

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): **May 9, 2006**

MACK-CALI REALTY CORPORATION

(Exact Name of Registrant as Specified in Charter)

Maryland
(State or Other Jurisdiction of Incorporation)

1-13274
(Commission File Number)

22-3305147
(IRS Employer Identification No.)

11 Commerce Drive, Cranford, New Jersey
(Address of Principal Executive Offices) **07016**
(Zip Code)

(908) 272-8000
(Registrant's telephone number, including area code)

MACK-CALI REALTY, L.P.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

333-57103
(Commission File Number)

22-3315804
(IRS Employer
Identification No.)

11 Commerce Drive, Cranford, New Jersey,
(Address of Principal Executive Offices) **07016**
(Zip Code)

(908) 272-8000
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions ~~see~~ General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry Into a Material Definitive Agreement.

On February 16, 2006, Mack-Cali Realty Corporation (the "General Partner"), the general partner of Mack-Cali Realty, L.P. (the "Operating Partnership"), announced that the Operating Partnership had reached agreements in principle with each of SL Green Realty Corp. ("SL Green") and The Gale Company ("Gale") pursuant to which the Operating Partnership planned to acquire interests in certain assets and operations of SL Green and Gale.

In furtherance of these acquisitions, on March 7, 2006, and as subsequently amended on March 31, 2006, the Operating Partnership entered into a Membership Interest Purchase and Contribution Agreement (the "Gale Contribution Agreement") by and among the Operating Partnership, Mack-Cali Realty Acquisition Corp., a wholly-owned subsidiary of the Operating Partnership, and Mr. Stanley C. Gale and SCG Holding Corp., a corporation owned and controlled by Mr. Gale (collectively, the "Gale Sellers"), to acquire all of the Gale Sellers' ownership interests (the "Gale Transferred Interests") in The Gale Services Company, L.L.C. and the Gale Construction Services Company, L.L.C., which entities engage in real property management, construction management, facilities management, and leasing and real estate brokerage services, and to acquire certain other interests of the Gale Sellers in other development-stage joint ventures and certain other ownership interests of Mr. Stanley C. Gale and/or certain of his affiliates, in up to eleven properties (the "Non-Portfolio Properties"), subject to obtaining certain third party consents and the satisfaction of various property-related and/or other conditions.

In connection with the Operating Partnership's completion of the acquisition of the Gale Transferred Interests pursuant to the Gale Contribution Agreement on May 9,

2006 as described under Item 2.01 of this Form 8-K, on such date, the Operating Partnership and the Gale Sellers executed Amendment No. 2 to the Gale Contribution Agreement (the "Gale Amendment"), which provided for, among other things, the acquisition by the Operating Partnership of a ten percent (10%) interest in an entity which owns one of the Non-Portfolio Properties aggregating 550,000 square feet of office/mixed use space and located in Princeton, New Jersey from the Gale Sellers for approximately \$1.8 million (the "Princeton Property"). The Operating Partnership, Mack-Cali Realty Acquisition Corp., the Gale Sellers, and certain affiliates of the Gale Sellers, also entered into a separate Contribution Agreement relating to the acquisition of interests in entities which own or control eight (8) of the remaining ten Non-Portfolio Properties (the "Mandatory Properties") and the option to acquire the other two (2) Non-Portfolio Properties (the "Optional Properties") upon the happening of certain events (the "Non-Portfolio Contribution Agreement"). The obligations of the Operating Partnership are subject to obtaining certain third party consents and the satisfaction of various property-related and/or other conditions. The interests in the Non-Portfolio Properties range from approximately eight percent (8%) to one hundred percent (100%) and include office

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properties, development land and project development rights, all in Northern and Central New Jersey. The cash consideration to be paid by the Operating Partnership for the Mandatory Properties is expected to be up to approximately \$24.4 million plus a formula price for one of the interests which owns a development property based upon the actual number of square feet of rentable office space that is approved for development. The cash consideration to be paid by the Operating Partnership for the Optional Properties shall equal the actual capital contribution that will have been made by the Gale Sellers which has not yet been determined.

A copy of the Gale Amendment is filed herewith as Exhibit 10.1 and a copy of the Non-Portfolio Contribution Agreement is filed herewith as Exhibit 10.2. In connection with the sale of the interests in the Non-Portfolio Properties, the Operating Partnership (or an affiliate thereof) and Mr. Stanley C. Gale shall each execute a Limited Liability Company Operating Agreement substantially in the form of the Limited Liability Company Operating Agreement executed by the entity that owns the Princeton Property, a copy of which is filed herewith as Exhibit 10.3, pursuant to which the Operating Partnership and Mr. Stanley C. Gale shall participate in the underlying earnings of each Non-Portfolio Property pursuant to the terms set forth therein.

Concurrent with the execution on March 7, 2006 of the Gale Contribution Agreement, Mack-Cali Ventures, L.L.C., a wholly-owned subsidiary of the Operating Partnership (the "OP Subsidiary"), entered into a Contribution and Sale Agreement (the "SLG Contribution Agreement") by and among the OP Subsidiary and Gale SLG NJ LLC, Gale SLG NJ MEZZ LLC and Gale SLG RIDGEFIELD MEZZ LLC (each an affiliate of SL Green and Stanley C. Gale and collectively, the "SLG Sellers"), to acquire certain direct and indirect ownership interests in entities which own or control a portfolio of properties.

In connection with the Operating Partnership's completion on May 9, 2006 of its acquisition of these properties under the SLG Contribution Agreement as described under Item 2.01 of this Form 8-K, on such date the OP Subsidiary entered into the First Amendment to the SLG Contribution Agreement with the SLG Sellers (the "SLG Amendment"). The SLG Amendment modified certain non-compete provisions of the SLG Contribution Agreement and also modified the formula for calculating the consideration to be paid to the SLG Sellers in exchange for certain of the Class B and Class C Properties (as such terms are defined in the SLG Contribution Agreement). A copy of the SLG Amendment is filed herewith as Exhibit 10.4.

Also on May 9, 2006, entities which own six Class B Properties (as such term is defined under Item 2.01 of this Form 8-K) with an aggregate of approximately 784,711 square feet (collectively, the "Gramercy Borrowers") entered into a \$90.3 million mortgage financing with Gramercy Warehouse Funding I LLC, an affiliate of SL Green (the "Gramercy Loan"). The Gramercy Borrowers are each owned or controlled by Mack-Green-Gale, LLC, a joint venture consisting of the OP Subsidiary and certain of the SLG Sellers and their affiliates (the "Joint Venture"). The material terms of the Gramercy Loan, which provides for interest only payments during its term, are as

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follows:

1. Term: The maturity date is May 9, 2008, with three options on the part of the Gramercy Borrowers to extend for 12 months each upon satisfaction of certain conditions;
2. Interest Rate: 30 day LIBOR Index plus 275 basis points;
3. Prepayment: The Gramercy Loan may be prepaid without premium or penalty after November 9, 2006, subject to the payment of an exit fee of .25% of any portion of the Gramercy Loan repaid at any time, including on the maturity date; and
4. Release: Subject to the satisfaction of certain conditions, the Joint Venture may obtain the release of any one or more of the mortgaged properties by paying a release amount equal to approximately 110% of the loan amount allocated to each such property.

Pursuant to the Gramercy Loan, the Gramercy Borrowers were required to enter into an interest rate protection agreement to cap the 30 day LIBOR Index at seven percent (7%) per annum. In addition, the Gramercy Loan contains customary events of default, including among others, non payment of interest, fees or other amounts; inaccuracy of representations; violation of covenants; and certain bankruptcy events. If an event of default occurs and is continuing under the Gramercy Loan, the lender may declare the entire outstanding balance of the Gramercy Loan (including accrued and unpaid interest, late charges and any other amounts) to be immediately due and payable.

The Operating Partnership and SL Green have each jointly and severally provided a limited recourse guarantee under the Gramercy Loan limited to certain customary recourse carve outs. The full amount of the Gramercy Loan may become recourse to the Gramercy Borrowers, the Operating Partnership or SL Green upon the occurrence of certain limited events which are customary in transactions of this nature.

In addition, the OP Subsidiary provided a \$10 million non-revolving line of credit to the Joint Venture (the "JV Line of Credit") to fund the lease-up costs and operating shortfalls of the Class B Properties (as such term is defined under Item 2.01 of this Form 8-K). The JV Line of Credit provides for a term of up to five years, bears interest at the 30 day LIBOR Index plus 400 basis points per annum, and is secured by the cash flow from the Class B Properties. The OP Subsidiary also provided a \$3.7 million loan to SL Green (the "SL Green Loan") to fund a portion of SL Green's equity contribution to the Joint Venture relating to the Class B Properties. The SL Green Loan provides for a 30 year term, bears interest at ten percent (10%) per annum, and is payable only out of distributions from the Joint Venture to SL Green.

In connection with the entry into the Gramercy Loan, the Gramercy Borrowers entered into a Loan Agreement with, and a Promissory Note in favor of Gramercy Warehouse Funding I LLC, copies of which are filed herewith as Exhibits 10.5 and 10.6, respectively.

Also on May 9, 2006, entities which own four Class A Properties (as such term is defined under Item 2.01 of this Form 8-K) with an aggregate of approximately 584,533 square feet (collectively, the "Wachovia Borrowers"), which entities are owned or controlled by the Joint Venture, entered into four separate mortgage loans for \$43 million, \$16 million, \$15.5 million and \$4.5 million, respectively, each such loan with Wachovia Bank, National Association as the lender (collectively, the "Wachovia Loans").

The material terms of each of the Wachovia Loans are as follows:

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1. Term: The maturity date of each of the Wachovia Loans is May 11, 2016;
 2. Interest Rate: 6.27% per annum;
 3. Amortization: Beginning June 11, 2006 on the \$4.5 million loan, June 11, 2008 on the \$16 million loan, and June 11, 2011 on the \$43 and \$15.5 million loans; and
 4. Prepayment: The Wachovia Loans may not be paid prior to February 11, 2016 except by means of defeasance. In the event the maturity of a loan is accelerated by reason of a default, a yield maintenance premium will become immediately due.

Each of the Wachovia Loans contains customary events of default, including among others, non payment of interest, fees or other amounts; inaccuracy of representations; violation of covenants; and certain bankruptcy events. While an event of default is continuing with respect to any loan, Wachovia may declare the entire outstanding balance of such loan (including accrued and unpaid interest, late charges, yield maintenance premiums and any other amounts) to be immediately due and payable.

The Wachovia Loans are non-recourse with respect to the Wachovia Borrowers and there is a limited recourse guaranty by the Operating Partnership limited to certain customary recourse carve outs. The full amount of any of the Wachovia Loans may become recourse to the Wachovia Borrowers and Operating Partnership upon the occurrence of certain limited events which are customary in transactions of this nature.

Copies of the mortgages and promissory notes for each of the Wachovia Loans are filed herewith as Exhibits 10.7 through 10.14.

