Affidavit with respect to Section 255 of the New York Tax Law with respect to the above document	BL	✓
51.	UCC-1 Financing Statements re: the Mortgaged Property	BL	✓
52.	Holdback Agreement (\$_____)	N/A	
53.	Payment Instructions and Escrow Requirements	BL	✓
54.	Certification of Non-Foreign Status	BL	✓
55.	Certification as to Rent Roll	BL	✓
56.	Supplemental Agreement	BL	✓
57.	Borrower Taxpayer Identification Number - Form W-9	BL	✓
58.	Real Estate Tax Bill Authorization	BL	✓
59.	Customer Registration Form for Water and Sewer Billing	BL	✓
60.	Water Meter Payment Letter	BL	✓
61.	Affidavit	BL	✓
62.	Affidavit of Purchase Price	BL	✓
63.	Letter re: Brokerage Commissions	BL	✓
64.	Loan Disbursement Letter	BL	✓
65.	Notice of Negative Information	BL	✓
66.	Closing Certificate	BL	✓
<b>OPINION LETTER</b>			
67.	Counsel for Borrower with respect to the due execution of the loan documents, formation of Borrower and other matters	L/B	✓
<b>PAYMENTS AT CLOSING</b>			
68.	Payment of interest for the month of closing	B	✓
69.	Balance of Loan Proceeds Discount (\$8,500.00)	N/A	
70.	Payment of Lender's attorney fees	B	✓
71.	Payment of any other fees and expenses of Lender	B	✓
72.	Payment of escrow deposits	B	✓
73.	Payment of Tax Service Fee (1 yr.)	B	✓
74.	Payment of title insurance premium	B	✓
75.	Payment of Flood Certificate Fee	B	✓

76.	Paid bill of Title Company	B	✓
77.	Payment of Mortgage Broker Fee	B	✓
78.	Copies of checks	BL	✓

**MISCELLANEOUS**

79.	Financial Statements of Borrower and its Principals (2005, 2006 and 2007, if available)	B	✓
80.	Income Tax Returns for Borrower and its Principals (2005, 2006 and 2007, if available)	B	✓
81.	Title Bills:	B	✓
82/	Seller's Directional Letter to Purchaser regarding Sale Proceeds	N/A	
84.	Pro Forma Financial Statement of Newly-Formed Borrower (day prior to Closing)	N/A	
85.	Borrower's ID Number	B	✓
86.	Notice to Borrower	BL	✓
87.	Borrower Information Form	BL	✓
88.	Signatory's Photo ID	B	✓

[LETTERHEAD OF TENANT]

\_\_\_\_\_, 2008

Intervest National Bank, its successors and assigns  
One Rockefeller Plaza, Suite 400  
New York, New York 10020-2002

Re: **Premises: 160 Madison Avenue  
New York, New York**

Gentlemen:

The undersigned Tenant under a lease a full and complete copy of which is annexed hereto (the "Lease") understands that you will rely on the truth of the following statements:

1. Attached Lease dated \_\_\_\_\_, 200\_\_\_\_ is in full force and effect, has not been amended or modified and represents the entire agreement with Landlord.
2. Present base monthly rent is \$\_\_\_\_\_ and has been paid through \_\_\_\_\_, 200\_\_. Security Deposit is \$\_\_\_\_\_.
3. There are no defaults by Landlord under the Lease. The undersigned has no claims or right of setoff against future rent payments.
4. Tenant named in Lease is in actual occupancy of the Premises.
5. There are no rental concessions or prepaid rent for more than one (1) month, except as set forth in the Lease.

Very truly yours,

[TENANT]

Encl.

[INSURANCE BROKER LETTERHEAD]

[Date]

Intervest National Bank  
One Rockefeller Plaza, Suite 400  
New York, New York 10020-2002

Re: **160 Madison Avenue  
New York, New York**

To whom it may concern:

The following are all of the insuring companies for the above referenced property, types of insurance, annual premiums and the full Best's Rating for each:

<u>Insurance Company</u>	<u>Type of Insurance</u>	<u>Annual Premium</u>	<u>Best's Assigned Rating</u>
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***(CHOOSE ONE) Each premium has been paid in full by the above referenced insurance broker to each of the respective insurance companies listed above*** and no premium is being paid in installments.

*OR*

***All premiums will be paid by in full by the above referenced insurance broker to each of the respective insurance companies listed above by [Insert date payment will be made]*** and no premium is being paid in installments.

All of the insuring companies for the above referenced property are rated at least A-, IX according to the Best's Guide (see annexed pages from the Best's Guide) which is the guidebook that the insurance industry uses to determine the financial stability of an insurance company.

Sincerely,

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[Name of Signatory]