In connection with the Operating Partnership's acquisition of the Gale Transferred Interests, Mark Yeager, President and Chief Investment Officer of The Gale Company, has been appointed as an Executive Vice President of the General Partner. The General Partner entered into an employment agreement with Mr. Yeager effective as of May 9, 2006 (the "Employment Agreement") for an initial term of three years and a constant one year term beginning on May 9, 2009. Under the Employment Agreement, Mr. Yeager will be paid a minimum annual base salary of \$370,000 and will be eligible to receive a bonus of \$350,000 for services to be rendered in 2006. Pursuant to the Employment Agreement, Mr. Yeager will be awarded 10,000 shares of restricted common stock of the General Partner pursuant to a Restricted Share Award Agreement (the "Award Agreement"). Under the Award Agreement, the restricted shares of common stock are scheduled to vest in two, equal, installments on January 1, 2007 and January 1, 2008, subject to certain performance conditions, and with respect to each tax year in which such restricted stock vests, Mr. Yeager is entitled to receive a Tax Gross-Up Payment (as such term is defined in the Employment Agreement).

The Employment Agreement also provides that if Mr. Yeager's employment is

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terminated on or within six months following a change in control (as defined in the Employment Agreement), Mr. Yeager will be entitled to (i) receive the aggregate of a cash payment of \$1,000,000, reimbursement of expenses incurred prior to the date of termination, and the Tax Gross-Up Payments (as such term is defined in the Employment Agreement) applicable to any vested shares of restricted stock, (ii) immediate vesting of all options and incentive compensation payments or programs otherwise subject to a vesting schedule, (iii) require the General Partner to repurchase his vested options and (iv) receive continuation of health coverage through the end of his unexpired employment period.

In addition, Mr. Yeager generally is restricted during the term of his employment and in the event his employment is terminated by the General Partner for cause (as defined in the Employment Agreement) or by him without good reason (as defined in the Employment Agreement), for a period of one year thereafter, from conducting any office-service, flex or office property development, acquisition or management activities within the continental United States.

A copy of the Employment Agreement is filed herewith as Exhibit 10.15 and a copy of the Award Agreement is filed herewith as Exhibit 10.16.

Item 2.01 Completion of Acquisition or Disposition of Assets.

On May 9, 2006, the Operating Partnership completed its acquisition of the Gale Transferred Interests under the Gale Contribution Agreement described under Item 1.01 of this Form 8-K. The consideration paid by the Operating Partnership for the Gale Transferred Interests consisted of the following:

1. 224,719 common units of limited partnership interest of the Operating Partnership (the "Common Units"); and
2. \$12 million in cash.

In addition, pursuant to certain earn-out provisions based upon the achievement of Gross Income and NOI (as such terms are defined in the Gale Contribution Agreement) targets for the three years following May 9, 2006 pursuant to which up to an additional \$18 million in cash may be paid by the Operating Partnership to the Gale Sellers.

Also on May 9, 2006, the Operating Partnership completed its acquisition of a 10% interest in an entity which owns one of the Non-Portfolio Properties aggregating 550,000 square feet and located in Princeton, New Jersey from the Gale Sellers for approximately \$1.8 million.

On May 9, 2006, the Operating Partnership, through the OP Subsidiary, completed its acquisition of the portfolio of properties under the SLG Contribution Agreement described under Item 1.01 of this Form 8-K, consisting of:

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1. 100% of the ownership interests in three Class A office properties located in Northern New Jersey with an aggregate of 516,162 square feet (the "Wholly-Owned Properties");

2. certain of the membership interests in the Joint Venture, which will own substantially all of and control certain entities that own:
 - a. ten Class A office properties located in Northern and Central New Jersey with an aggregate of approximately 1.4 million square feet (the “Class A Properties”); and
 - b. seven Class A office properties located in Northern and Central New Jersey with an aggregate of approximately 900,000 square feet (the “Class B Properties”).

The following table identifies the amounts of capital contributions and new and existing mortgage indebtedness secured by one or more of the properties in which the Operating Partnership acquired its interests under the SLG Contribution Agreement, and the aggregate Agreed Value (as such term is defined in the SLG Contribution Agreement) of such assets. The figures reported in this table are unaudited and may be subject to adjustment in accordance with SFAS 141.

Property	Agreed Value	New and Assumed Mortgage Indebtedness	Agreed Equity Value	Mack-Cali's Effective Percent Interest	Mack-Cali's Equity Investment
Wholly-Owned Properties	\$ 106,000,000	\$ 39,900,000	\$ 66,100,000	100 %	\$ 66,100,000
Class A Properties	\$ 271,992,775	\$ 179,122,974	\$ 92,869,801	95 %	\$ 88,226,311
Class B Properties	\$ 127,507,225	\$ 102,499,999	\$ 25,007,226	48 %	\$ 12,003,468
Total	\$ 505,500,000	\$ 321,522,973	\$ 183,977,027	N/A	\$ 166,329,779

The \$179.1 million of indebtedness secured by the Class A Properties includes the aggregate of \$79 million Wachovia Loans described under Item 1.01 of this Form 8-K. The \$102.5 million of indebtedness secured by the Class B Properties includes the \$90.3 million Gramercy Loan described under Item 1.01 of this Form 8-K.

In connection with the completion of all of the foregoing transactions, the Operating Partnership drew \$193 million from its unsecured revolving credit facility, including funds for closing adjustments transaction costs and escrow disbursements. As of May 15, 2006, the Operating Partnership had outstanding borrowings of approximately \$319 million under its unsecured revolving credit facility.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation Under an Off-Balance Sheet Arrangement of a Registrant.

The disclosure required by this Item 2.03 is set forth under Item 1.01 of this Form

8-K with respect to the Gramercy Loan and the Wachovia Loans and under Item 2.01 with respect to the Operating Partnership's drawings on its unsecured revolving credit facility.

Item 5.02 Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers.

In connection with the completion of the acquisitions disclosed under Item 2.01 of this Form 8-K, Mark Yeager, President and Chief Investment Officer of The Gale Company, was appointed as an Executive Vice President of the General Partner.

Mr. Yeager's primary responsibilities at The Gale Company, in addition to managing a 575 person full service real estate company, have been to oversee the company's investment and development activities, implement strategic initiatives designed to facilitate the company's growth and expansion and pursue third party corporate advisory, property management and construction management relationships. He has been responsible for overseeing The Gale Company's activities with such clients as Morgan Stanley, Paine Webber, J.P. Morgan, The Principal Financial Group, and The Pradium Fund.

Prior to joining The Gale Company, Mr. Yeager was a commercial real estate investment broker for CB Commercial where he handled the sales and leasing of income-producing office, industrial and retail properties in the New Jersey market. Prior to entering the real estate field, Mr. Yeager worked in corporate finance for Nabisco Brands. Mr. Yeager also is on the Board of Directors of the National Association of Industrial and Office Properties (NAIOP) and the Regional Business Partnership and the Executive Committee for the Tri-County Scholarship Fund.

Mr. Yeager is a graduate of Lehigh University in Bethlehem, Pennsylvania, and he earned his Masters Degree in Business Administration from Fairleigh Dickinson University in Madison, New Jersey where he majored in marketing.

In addition, of the 10 Non-Portfolio Properties that the Operating Partnership intends to acquire pursuant to the terms and conditions of the Non-Portfolio Contribution Agreement described under Item 1.01 of this Form 8-K, Mr. Yeager owns a 3.375% interest in one such Non-Portfolio Property aggregating 190,000 square feet and a 7.5% interest in another Non-Portfolio Property aggregating 139,750 square feet. It is expected that upon completion of those acquisitions, Mr. Yeager will receive his pro rata share of the consideration to be paid for such properties.

The material terms of Mr. Yeager's Employment Agreement are described under Item 1.01 of this Form 8-K, and a copy of the Employment Agreement is filed herewith as Exhibit 10.15 and a copy of his Award Agreement is filed herewith as Exhibit 10.16.

Item 9.01 Financial Statements and Exhibits.

- (a) Financial Statements of Businesses Acquired.

Pursuant to Item 9.01(a)(4) of Form 8-K, the Registrants intend to file the financial information required by this paragraph (a) of Item 9.01 as an amendment to this Form 8-K within 71 days of the date that this Current Report on Form 8-K is filed with the Securities and Exchange Commission.

- (b) Pro Forma Financial Information.

Pursuant to Item 9.01(b)(2) of Form 8-K, the Registrants intend to file the financial information required by this paragraph (b) of Item 9.01 as an amendment to this

(c) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
10.1	Amendment No. 2 to Membership Interest Purchase and Contribution Agreement dated as of May 9, 2006.
10.2	Non-Portfolio Property Interest Contribution Agreement by and among Mr. Stanley C. Gale, Mr. Mark Yeager, GCF II Investor LLC, The Gale Investments Company, LLC, Gale & Wentworth Vreeland, LLC, Gale Urban Solutions LLC, MSGW-ONE Campus Investors, LLC, Mack-Cali Realty Acquisition Corp. and Mack-Cali Realty, L.P. dated as of May 9, 2006.
10.3	Form of Limited Liability Company Operating Agreement.
10.4	First Amendment to Contribution and Sale Agreement by and among GALE SLG NJ LLC, a Delaware limited liability company, GALE SLG NJ MEZZ LLC, a Delaware limited liability company, and GALE SLG RIDGEFIELD MEZZ LLC, a Delaware limited liability company, and Mack-Cali Ventures L.L.C., a Delaware limited liability company, dated as of May 9, 2006.
10.5	Loan Agreement by and among the entities set forth on Exhibit A, collectively, as Borrowers, and Gramercy Warehouse Funding I LLC, as Lender, dated May 9, 2006.
10.6	Promissory Note of One Grande SPE LLC, 1280 Wall SPE LLC, 10 Sylvan SPE LLC, 5 Independence SPE LLC, 1 Independence SPE LLC, and 3 Becker SPE LLC, as Borrowers, in favor of Gramercy Warehouse Funding I, LLC, as Lender, in the principal amount of \$90,286,551 dated May 9, 2006.
10.7	Mortgage, Security Agreement and Fixture Filing by and between 4 Becker SPE LLC, as Borrower, and Wachovia Bank, National Association, as Lender, dated May 9, 2006.

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10.8	Promissory Note of 4 Becker SPE LLC, as Borrower, in favor of Wachovia Bank, National Association, as Lender, in the principal amount of \$43,000,000 dated May 9, 2006.
10.9	Mortgage, Security Agreement and Fixture Filing by and between 210 Clay SPE LLC, as Borrower, and Wachovia Bank, National Association, as Lender, dated May 9, 2006.
10.10	Promissory Note of 210 Clay SPE LLC, as Borrower, in favor of Wachovia Bank, National Association, as Lender, in the principal amount of \$16,000,000 dated May 9, 2006.
10.11	Mortgage, Security Agreement and Fixture Filing by and between 5 Becker SPE LLC, as Borrower, and Wachovia Bank, National Association, as Lender, dated May 9, 2006.
10.12	Promissory Note of 5 Becker SPE LLC, as Borrower, in favor of Wachovia Bank, National Association, as Lender, in the principal amount of \$15,500,000 dated May 9, 2006.
10.13	Mortgage, Security Agreement and Fixture Filing by and between 51 CHUBB SPE LLC, as Borrower, and Wachovia Bank, National Association, as Lender, dated May 9, 2006.
10.14	Promissory Note of 51 CHUBB SPE LLC, as Borrower, in favor of Wachovia Bank, National Association, as Lender, in the principal amount of \$4,500,000 dated May 9, 2006.
10.15	Employment Agreement dated as of May 9, 2006 by and between Mark Yeager and Mack-Cali Realty Corporation.
10.16	Restricted Share Award Agreement by and between Mack-Cali Realty Corporation and Mark Yeager.
99.1	Press Release of Mack-Cali Realty Corporation dated May 10, 2006.

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SIGNATURES

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

MACK-CALI REALTY CORPORATION

Dated: May 15, 2006

By: /s/ ROGER W. THOMAS
Roger W. Thomas
Executive Vice President, General Counsel
And Secretary

MACK-CALI REALTY, L.P.

By: Mack-Cali Realty Corporation,
its general partner

Dated: May 15, 2006

By: /s/ ROGER W. THOMAS
Roger W. Thomas
Executive Vice President, General Counsel
And Secretary

EXHIBIT INDEX

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10.3	Form of Limited Liability Company Operating Agreement.
10.4	First Amendment to Contribution and Sale Agreement by and among GALE SLG NJ LLC, a Delaware limited liability company, GALE SLG NJ MEZZ LLC, a Delaware limited liability company, and GALE SLG RIDGEFIELD MEZZ LLC, a Delaware limited liability company, and Mack-Cali Ventures L.L.C., a Delaware limited liability company, dated as of May 9, 2006.
10.5	Loan Agreement by and among the entities set forth on Exhibit A, collectively, as Borrowers, and Gramercy Warehouse Funding I LLC, as Lender, dated May 9, 2006.
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10.16	Restricted Share Award Agreement by and between Mack-Cali Realty Corporation and Mark Yeager.
99.1	Press Release of Mack-Cali Realty Corporation dated May 10, 2006.

AMENDMENT NO. 2 TO MEMBERSHIP INTEREST PURCHASE AND CONTRIBUTION AGREEMENT

AMENDMENT No. 2 (this “Amendment”), dated as of May 9, 2006, to the Membership Interest Purchase and Contribution Agreement (the “Agreement”), dated as of March 7, 2006, as amended, by and among Mr. Stanley C. Gale (“SG”), SCG Holding Corp., a Delaware corporation (“SCG” and together with SG, the “Sellers”), Mack-Cali Realty Acquisition Corp., a Delaware corporation, or its designee (the “Purchaser”), and Mack-Cali Realty, L.P., a Delaware limited partnership (“MCRLP”). Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Agreement.

RECITALS:

WHEREAS, the Purchaser, MCRLP and the Sellers have entered into the Agreement;

WHEREAS, pursuant to and in accordance with Section 10.7 of the Agreement, the parties wish to amend the Agreement as set forth in this Amendment;

NOW, THEREFORE, in consideration of the rights and obligations contained herein, and for other good and valuable consideration, the adequacy of which is hereby acknowledged, the parties agree as follows:

Section 1. Amendment to the Agreement.

(a) Section 1.02 of the Agreement is hereby amended by adding the following defined terms to the list of defined terms in alphabetical order:

“ <u>PFV</u> ”	Exhibit I
“ <u>PFV Cash Consideration</u> ”	Exhibit I

(b) Section 2.04(c) of the Agreement is hereby amended by adding the following at the end thereof: “and for the PFV Cash Consideration”.

(c) Section 2.05(b) is hereby amended by adding the phrase “and the PFV Cash Consideration” immediately after the word “Payment” in such

(d) Clause (f) of Section 8.02 is hereby amended by adding the following at the end thereof: “, other than PFV”.

(e) Paragraph (b) of Section 5.05 of the Agreement is hereby amended by adding the following additional proviso at the end of the first sentence of such paragraph (b):

“; provided, further, that the provisions of this Section 5.05(b) shall not apply to the ownership by the Sellers or any of their Affiliates of any direct or indirect, beneficial or record, interest in (i) each Non-Portfolio Interest until such time it is acquired by the

Purchaser as contemplated by Section 5.22, (ii) any of Rock-GW LLC or MSG-Workstage LLC, (iii) any Person in which any of such entities holds a direct or indirect, beneficial or record, interest or (iv) any real property or development rights held or leased as of the date hereof by any of the Persons specified in clauses (i), (ii) and (iii) of this proviso (or any rights to acquire the same which may be held as of the date hereof by any of such Persons).”

(f) Section 5.14 of the Agreement is hereby amended by adding the following at the end thereof:

“In addition, the parties acknowledge that the Purchaser may wish to restructure the Companies and the Subsidiaries, including by whom the ownership interests of each of the entities are held. The Sellers shall use all reasonable efforts to assist the Purchaser in effecting such restructuring.”

(g) Article V of the Agreement is hereby amended by adding the following new Section 5.25:

“Section 5.25. Maintenance of Certain Insurance Policies. Each of the Sellers hereby agrees that in connection with, and in consideration for, the Purchaser and MCRLP consummating the transactions contemplated by this Agreement, the Sellers shall purchase extended reporting periods under the following insurance policies upon the current expiration of the policies or, if proposed by the Sellers and agreed to by the Purchaser and MCRLP, the earlier cancellation of such policies. Such extended reporting periods shall be for the number of years noted below and shall include coverage for all of the entities which are listed on the current policies held by the Sellers. If the policies do not currently specifically name all of the entities being acquired by the Purchaser or its designee as insureds, the Sellers shall use its commercially reasonable efforts, including payment of any additional premiums in commercially reasonable amounts, to amend such policies to specifically include all such entities and evidence of same shall be provided prior to any termination or a cancellation of the policies being requested by or on behalf of the Sellers:

<u>Insurance Policy</u>	<u>Additional Term</u>
Directors and Officers Liability including Employment Practices Liability Policy	6 Years
Employed Lawyers Coverage	3 Years
Fiduciary Liability Coverage	1 Year
Miscellaneous Professional Liability	3 Years
Contractors Pollution and Errors and Omissions Coverages	3 Years

(g) Exhibit I to this Amendment is hereby added as a new Exhibit I to the Agreement.

(h) Exhibit J to this Amendment is hereby added as a new Exhibit J to the Agreement.

(i) Attached as Exhibit K to this Amendment are additional Disclosure Schedules which for all purposes of the Agreement shall be incorporated into the Disclosure Schedule to the Agreement.

Section 2. Assignment. This Amendment may not be assigned by operation of Law or otherwise without the prior express written consent of the Sellers, and the Purchaser or MCRLP which consent may be granted, conditioned, delayed or withheld in the sole discretion of the Sellers or the Purchaser or MCRLP, as the case may be. Notwithstanding the foregoing, the Purchaser may assign any or all of its interests in this transaction to one or more Affiliates, provided, that any such assignment shall not relieve the Purchaser from its obligations hereunder.

Section 3. Entire Agreement. This Amendment constitutes the entire agreement of the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and undertakings, both written and oral, between the Purchaser, MCRLP and the Sellers with respect to the subject matter hereof. Except as amended by this Amendment, the Agreement shall continue in full force and effect.

Section 4. Severability. If any term or other provision of this Amendment shall be invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of the remainder of this Amendment or the validity or enforceability of this Amendment in any other jurisdiction.

Section 5. Counterparts. This Amendment shall not be effective or binding until such time as it has been executed and delivered by all parties hereto. This Amendment may be executed and delivered (including by facsimile transmission or portable document format (PDF)) in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement.

Section 6. Governing Law. This Amendment and all others arising out of or relating to this Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware.

[SIGNATURE PAGE FOLLOWS]

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IN WITNESS WHEREOF, the Purchaser, MCRLP and the Sellers have executed or caused this Amendment to be executed by their respective officers thereunto duly authorized as of the date first written above.

MACK-CALI REALTY ACQUISITION CORP.,
a Delaware corporation

By: /s/ Mitchell E. Hersh
Name: Mitchell E. Hersh
Title: President and Chief Executive Officer

MACK-CALI REALTY L.P.,
a Delaware limited partnership

By: Mack-Cali Realty Corporation,
a Maryland corporation, its general partner

By: /s/ Mitchell E. Hersh
Name: Mitchell E. Hersh
Title: President and Chief Executive Officer

SCG HOLDING CORP.

By: /s/ Stanley C. Gale
Name: Stanley C. Gale
Title: Chief Executive Officer

STANLEY C. GALE

/s/ Stanley C. Gale

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EXHIBIT I

PRINCETON FORRESTAL VILLAGE

Section 1. Acquisition of The Gale PFV Investor Company, L.L.C.

(a) The parties acknowledge that The Gale PFV Investor Company, L.L.C., a Delaware limited liability company (“PFV”), has been identified as an Excluded Asset. The parties agree that, notwithstanding that PFV has been identified as an Excluded Asset, PFV shall be indirectly acquired by the Purchaser at the Closing in connection with the transactions contemplated hereby. In connection with such acquisition, the Purchaser shall pay to the Sellers an amount equal to One Million Seven Hundred Seventy Four Thousand Five Hundred Dollars (\$1,774,500) by wire transfer in immediately available funds to the Purchase Price Bank Account at the Closing (the “PFV Cash Consideration”).

(b) As additional consideration for the acquisition of PFV, each of the parties agrees that, at the Closing, SG and The Gale Company L.L.C. shall, and the Purchaser and MCRLP shall cause The Gale Company L.L.C. to, enter into an Amended and Restated Limited Liability Company Operating Agreement of PFV (the “PFV Operating Agreement”), substantially in the form attached hereto as Exhibit J.

Section 2. Additional Representations and Warranties. Each of the Sellers, jointly and severally, hereby represents and warrants to the Purchaser and MCRLP as follows:

(a) Ownership.

(i) The Gale Company, L.L.C. has good and marketable title to, and is the lawful record and beneficial owner of, 100% of the outstanding membership interests of PFV, free and clear of all Encumbrances other than Permitted Encumbrances.

(ii) The Gale PFV Investor Company, L.L.C. has a 50% Percentage Interest in GMW Village Associates, LLC; GMW Village Associates, LLC has a 20% interest in distributions, net cash flow and cash proceeds of GE/Gale Funding LLC; and GE/ Gale Funding LLC is the sole owner of PF Village LLC.

(iii) To the actual knowledge of the Sellers, PF Village LLC is the sole ground lessee of the Princeton Forrestal Village property, located at Block 3, Lot 3.10, Village Road and US Route #1, Princeton, New Jersey (the "PFV Property") as well as the improvements thereon.

(b) The execution, delivery and performance of this Exhibit by the Sellers does not and will not (a) violate, conflict with or result in the breach of the certificate of formation or operating agreement (or similar organizational documents) of any Seller, (b) conflict with or violate, in any material respect, any Law or Governmental Order applicable to such Sellers or (c) except as would not adversely affect the ability of any Seller to carry out its obligations under, and to consummate the transactions contemplated by, this Agreement and

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assuming the consents identified in Section 2(d) shall have been obtained, conflict with, violate or breach any agreement to which such any Seller is a party.

(c) Litigation. Other than as set forth on Section 3.09 of the Disclosure Schedule to the Agreement, to the actual knowledge of SG, there are no lawsuits or proceedings pending or threatened in writing which would have a material adverse effect on the PFV Property other than claims fully covered by insurance.

(d) Consents. No consent of any third party is required to be obtained in order for the Sellers to consummate the transactions contemplated by this Exhibit I, other than the consents of IXIS Real Estate Capital, Tigerbaum Partners, LLC and E&M at Princeton Forrestal, LLC.

(e) Entity Status. PFV has at all times been classified and treated as a partnership or disregarded entity and not as an association taxable as a corporation for federal income tax purposes in each state and local jurisdiction in which it files Tax Returns.

(f) Documents. The Sellers have delivered or made available to the Purchaser and MCRLP true and complete copies (in either paper or electronic form) of the organizational documents of PFV (the "Organizational Documents"). The Organizational Documents are true, complete and correct in all material respects, and constitute all of the material documents, agreements and instruments with respect to the formation, governance, management and organization of PFV. The Organizational Documents have not been amended, modified, supplemented, terminated or otherwise changed.

(g) Leases. True, accurate and complete copies of the leases in place at the PFV Property (the "Leases") have been provided or made available to the Purchaser and MCRLP. Except as disclosed in writing to the Purchaser or MCRLP, (i) the Sellers have not received any material written notice of default by the applicable landlord under any Lease which remains uncured and (ii) the Sellers have not given or received any written notice of default by the applicable tenant under any Lease which remains uncured. The Leases are valid and bona fide obligations of the landlord thereunder and are in full force and effect. Except as expressly set forth in the Leases, no tenant is entitled, now or in the future, to any concession, rebate, offset, allowance or free rent for any period, nor has any such claim been asserted in writing by any tenant.

(h) Capital Contribution. The Purchaser will not have any obligation to make a capital contribution to PFV attributable to leasing commissions, tenant improvement costs and any other leasing costs for leases in place at PFV except that the Purchaser may be required to make such capital contributions to PFV attributable to leasing commissions, tenant improvement costs and any other leasing costs arising from any extension or expansion of any premises leased by PFV.

(i) Liabilities. There are no Liabilities of any Seller of any nature which relate to PFV or the PFV Property other than the Liabilities (a) expressly set forth in the Disclosure Schedule to the Agreement, (b) otherwise permitted to be incurred under the

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Agreement, other than such Liabilities which would not have a material adverse effect on PFV or (c) which are not otherwise covered by the reserves of PFV.

(j) Compliance. Except as would not adversely affect the ability of such Seller to carry out its obligations under, and to consummate the transactions contemplated by, this Exhibit I, each Seller is in compliance, in all material respects, with all laws, regulations and agreements applicable to such Seller, including any applicable agreement to which such Seller is a party or is subject or which is binding upon it or the PFV Property.

(k) Leasing Commissions; Tenant Improvements. To the actual knowledge of SG, there are no obligations for leasing commissions or tenant improvements affecting the PFV Property which have not been provided to or made available to the Purchaser and MCRLP.

(l) Environmental. To the actual knowledge of SG, the Sellers have not received written notice from a Governmental Authority of a violation of any Environmental Law with respect to the PFV Property that has not been cured.

(m) Zoning. To the actual knowledge of SG, none of the Sellers has received written notice from any Governmental Authority of (i) any pending, threatened or contemplated annexation or condemnation proceedings, or private purchase in lieu thereof, materially adversely affecting or which may materially adversely affect the PFV Property, (ii) any proposed or pending proceeding to materially adversely change or redefine the zoning classification of all or any part of the PFV Property, (iii) any proposed or pending special assessments affecting the PFV Property or any portion thereof, (iv) any penalties or interest due with respect to real estate taxes assessed against any the PFV Property, and (v) any proposed change(s) in any road or grades with respect to the roads providing a means of ingress and egress to the PFV Property.

(n) Tax Certiorari Proceedings. To the actual knowledge of SG, there are no pending proceeds for tax certiorari with respect to the PFV Property.

(o) Private Letter Rulings. To the actual knowledge of SG, none of the Sellers are subject to any private letter ruling of the Internal Revenue Service or comparable rulings of another taxing authority.

(p) Indebtedness. Except for the IXIS Real Estate Capital Mortgage Loan, PFV does not have any indebtedness for borrowed money and PFV has not guaranteed the debt of any other person or entity.

(q) Surveys. To the actual knowledge of SG, Schedule 2(q) sets forth all current surveys with respect to the PFV Property that are in the possession or control

of the Sellers. Complete copies of the surveys listed on Schedule 2(q) have been provided or made available to the Purchaser.

(r) Due Diligence Information. SG has no actual knowledge that any information made available to the Purchaser and MCRLP by the Sellers in connection with the transactions contemplated by this Agreement is not the true, accurate and complete understanding of SG, in all material respects, relating to PFV.

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Section 3. Additional Indemnification.

(a) Survival of Representations and Warranties. The representations and warranties contained in this Exhibit I shall survive for a period of nine (9) months after the Closing; provided, that any claim made with reasonable specificity by the party seeking to be indemnified within the time periods set forth in this Section 3 shall survive until such claim is finally and fully resolved. Notwithstanding the foregoing, (i) the representations and warranties contained in Section 2(d) shall survive the Closing for a period of three (3) years after the Closing, and (ii) the representations and warranties contained in Sections 2(a) and 2(e) of this Exhibit I shall survive the Closing indefinitely, subject only to any applicable statute of limitations.

(b) Indemnification by the Sellers. Subject to Section 3(c) hereof, the Purchaser Indemnified Parties shall be indemnified and held harmless by the Sellers, jointly and severally, for and against all Losses arising out of or resulting from the breach of any representation or warranty made by the Sellers contained in this Exhibit I.

(c) Limits on Indemnification. Notwithstanding anything to the contrary contained in this Exhibit I, other than claims arising out of or resulting from the breaches of representations and warranties set forth in Sections 2(a) and 2(d) of this Exhibit I: (i) the Sellers shall not be liable for any claim for indemnification pursuant to Section 3(b), unless and until the aggregate amount of indemnifiable Losses which may be recovered from the Sellers equals or exceeds an amount equal to .05% of the PFV Cash Consideration, after which the Sellers shall fully indemnify the other party for the total of such Losses and (ii) the maximum amount of indemnifiable Losses which may be recovered from the Sellers arising out of or resulting from the causes set forth in Section 3(b) shall be an amount equal to 10% of the PFV Cash Consideration. No party hereto shall have any liability under any provision of this Exhibit I for any punitive damages.

(d) Other than as expressly set forth in this Section 3, all provisions of Article VIII of the Agreement shall apply to this Exhibit I with full force and effect.

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NON-PORTFOLIO PROPERTY INTEREST CONTRIBUTION AGREEMENT

By and Among
MR. STANLEY C. GALE,
MR. MARK YEAGER,
GCF II INVESTOR LLC,
THE GALE INVESTMENTS COMPANY, LLC,
GALE & WENTWORTH VREELAND, LLC,
GALE URBAN SOLUTIONS LLC,
MSGW-ONE CAMPUS INVESTORS, LLC,
MACK-CALI REALTY ACQUISITION CORP.,
AND
MACK-CALI REALTY L.P.

Dated as of May 9, 2006

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NON-PORTFOLIO PROPERTY INTEREST CONTRIBUTION AGREEMENT (this "Agreement"), dated as of May 9, 2006, by and among GCF II Investor LLC, a Delaware limited liability company ("GCF II"), Gale & Wentworth Vreeland, LLC, a New Jersey limited liability company ("GWV"), MSGW-One Campus Investors, LLC, a Delaware limited liability company ("MSGW"), Mr. Stanley C. Gale ("SG"), Mr. Mark Yeager ("MY"), The Gale Investments Company, LLC, a Delaware limited liability company ("Gale Investments"), Gale Urban Solutions LLC, a New Jersey limited liability company ("Gale Urban," and collectively with GW, GCF II, GWV, MSGW, SG, MY and Gale Investments, the "Sellers"), Mack-Cali Realty Acquisition Corp., a Delaware corporation, or its designee ("MCRAC"), and Mack-Cali Realty, L.P., a Delaware limited partnership, or its designee ("MCRLP").

WHEREAS, MSGW owns 100% of the issued and outstanding membership interests in One Campus Associates LLC, a Delaware limited liability company (the "3 Campus Drive Interest");

WHEREAS, GCF II owns 33.33% of the issued and outstanding membership interests in Gale Kimball, L.L.C., a Delaware limited liability company (the "100 Kimball Drive Interest");

WHEREAS, GCF II will, as of the applicable Closing (as defined herein), own an equity interest in a limited liability company which will own (directly or indirectly) an interest in the Jefferson Real Property (as defined herein) (the "One Jefferson Road Interest");

WHEREAS, GWV owns 50% of the issued and outstanding membership interests in 12 Vreeland Associates LLC, a New Jersey limited liability company (the "12 Vreeland Interest");

WHEREAS, SG and MY collectively own 51.25% of the issued and outstanding membership interests in GW Bedminster LLC, a New Jersey limited liability company (the "GW Bedminster Interest");

WHEREAS, SG owns 3.56% of the issued and outstanding membership interests in Pluckemin Holdings LLC, a Delaware limited liability company (the "Pluckemin Interest," and collectively with the GW Bedminster Interest, the "Bedminster Interest");

WHEREAS, Gale Investments owns 100% of the issued and outstanding membership interests in Gale Belmar, L.L.C., a Delaware limited liability company (the "Belmar Interest");

WHEREAS, Gale Investments owns 100% of the issued and outstanding membership interests in Gale ONC Associates, L.L.C., a Delaware limited liability company (the "One Newark Center Interest");

WHEREAS, Gale Investments owns 50% of the issued and outstanding membership interests in Rock-GW LLC, a Delaware limited liability company (the "Rock GW Interest");

WHEREAS, GCF II will (indirectly through one of its wholly owned subsidiaries), as of the applicable Closing, own 50% of the issued and outstanding membership interests in Gale 55 Corporate Associates II LLC, a Delaware limited liability company, or such entity as shall own the 55 Corporate Real Property (the "55 Corporate Interest");

WHEREAS, Gale Urban owns 100% of the issued and outstanding membership interests in Gale Broad Street, LLC, a New Jersey limited liability company (the "Newark Transit Village Interest," and collectively with the 3 Campus Drive Interest, the 100 Kimball Drive Interest, the One Jefferson Road Interest, the 12 Vreeland Interest, the Belmar Interest, the 55 Corporate Interest, the Bedminster Interest, the Rock GW Office Interest (as defined herein) and the One Newark Center Interest, the "Non-Portfolio Property Interests");

WHEREAS, upon the terms and subject to the conditions of this Agreement, the Sellers desire to contribute certain of the Non-Portfolio Property Interests to certain of the JV LLC's (as defined herein), and desire to grant an option to MCRAC to cause the contribution of the Optional Non-Portfolio Property Interests (as defined herein) to certain of the other JV LLC's, in exchange for membership interests in the applicable JV LLC's as specified in each of the applicable Limited Liability Company Operating Agreements (as defined herein);

WHEREAS, upon the terms and subject to the conditions of this Agreement, MCRAC desires to, and MCRLP desire to cause MCRAC to, contribute to certain of the applicable JV LLC's the funds specified herein (the "Funds") in exchange for the applicable membership interests in each of the applicable JV LLC's as specified in each of the applicable Limited Liability Company Operating Agreements;

WHEREAS, upon the terms and subject to the conditions of this Agreement, MCRAC may exercise its option with respect to the Optional Non-Portfolio Property Interests (as defined herein) and, upon such exercise, may, and MCRLP may cause MCRAC to, contribute to the JV LLC's associated with the Optional Non-Portfolio Property Interests certain additional funds as specified herein (the "Additional Funds") in exchange for the applicable membership interests in each of such applicable JV LLC's as specified in each of the applicable Limited Liability Company Operating Agreements; and

WHEREAS, upon consummation of the contributions by the Sellers and MCRAC and MCRLP to the applicable JV LLC's contemplated hereby, the parties desire to have each of the applicable JV LLC's make a special distribution to each of the applicable Sellers in an aggregate amount equal to the applicable portion of the Funds and Additional Funds.

NOW, THEREFORE, in consideration of the promises and the mutual agreements and covenants hereinafter set forth, and intending to be legally bound, the parties hereby agree as follows:

Article I
DEFINITIONS

Section 1.01 Certain Defined Terms. For purposes of this Agreement:

“55 Corporate LLC” means M-C 55 Corporate, LLC, a Delaware limited liability company to be formed in accordance with the provisions of this Agreement.

“55 Corporate LLC Operating Agreement” means that certain limited liability company operating agreement of 55 Corporate LLC, in the form attached hereto as Exhibit A to this Agreement.

“55 Corporate Real Property” means the Declarant’s Rights and Obligations Under Master Deed Creating 55 Corporate Drive Condominium, by and between Gale 55 Corporate Associates II LLC and Gale 55 Corporate Associates LLC, to develop that certain real property commonly known as and by the name Building IV at the street number 55 Corporate Drive, Bridgewater, New Jersey.

“Action” means any claim, action, suit, arbitration, inquiry, proceeding or investigation by or before any Governmental Authority.

“Affiliate” means, with respect to any specified Person, any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such specified Person.

“Bedminster LLC” means M-C Bedminster, LLC, a Delaware limited liability company to be formed in accordance with the provisions of this Agreement.

“Bedminster LLC Operating Agreement” means that certain limited liability company operating agreement of Bedminster LLC, in the form attached hereto as Exhibit B to this Agreement.

“Bedminster Real Property” means the real property known as and by the name The Offices at Bedminster, suite numbers 500 & 550 located at Route 206, Bedminster, NJ 07921.

“Belmar LLC” means M-C Belmar, LLC, a Delaware limited liability company to be formed in accordance with the provisions of this Agreement.

“Belmar LLC Operating Agreement” means that certain limited liability company operating agreement of Belmar LLC, in the form attached hereto as Exhibit C to this Agreement.

“Belmar Real Property” means the real property known as and by the name The Redevelopment Zone located in the Borough of Belmar, Block 66, lots 1,2-5,7,8-10 and 15; Block 86.01, lot 1 and the portion of East Railroad Avenue adjoining said block and lot.

“Business Day” means any day that is not a Saturday, a Sunday or other day on which banks are required or authorized by Law to be closed in The City of New York.

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“Campus LLC” means M-C Campus, LLC, a Delaware limited liability company to be formed in accordance with the provisions of this Agreement.

“Campus LLC Operating Agreement” means that certain limited liability company operating agreement of Campus LLC, in the form attached hereto as Exhibit D to this Agreement.

“Campus Real Property” means the real property known as and by the street number 3 Campus Drive, Parsippany NJ, 07054.

“Cash Contribution” means, as applicable, a Bedminster Cash Contribution, a Belmar Cash Contribution, Campus Cash Contribution, Jefferson Cash Contribution, Kimball Cash Contribution, Newark Cash Contribution, Rock Cash Contribution, 55 Corporate Cash Contribution, Transit Cash Contribution or Vreeland Cash Contribution.

“Control” (including the terms “controlled by” and “under common control with”), with respect to the relationship between or among two or more Persons, means the possession, directly or indirectly or as trustee, personal representative or executor, of the power to direct or cause the direction of the affairs or management of a Person, whether through the ownership of voting securities, as trustee, personal representative or executor, by contract, credit arrangement or otherwise.

“Economic Benefits and Burdens” means, with respect to any Non-Portfolio Property Interest, (i) the economic benefit of owning such Non-Portfolio Property Interest as if the applicable JV LLC owned such interest directly, including the benefit of any and all rights of the applicable Seller against any other party to the related limited liability company operating agreement, the right to receive an allocation of all profits which would otherwise be allocated to the applicable Seller and the right to receive all distributions received by the applicable Seller with respect to such Non-Portfolio Property Interest, and (ii) the economic burden of owning such Non-Portfolio Property Interest as if the applicable JV LLC owned such interest directly, including the obligation to make any capital contributions required by such limited liability company operating agreement and the allocation of all losses which would otherwise be allocated to the applicable Seller with respect to such Non-Portfolio Property Interest.

“Encumbrance” means any security interest, pledge, charge, option, right, hypothecation, mortgage, lien, claim or other encumbrance.

“Environmental Law” means any applicable federal, state, county or municipal statute, ordinance, rule, regulation, order, code, directive or requirement, together with all successor statutes, ordinances, rules, regulations, orders, codes, directives or requirements, of any Governmental Authority in any way related to Hazardous Materials.

“Governmental Authority” means any foreign, federal, national, supranational, state, provincial, local or other government, governmental, regulatory or administrative authority, agency, board, bureau, agency, instrumentality or commission or any court, tribunal, or judicial or arbitral body.

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“Governmental Order” means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

“Hazardous Materials” means (A) those substances included with the definitions of any or more of the terms “hazardous substances,” “toxic pollutants,” “hazardous materials,” “toxic substances,” and “hazardous waste” in the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq. (as amended), the Hazardous Materials Transportation Act, as amended, 49 U.S.C. Sections 1801 et seq., the Resource Conservation and Recovery Act of 1976 as amended, 42 U.S.C. Section 6901 et seq., Section 311 of the Clean Water Act, the New Jersey Environmental Rights Act, N.J.S.A. 2A:35A-1 et seq., the New Jersey Spill Compensation and Control Act, N.J.S.A. 58:10-23.11 et seq., the Industrial Site Recovery Act, N.J.S.A. 13:1K-6 et seq., the New Jersey Underground Storage of Hazardous Substances Act, N.J.S.A. 58:10A-21 et seq., and any similar state or federal laws or any regulations issued under any such laws and (B) petroleum, radon gas, lead based paint, asbestos or asbestos containing material and polychlorinated biphenyls.

“Indemnified Party” means a MCRAC Indemnified Party or a Seller Indemnified Party, as the case may be.

“Indemnifying Party” means the Sellers pursuant to Section 8.02 and MCRLP and MCRAC pursuant to Section 8.03, as the case may be.

“Jefferson LLC” means M-C Jefferson, LLC, a Delaware limited liability company to be formed in accordance with the provisions of this Agreement.

“Jefferson LLC Operating Agreement” means that certain limited liability company operating agreement of Jefferson LLC, in the form attached hereto as Exhibit E to this Agreement.

“Jefferson Real Property” means the real property known as and by the street number One Jefferson Road, Parsippany, NJ 07054.

“JV LLC’s” means Campus LLC, Kimball LLC, Jefferson LLC, Vreeland LLC, Bedminster LLC, Belmar LLC, Rock LLC, 55 Corporate LLC, Newark LLC and Transit LLC.

“Kimball LLC” means M-C Kimball, LLC, a Delaware limited liability company to be formed in accordance with the provisions of this Agreement.

“Kimball LLC Operating Agreement” means that certain limited liability company operating agreement of Kimball LLC, in the form attached hereto as Exhibit F to this Agreement.

“Kimball Real Property” means the real property known as and by the street number 100 Kimball Drive, Parsippany, NJ 07054.

“Law” means any foreign, federal, national, supranational, state, provincial, local or similar statute, law, ordinance, regulation, rule, code, order, requirement or rule of law (including common law) in effect as of the date hereof.

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“Liabilities” means any and all debts, liabilities and obligations, whether accrued or fixed, absolute or contingent, matured or unmatured or determined or determinable, including those arising under any Law, action or Governmental Order and those arising under any contract, agreement, arrangement, commitment or other undertaking. Liabilities include, with respect to any Non-Portfolio Property Interest, economic obligations, including the obligation to make any capital contributions required by such limited liability company operating agreement and the allocation of all losses which would otherwise be allocated to the applicable Seller.

“Limited Liability Company Operating Agreements” means the Bedminster LLC Operating Agreement, the Belmar LLC Operating Agreement, the Campus LLC Operating Agreement, the Jefferson LLC Operating Agreement, the Kimball LLC Operating Agreement, the Newark LLC Operating Agreement, the Rock LLC Operating Agreement, the 55 Corporate LLC, the Transit LLC Operating Agreement and the Vreeland LLC Operating Agreement.

“Morgan Stanley Interests” means, collectively, the following entities and their respective membership interests in MSGW: (a) Morgan Stanley Real Estate Fund III, LP — 14.940004%; (b) MSP Real Estate Fund, LP — 11.962302%; (c) Morgan Stanley Real Estate Investors III, LP — 0.69255%; (d) MSREF III Special Fund, LP — 14.548803%; and (e) MSP Co-Investment Partnership, LP — 7.189701%.

“Newark LLC” means M-C Newark, LLC, a Delaware limited liability company to be formed in accordance with the provisions of this Agreement.

“Newark LLC Operating Agreement” means that certain limited liability company operating agreement of Newark LLC, in the form attached hereto as Exhibit G to this Agreement.

“Newark Real Property” means the real property known as and by the name One Newark Center, street number 1085 Raymond Blvd, Newark NJ, 07102.

“Non-Portfolio Real Properties” means, collectively, the Bedminster Real Property, Belmar Real Property, Campus Real Property, Jefferson Real Property, Kimball Real Property, Newark Real Property, Rock GW Development Property, 55 Corporate Real Property, Transit Real Property and Vreeland Real Property.

“Optional Non-Portfolio Property Interests” means the Bedminster LLC Interest and the One Jefferson Road Interest.

“Permitted Encumbrances” means statutory liens for current Taxes not yet due or delinquent (or which may be paid without interest or penalties) or the validity or amount of which is being contested in good faith by appropriate proceedings.

“Person” means any individual, partnership, firm, corporation, limited liability company, joint venture, limited public company, limited liability partnership, association, trust, unincorporated organization or other entity, as well as any syndicate or group that would be deemed to be a person under Section 13(d)(3) of the Securities Exchange Act.

“Praedium” means The Praedium Group LLC and its Affiliates.

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“Purchase Agreement” means that certain Membership Interest Purchase and Contribution Agreement dated as of March 7, 2006, as amended, by and among SG, SCG Holding Corp., a Delaware corporation, MCRLP and MCRAC.

“Rock-GW Development Property” means that certain development property located in the Borough of Florham Park, New Jersey (Block 1401, Lot 1 and Block 1402, Lot 1) that Rock GW LLC is currently in contract to acquire.

“Rock GW Office Interest” means a portion of the Rock GW Interest representing approximately 600,000 square feet of office space to be developed at the Rock-GW Development Property.

“Rock LLC” means M-C Rock, LLC, a Delaware limited liability company to be formed in accordance with the provisions of this Agreement.

“Rock LLC Operating Agreement” means that certain limited liability company operating agreement of Rock LLC, in the form attached hereto as Exhibit H to this Agreement.

“Securities Act” means the Securities Act of 1933, as amended.

“Securities Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Tax” or “Taxes” mean all federal, state, county, local, foreign and other taxes of any kind whatsoever (including, without limitation, income, profits, premium, estimated, excise, sales, use, occupancy, gross receipts, franchise, ad valorem, severance, capital levy, production, transfer, license, stamp, environmental, withholding, employment, unemployment compensation, payroll related and property taxes, import duties and other governmental charges or assessments), whether or not measured in whole or in part by net income, and including deficiencies, interest, additions to tax or interest, and penalties with respect thereto, and including expenses associated with contesting any proposed adjustment related to any of the foregoing.

“Transit LLC” means M-C Transit, LLC, a Delaware limited liability company to be formed in accordance with the provisions of this Agreement.

“Transit LLC Operating Agreement” means that certain limited liability company operating agreement of Transit LLC, in the form attached hereto as Exhibit I to this Agreement.

“Transit Real Property” means the real property located at Newark Transit Village, Westinghouse Building, Newark NJ (Block 47, Lot 40).

“Vreeland LLC” means M-C Vreeland, LLC, a Delaware limited liability company to be formed in accordance with the provisions of this Agreement.

“Vreeland LLC Operating Agreement” means that certain limited liability company operating agreement of Vreeland LLC, in the form attached hereto as Exhibit J to this Agreement.

“Vreeland Real Property” means the real property known as and by the street number 12 Vreeland Road, Florham Park, NJ, 07932

Section 1.02. Definitions. The following terms have the meanings set forth in the Sections set forth below:

<u>Definition</u>	<u>Location</u>
“3 Campus Drive Interest”	Recitals
“12 Vreeland Interest”	Recitals
“55 Corporate Cash Contribution”	2.03(g)
“55 Corporate Interest”	Recitals
“100 Kimball Drive Interest”	Recitals
“Agreement”	Preamble
“Additional Funds”	Recitals
“Belmar Cash Contribution”	2.03(d)
“Belmar Interest”	Recitals
“Bedminster Cash Contribution”	2.05(a)
“Bedminster Interest”	Recitals
“Bedminster Option Period”	2.04(d)(iii)
“Binding Expert”	2.06(b)
“Campus Cash Contribution”	2.03(a)
“Closing”	4.01
“Closing Date”	4.01
“Funds”	Recitals
“Gale Expert”	2.06(b)
“Gale Investments”	Preamble
“Gale Urban”	Preamble
“GCF II”	Preamble
“GW Bedminster Interest”	Recitals
“Hills Drive”	2.04(d)(iii)
“Indemnification Threshold”	8.04(b)
“Jefferson Cash Contribution”	2.05(b)
“Kimball Cash Contribution”	2.03(b)
“Loss” or “Losses”	8.02
“MCRAC”	Preamble
“MCRAC Expert”	2.06(b)

“MCRAC Indemnified Party”	8.02
“MCRLP”	Preamble
“MSGW”	Preamble
“MY”	Preamble
“Newark Cash Contribution”	2.07(a)(ii)
“Newark Transit Village Interest”	Recitals
“Non-Portfolio Consents”	2.06(a)
“One Jefferson Option Period”	2.04(c)(ii)
“One Jefferson Road Interest”	Recitals
“One Newark Center Interest”	Recitals

Definition	Location
“Option Period”	2.04
“Organizational Documents”	5.07
“Non-Portfolio Property Interests”	Recitals
“Pluckemin Interest”	Recitals
“Remediation”	2.06(b)
“Rock Cash Contribution”	2.03(g)
“Rock GW Interest”	Preamble
“SG”	Preamble
“Seller” or “Sellers”	Preamble
“Seller Indemnified Party”	8.03
“Third Party Claim”	8.05(b)
“Transit Cash Contribution”	2.03(c)
“TW”	Preamble
“Vreeland Cash Contribution”	2.03(c)

Section 1.03. Interpretation and Rules of Construction. In this Agreement, except to the extent otherwise provided or that the context otherwise requires:

- (a) when a reference is made in this Agreement to an Article, Section, Exhibit or Schedule, such reference is to an Article or Section of, or an Exhibit or Schedule to, this Agreement unless otherwise indicated;
- (b) the table of contents and headings for this Agreement are for reference purposes only and do not affect in any way the meaning or interpretation of this Agreement;
- (c) whenever the words “include,” “includes” or “including” are used in this Agreement, they are deemed to be followed by the words “without limitation” whether or not they are in fact followed by such word or words of similar import;
- (d) the words “hereof,” “herein” and “hereunder” and words of similar import, when used in this Agreement, refer to this Agreement as a whole and not to any particular provision of this Agreement;
- (e) all terms defined in this Agreement have the defined meanings when used in any certificate or other document made or delivered pursuant hereto, unless otherwise defined therein;
- (f) the definitions contained in this Agreement are applicable to the singular as well as the plural forms of such terms;
- (g) references to a Person are also to its successors and permitted assigns;
- (h) the use of “or” is not intended to be exclusive unless expressly indicated otherwise;

- (i) references to “day” or “days” are to calendar days;
- (j) whenever used herein, the singular number shall include the plural, the plural shall include the singular, and the use of any gender shall be applicable to all genders; and
- (k) any reference in this Agreement to “writing” or comparable expressions includes a reference to facsimile transmission or comparable electronic (including e-mail) means of communication.

Article II
CONTRIBUTIONS

Section 2.01. Formation of the JV LLC’s. Immediately prior to each contribution set forth in Sections 2.02, 2.03, 2.04, 2.05 and 2.07 hereof, the parties hereto

shall (i) cause to be formed the applicable JV LLC by filing a certificate of formation with the Secretary of State of Delaware for such JV LLC, (ii) cause each such JV LLC to be duly qualified to do business in the State of New Jersey and (iii) execute and deliver the applicable Limited Liability Company Operating Agreement in the form of the applicable Exhibit attached hereto.

Section 2.02. Contribution of Non-Portfolio Property Interests. Upon the terms and subject to the conditions of this Agreement, at the applicable Closing, each of the Sellers shall contribute, convey, assign, transfer and deliver to each of the JV LLC's as a capital contribution, and the parties shall cause each of the JV LLC's to accept and to assume, from and after the applicable Closing with respect to such Non-Portfolio Property Interest, the applicable Non-Portfolio Property Interests as follows:

- (a) MSGW shall contribute, convey, assign, transfer and deliver to Campus LLC as a capital contribution, and upon such contribution, conveyance, assignment, transfer and delivery, the parties hereto shall cause Campus LLC to accept and assume, the 3 Campus Drive Interest;
- (b) GCF II shall contribute, convey, assign, transfer and deliver to Kimball LLC as a capital contribution, and upon such contribution, conveyance, assignment, transfer and delivery, the parties hereto shall cause Kimball LLC to accept and assume, the 100 Kimball Drive Interest;
- (c) GWV shall contribute, convey, assign, transfer and deliver to Vreeland LLC as a capital contribution, and upon such contribution, conveyance, assignment, transfer and delivery, the parties hereto shall cause Vreeland LLC to accept and assume, the 12 Vreeland Interest;
- (d) Gale Investments shall contribute, convey, assign, transfer and deliver to Belmar LLC as a capital contribution, and upon such contribution, conveyance, assignment, transfer and delivery, the parties hereto shall cause Belmar LLC to accept and assume, the Belmar Interest;
- (e) Gale Urban shall contribute, convey, assign, transfer and deliver to Transit LLC as a capital contribution, and upon such contribution, conveyance, assignment,

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transfer and delivery, the parties hereto shall cause Transit LLC to accept and assume, the Newark Transit Village Interest;

- (f) Gale Investments shall contribute, convey, assign, transfer and deliver to Rock LLC as a capital contribution, and upon such contribution, conveyance, assignment, transfer and delivery, the parties hereto shall cause Rock LLC to accept and assume, the Rock GW Office Interest; and
- (g) GCF II shall cause the contribution, conveyance, assignment, transfer and delivery to 55 Corporate LLC as a capital contribution, and upon such contribution, conveyance, assignment, transfer and delivery, the parties hereto shall cause 55 Corporate LLC to accept and assume, the 55 Corporate Interest.

Section 2.03. Contribution of Funds. Upon the terms and subject to the conditions of this Agreement, at the applicable Closing, MCRAC shall contribute and deliver to each of the applicable JV LLC's, and each of the parties hereto shall cause each of the applicable JV LLC's to accept, the Funds as follows:

- (a) MCRAC shall contribute and deliver to Campus LLC as a capital contribution, and the parties hereto shall cause Campus LLC to accept, the sum of Four Million Three Hundred Four Thousand Seven Hundred Ninety Dollars (\$4,304,790) in cash (the "Campus Cash Contribution");
- (b) MCRAC shall contribute and deliver to Kimball LLC as a capital contribution, and the parties hereto shall cause Kimball LLC to accept, the sum of Nine Hundred Ninety One Thousand Six Hundred Fifty Four Dollars (\$991,654) in cash (the "Kimball Cash Contribution");
- (c) MCRAC shall contribute and deliver to Vreeland LLC as a capital contribution, and the parties hereto shall cause Vreeland LLC to accept, the sum of Six Million Nine Hundred Twenty Thousand Nine Hundred Ninety Two Dollars (\$6,920,992) in cash (the "Vreeland Cash Contribution");
- (d) MCRAC shall contribute and deliver to Belmar LLC as a capital contribution, and the parties hereto shall cause Belmar LLC to accept, the sum of One Million Six Hundred Thirty Five Thousand One Hundred Thirty Three Dollars and Sixty One Cents (\$1,635,133.61) in cash (the "Belmar Cash Contribution");
- (e) MCRAC shall contribute and deliver to Transit LLC as a capital contribution, and the parties hereto shall cause Transit LLC to accept, the sum of Five Hundred Fifty One Thousand Eight Hundred Sixty Four Dollars (\$551,864) in cash to Transit LLC (the "Transit Cash Contribution");
- (f) MCRAC shall contribute and deliver to Rock LLC as a capital contribution, and the parties hereto shall cause Rock LLC to accept, an amount of cash as is equal to the product of \$17.50 multiplied by the actual number of square feet of rentable office space that Rock-GW LLC is approved to develop at the Rock-GW Development Property (the "Rock Cash Contribution"). Notwithstanding the foregoing, in the event that the resultant

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projected internal rate of return on the Rock Cash Contribution with respect to the Rock GW Interest shall be less than 10%, the Rock Cash Contribution shall be reduced to such amount as would cause the projected internal rate of return on the Rock Cash Contribution with respect to the Rock GW Interest to equal 10%, provided, however, if the Rock Cash Contribution shall be adjusted to an amount which is lower than an amount of cash as is equal to the product of \$12.50 multiplied by the actual number of square feet of rentable office space that Rock-GW LLC is approved to develop at the Rock-GW Development Property, Gale Investments shall have the right, exercisable in its sole discretion, to terminate each of its and MCRAC's obligations contained herein with respect to the Rock-GW Interest and this Agreement shall automatically terminate with respect to the Rock-GW Interest; and

- (g) MCRAC shall contribute and deliver to 55 Corporate LLC as a capital contribution, and the parties hereto shall cause 55 Corporate LLC to accept, the sum of Eight Million Five Hundred Thousand Dollars (\$8,500,000) in cash (the "55 Corporate Cash Contribution"); provided, however, if MCRAC, MCRLP or any of their Affiliates enter into an agreement with SL Green Corp., or any of its Affiliates the subject of which relates to the ownership, development and/or operation of the development known as "Meadowlands Xanadu" located at the Meadowlands Sports Complex in Secaucus, New Jersey on terms and conditions satisfactory to MCRAC, MCRLP or such of their applicable Affiliates, in their sole discretion (i) prior to the Closing of the 55 Corporate Interest, the 55 Corporate Cash Contribution shall be Ten Million Dollars (\$10,000,000) in cash, or (ii) after the Closing of the 55 Corporate Interest, MCRAC shall promptly pay to GCF II, or its designee, the sum of One Million Five Hundred Thousand Dollars (\$1,500,000) in cash.

Section 2.04. Option to Contribute the Optional Non-Portfolio Property Interests. Sellers hereby grant to MCRAC the right and option (exercisable individually or in the aggregate) to cause each of the applicable Sellers to contribute, convey, assign, transfer and deliver each of the Optional Non-Portfolio Property Interests at a Closing as follows:

- (a) MCRAC may require SG and MY to contribute, convey, assign, transfer and deliver to Bedminster LLC as a capital contribution, and upon such contribution, conveyance, assignment, transfer and delivery, the parties hereto shall cause Bedminster LLC to accept and assume, the Bedminster Interest; and
- (b) MCRAC may require GCF II to contribute, convey, assign, transfer and deliver to Jefferson LLC as a capital contribution, and upon such contribution, conveyance, assignment, transfer and delivery, the parties hereto shall cause Jefferson LLC to accept and assume, the One Jefferson Road Interest.
- (c) MCRAC shall be entitled to exercise one or more of the options specified in this Section 2.04 at any time and from time to time during the below option periods as follows:
 - (i) with respect to the One Jefferson Road Interest, ninety (90) days following the execution of a limited liability company operating agreement evidencing a joint venture by and between SG or one of his Affiliates and JP Morgan and its Affiliates with respect to the development of the Jefferson Real Property (the "One Jefferson Option Period"); and

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(ii) with respect to the Bedminster Interest, fifteen (15) days following receipt by Pluckemin Holdings LLC of notice given by 500 Hills Drive, L.L.C. ("Hills Drive") that Hills Drive intends to sell the Bedminster Real Property (the "Bedminster Option Period"), and collectively with the One Jefferson Option Period, the "Option Periods," and each an "Option Period").

MCRAC shall exercise each of the options specified in this Section 2.04 by delivering written notice of such exercise to the Sellers during the applicable Option Period. If MCRAC shall fail to exercise its option with respect to any Optional Non-Portfolio Property Interest prior to the expiration of the applicable Option Period, then, upon the expiration of such Option Period, MCRAC's option with respect to such Non-Portfolio Property Interest shall terminate and no longer be exercisable and this Agreement shall automatically terminate with respect to such Optional Non-Portfolio Property Interest.

Section 2.05. Contribution of Additional Funds. If MCRAC exercises an option with respect to an Optional Non-Portfolio Property Interest as specified in Section 2.04 hereof, at the applicable Closing, MCRAC shall contribute and deliver to each of the applicable JV LLC's, and the parties hereto shall cause each of the applicable JV LLC's to accept the Additional Funds as follows:

- (a) MCRAC shall contribute and deliver to Bedminster LLC as a capital contribution, and the parties hereto shall cause Bedminster LLC to accept, an amount in cash equal to the aggregate amount of capital contributions made by SG (and/or his Affiliates) and MY to the Bedminster Interest for the purchase by the Bedminster Interest of the Bedminster Real Property from Hills Drive (the "Bedminster Cash Contribution"); and
- (b) MCRAC shall contribute and deliver to Jefferson LLC as a capital contribution, and the parties hereto shall cause Jefferson LLC to accept, an amount in cash equal to the aggregate amount of capital contributions made by SG and his Affiliates to the One Jefferson Road Interest (the "Jefferson Cash Contribution").

Section 2.06. Conditions Precedent to the Obligations of MCRAC. The obligations of MCRAC to consummate the transactions with respect to any Non-Portfolio Property Interest (including any Optional Non-Portfolio Property Interest) shall be subject to the fulfillment or written waiver by MCRAC, in its sole and absolute discretion, at or prior to the applicable Closing, of the following conditions:

- (a) the receipt of the third-party consents more fully set forth in Schedule 5.05 hereto, which consents shall be necessary in order to contribute, convey, assign, transfer and deliver such Non-Portfolio Property Interest in accordance with the provisions of this Agreement (the "Non-Portfolio Consents"), in each case, in form and substance reasonably satisfactory to MCRAC;
- (b) with respect to the Rock GW Office Interest, the receipt of evidence reasonably satisfactory to MCRAC within twenty (20) days prior to Closing, of each of (i) all (final and nonappealable) approvals from applicable governmental or quasi-governmental authorities having jurisdiction over the Rock-GW Development Property, necessary to develop

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and rezone the Rock-GW Development Property in accordance with the development plans of Rock-GW LLC have been obtained, and (ii) confirmation that the environmental conditions identified at the Rock-GW Development Property have been remediated, or all necessary action to cause such remediation have been taken (the "Remediation"), as attested by an independent recognized environmental expert ("Gale Expert") appointed by Gale Investments with the consent of MCRAC, such consent not to be unreasonably delayed. If MCRAC does not consent to the appointment of such Gale Expert, MCRAC shall promptly appoint an independent recognized environmental expert ("MCRAC Expert") to review the Remediation. If the Gale Expert and the MCRAC Expert are unable to agree as to the status of the Remediation, the Gale Expert and the MCRAC Expert shall jointly appoint an independent recognized environmental expert (the "Binding Expert") which shall determine the status of the Remediation. The decision of the Binding Expert shall be final, binding and conclusive on MCRAC and the Sellers. The costs of each of the Gale Expert, the MCRAC Expert and the Binding Expert shall be paid one half by each of MCRAC and Gale Investments;

(c) with respect to the 3 Campus Drive Interest, the receipt of evidence reasonably satisfactory to MCRAC that GW Real Estate Fund III LLC, using \$915,000 from the Campus Cash Contribution, has exercised its option pursuant to that certain letter agreement, dated October 19, 2005, between Mr. Stanley C. Gale, on behalf of The Gale Company L.L.C. and the various Gale entities and affiliates, and John P. Buza, on behalf of Morgan Stanley Real Estate Fund II & III and affiliates, to acquire the Morgan Stanley Interests for a purchase price of \$915,000.00 and has unconditionally acquired the Morgan Stanley Interests, such that GW Real Estate Fund III LLC shall hold a 50.00001% Percentage Interest in MSGW;

(d) with respect to the 55 Corporate Interest:

- (i) Gale 55 Corporate Drive LLC or one if its Affiliates shall have conveyed the equity interests in Gale SLG 55 Corporate Drive LLC to Gramercy Capital Corp. or one of its Affiliates;

- (ii) the equity interests of Principal Enhanced Property Fund, L.P. in 55 Corporate REIT, LLC shall have been conveyed to Gale SLG Corporate Drive LLC;
- (iii) GCF II shall have been conveyed a 50% interest in Gale 55 Corporate Associates II LLC (or such entity as shall hold the 55 Corporate Real Property);
- (iv) the outstanding membership interests in Gale 55 Corporate Associates II LLC is not then held by any party other than GCF II, SL Green Corp., Gramercy Capital Corp. or any of their respective Affiliates; and
- (v) MCRAC or its Affiliates shall have the right to develop the 55 Corporate Real Property.
- (e) the consummation of the transactions contemplated by the Purchase Agreement (provided, that the condition specified in this clause (e) shall also be a condition to the obligations of the Sellers).

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Section 2.07. One Newark Center Interest.

(a) If Praedium enters into a joint venture agreement with SG or his Affiliates and pays MCRAC at least \$500,000 in connection therewith, the subject of which relates to the ownership, development and/or operation of the Newark Real Property, then as promptly as practicable following the execution of such agreement:

- (i) Gale Investments shall contribute, convey, assign, transfer and deliver to Newark LLC as a capital contribution, and upon such contribution, conveyance, assignment, transfer and delivery, the parties hereto shall cause Newark LLC to accept and assume, the One Newark Center Interest;
- (ii) MCRAC shall contribute and deliver to Newark LLC as a capital contribution, and the parties hereto shall cause Newark LLC to accept, an amount in cash equal to the aggregate amount of capital contributions, up to \$1,000,000, made by SG and his Affiliates to the One Newark Center Interest (the "Newark Cash Contribution");
- (iii) the parties hereto shall cause Newark LLC to issue and deliver to Gale Investments the membership interests contemplated to be delivered to Gale Investments by the Newark LLC Operating Agreement;
- (iv) the parties hereto shall cause Newark LLC to issue and deliver to MCRAC the membership interests contemplated to be delivered to MCRAC by the Newark LLC Operating Agreement; and
- (v) MCRAC as Manager of Newark LLC shall cause Newark LLC to make a special distribution to Gale Investments of an amount in cash equal to the Newark Cash Contribution.

(b) If Praedium enters into a joint venture agreement with MCRAC or its Affiliates, the subject of which relates to the ownership, development and/or operation of the Newark Real Property, then as promptly as practicable following the execution of such agreement:

- (i) MCRAC shall contribute, convey, assign, transfer and deliver to Newark LLC as a capital contribution, and upon such contribution, conveyance, assignment, transfer and delivery, the parties hereto shall cause Newark LLC to accept and assume, 100% of the equity interests in such entity that owns (directly or indirectly) an interest in the Newark Real Property;
- (ii) the parties hereto shall cause Newark LLC to issue and deliver to Gale Investments the membership interests contemplated to be delivered to Gale Investments by the Newark LLC Operating Agreement; and
- (iii) the parties hereto shall cause Newark LLC to issue and deliver to MCRAC the membership interests contemplated to be delivered to MCRAC by the Newark LLC Operating Agreement.

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(c) Each of MCRAC and MCRLP hereby acknowledge and agree that the payment received by MCRAC (or any of its Affiliates) from Praedium in connection with any joint venture agreement relating to the Newark Real Property shall be included in the calculation of "Gross Income" of The Gale Services Company, L.L.C., solely for the purposes of calculating any Earnout Payment contemplated by Exhibit D of that certain Membership Interest Purchase and Contribution Agreement, dated as of March 7, 2006, as amended, by and among SG, SCG Holding Corp., MCRAC and MCRLP.

Article III
ISSUANCE OF MEMBERSHIP INTERESTS

Section 3.01. Issuance of Membership Interests to Sellers. Upon the terms of this Agreement, in exchange for the contribution by each of the Sellers of the applicable Non-Portfolio Property Interests, at each Closing the parties hereto shall cause each applicable JV LLC to issue and deliver to each of the applicable Sellers (or their designee) the membership interests contemplated to be delivered to each of the applicable Sellers by the applicable Limited Liability Company Operating Agreement.

Section 3.02. Issuance of Membership Interests to MCRAC. Upon the terms of this Agreement, in exchange for the contribution by MCRAC of the applicable portion of the Funds or the Additional Funds to the applicable JV LLC, at each Closing the parties hereto shall cause each applicable JV LLC to issue and deliver to MCRAC the membership interests contemplated to be delivered to MCRAC by the applicable Limited Liability Company Operating Agreement.

Article IV
CLOSING

Section 4.01. Closing Date. Upon the terms and subject to the satisfaction or waiver of the conditions of this Agreement, each conveyance of a Non-Portfolio Property Interest, contribution of Funds or Additional Funds and issuance of a membership interest from a JV LLC in accordance with the provisions of Articles II and III hereof shall take place at a closing (each, a “Closing”) to be held at the offices of Greenberg Traurig, LLP, the MetLife Building, 200 Park Avenue, New York, NY 10166 on the fifth (5th) Business Day after the satisfaction or waiver of the conditions to the obligations of the parties specified in Section 2.06 hereof or at such other date or location as is mutually agreed to by the parties. Notwithstanding the foregoing, to the extent practicable, the parties hereby agree to consummate each Closing simultaneously with or as promptly as practicable after the closing of the Purchase Agreement, subject to the receipt of the applicable Non-Portfolio Consents in accordance with Section 2.06(a) hereof. The time and date on which each Closing is held is referred to herein as a “Closing Date.” Each Closing, and all transactions to occur at such Closing, shall be deemed to have taken place at 12:01 a.m., Eastern time, on the Closing Date. The parties acknowledge that multiple Closings may occur as contemplated by Sections 7.03 and 7.04 hereof.

Section 4.02. Closing Deliveries. At each Closing, in addition to the delivery of the applicable Non-Portfolio Property Interests and the applicable Funds or Additional Funds, MCRAC and each of the Sellers shall deliver to each other each of the applicable Limited Liability Company Operating Agreements, duly executed by MCRAC and each of the applicable

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Sellers. The Sellers shall also deliver the applicable Non-Portfolio Consents, each in form and substance reasonably satisfactory to MCRAC at each Closing in accordance with the terms of this Agreement.

Section 4.03. Special Distributions of the JV LLC's. At each Closing, the applicable JV LLC shall, and MCRAC as Manager of each of the JV LLC's shall cause the applicable JV LLC to, make the following distributions as applicable:

- (a) Campus LLC shall distribute to MSGW an amount in cash equal to the Campus Cash Contribution, and MSGW shall use \$915,000 of such amount to exercise the option specified in Section 2.06(c);
- (b) Kimball LLC shall distribute to GCF II an amount in cash equal to the Kimball Cash Contribution;
- (c) Jefferson LLC shall distribute to GCF II an amount in cash equal to the Jefferson Cash Contribution;
- (d) Vreeland LLC shall distribute to GWV an amount in cash equal to the Vreeland Cash Contribution;
- (e) Bedminster LLC shall distribute to SG and MY an aggregate amount in cash equal to the Bedminster Cash Contribution in such amounts as agreed to by SG and MY;
- (f) Belmar LLC shall distribute to Gale Investments an amount in cash equal to the Belmar Cash Contribution;
- (g) Transit LLC shall distribute to Gale Urban an amount in cash equal to the Transit Cash Contribution;
- (h) 55 Corporate LLC shall distribute to GCF II's designee an amount in cash equal to the 55 Corporate Cash Contribution; and
- (i) Rock LLC shall distribute to Gale Investments an amount in cash equal to the Rock Cash Contribution.

Article V
REPRESENTATIONS AND WARRANTIES
OF THE SELLERS

Each of the Sellers hereby, severally and not jointly, represents and warrants to MCRAC and MCRLP as of the date hereof and as of each Closing (except as expressly provided otherwise in Section 5.02(b)(viii)), as follows:

Section 5.01. Organization, Authority and Qualification of the Sellers.

(a) Each of the Sellers that is a limited liability company (i) is duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, (ii) has all

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necessary power and authority to enter into this Agreement and the applicable JV LLC Agreements, to carry out its obligations hereunder and to consummate the transactions contemplated hereby.

(b) The execution and delivery of this Agreement and the applicable JV LLC Agreements, by each of the Sellers that is a limited liability company, the performance of its obligations hereunder and the consummation by it of the transactions contemplated hereby, have been duly authorized by all requisite action on the part of such Seller and no other action by such Seller is necessary to authorize the transactions contemplated hereby or to consummate such transactions.

(c) This Agreement has been duly executed and delivered by each Seller, and (assuming due authorization, execution and delivery by the other parties thereto) this Agreement constitutes a legal, valid and binding obligation of each Seller, enforceable against such Seller in accordance with its respective terms.

Section 5.02. Ownership of the Membership Interests: Real Property.

(a) Each Seller has good and marketable title to, and is the lawful record and beneficial owner of, the applicable Non-Portfolio Property Interest, free and clear of all Encumbrances other than Permitted Encumbrances.

(b) As of the date hereof:

(i) Gale Investments is the sole owner of the Belmar Interest.

(ii) Gale Broad Street, LLC, has a 50% Membership Rights in Broad Street Redevelopment LLC. For purposes of this Section 5.02(b)(ii), the term "Membership Rights" has the meaning ascribed to such term in the operating agreement of Broad Street Redevelopment LLC.

(iii) Gale Investments has a 50% Membership Interest in Rock-GW LLC. For purposes of this Section 5.02(b)(iii), the term "Membership Interest" has the meaning ascribed to such term in the operating agreement of Rock-GW LLC.

(iv) GWV has a 50% Interest in 12 Vreeland Associates LLC. For purposes of this Section 5.02(b)(iv), the term "Interest" has the meaning ascribed to such term in the operating agreement of 12 Vreeland Associates LLC.

(v) GCF II has a 33.33% LLC Interest in Gale Kimball LLC, and Gale Kimball LLC has a 25% Percentage Interest in 100 Kimball Drive LLC. For purposes of this Section 5.02(b)(v), the term "LLC Interest" has the meaning ascribed to such term in the operating agreement of Gale Kimball LLC, and the term "Percentage Interest" has the meaning ascribed to such term in the operating agreement of 100 Kimball Drive LLC.

(vi) GW Real Estate Fund III LLC has a .66665% Percentage Interest in MSGW. By letter agreement executed October 20, 2005, The Gale Company L.L.C. and its Affiliates were granted an option to acquire Morgan Stanley's interest in the 3 Campus project

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for \$915,000, and upon such exercise, GW Real Estate Fund III LLC will hold a 50.00001% Percentage Interest in MSGW. For purposes of this Section 5.02(b)(vi), the term "Percentage Interest" has the meaning ascribed to such term in the operating agreement of MSGW.

(vii) No limited liability company operating agreement exists for either the One Jefferson Road Interest or the One Newark Center Interest.

(viii) As of the date hereof, Gale 55 Corporate Associates II LLC is the sole owner of the 55 Corporate Real Property.

(c) To the actual knowledge of SG, as of the date hereof:

(i) One Campus Associates LLC is the sole owner of the Campus Real Property.

(ii) 100 Kimball Drive LLC is the sole owner of the Kimball Real Property.

(iii) Gale 55 Corporate Associates II LLC is the owner of the 55 Corporate Real Property.

Section 5.03. No Conflict. The execution, delivery and performance of this Agreement by each Seller does not and will not (a) violate, conflict with or result in the breach of the certificate of formation or operating agreement (or similar organizational documents) of such Seller, (b) conflict with or violate, in any material respect, any Law or Governmental Order applicable to such Seller or (c) except as would not adversely affect the ability of such Seller to carry out its obligations under, and to consummate the transactions contemplated by, this Agreement and assuming the Non-Portfolio Consents listed in Schedule 5.05 hereto shall have been obtained, conflict with, violate or breach any agreement to which such Seller is a party.

Section 5.04. Litigation. No action by or against any Seller is pending or, to the knowledge of such Seller, threatened, which could affect the legality, validity or enforceability of this Agreement or the consummation of the transactions contemplated hereby. Other than as set forth on Schedule 5.04, to the actual knowledge of SG, there are no lawsuits or proceedings pending or threatened in writing which would have a material adverse effect on the Belmar Real Property, Campus Real Property, Kimball Real Property, 55 Corporate Real Property, Rock GW Development Property or Transit Real Property, other than claims fully covered by insurance.

Section 5.05. Consents. Subject to obtaining the Non-Portfolio Consents listed in Schedule 5.05 hereto, each Seller has the absolute right to transfer to the JV LLC's the Non-Portfolio Property Interests. No consent of any third party other than those listed in Schedule 5.05 hereto is required to be obtained in order for the Sellers to transfer the Non-Portfolio Property Interests to the JV LLC's, to transfer the JV LLC interests to MCRAC and MCRLP and to consummate the transactions contemplated by this Agreement.

Section 5.06. Entity Status. Each entity which holds a Non-Portfolio Property Interest, has at all times been classified and treated as a partnership or disregarded entity and not as an

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association taxable as a corporation for federal income tax purposes in each state and local jurisdiction in which it files Tax Returns.

Section 5.07. Documents. Other than as set forth on Schedule 5.07, each Seller has delivered or made available to MCRAC and MCRLP true and complete copies (in either paper or electronic form) of the organizational documents of each such Seller that is an entity and the entities comprising the Non-Portfolio Property Interests (the "Organizational Documents"). The Organizational Documents are true, complete and correct, in all material respects, and constitute all of the material documents, agreements and instruments with respect to the formation, governance, management and organization of each of the Sellers and the entities owning, directly or indirectly, the Non-Portfolio Property Interests. The Organizational Documents have not been amended, modified, supplemented, terminated or otherwise changed.

Section 5.08. Right To Transfer. Subject to obtaining the Non-Portfolio Consents listed in Schedule 5.05 hereto, each Seller has the right under the applicable governing documents to transfer the applicable Economics Benefits and Burdens of the applicable Non-Portfolio Property Interest without constituting a default under any of the applicable governing documents.

Section 5.09. Capital Contribution. MCRAC will not have any obligation to make a capital contribution to any JV LLC attributable to leasing commissions,

tenant improvement costs and any other leasing costs for leases in place at the applicable Closing in such JV LLC except that MCRAC may be required to make such capital contributions to any JV LLC attributable to leasing commissions, tenant improvement costs and any other leasing costs arising from any extension or expansion of any premises owned by a JV LLC, and occurring after any Closing.

Section 5.10. Liabilities. There are no Liabilities of any Seller of any nature which relate to the Non-Portfolio Property Interests other than the Liabilities (a) expressly set forth in this Agreement and in the schedule attached hereto as Schedule 5.10 or (b) otherwise permitted to be incurred under this Agreement. Except as set forth in Schedule 5.10 hereto, there are no other Liabilities relating to (x) any Non-Portfolio Property Interest, (y) any related membership interest, or (z) to the actual knowledge of SG, the Non-Portfolio Real Properties, other than trade liabilities which would not have a material adverse effect on the applicable Non-Portfolio Real Properties. Each Seller shall provide MCRAC and MCRLP with notice of any such Liabilities arising from and after the date of this Agreement and not appearing on Schedule 5.10 hereto other than those Liabilities arising in the normal course of owning and operating the Non-Portfolio Real Properties. All such Liabilities shall be subject to the prior written approval of MCRAC. From and after the Closing of a Non-Portfolio Property Interest, the applicable Seller shall not be subject to any Liabilities relating to such Non-Portfolio Property Interest other than those assumed by JV LLC pursuant to the provisions of this Agreement.

Section 5.11. Compliance. Except as would not adversely affect the ability of such Seller to carry out its obligations under, and to consummate the transactions contemplated by, this Agreement, each Seller is in compliance, in all material respects, with all laws, regulations and agreements applicable to such Seller, including any applicable agreement to which such Seller is a party or is subject or which is binding upon it or its respective Non-Portfolio Real Property.

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Section 5.12. Brokerage Agreement. To the actual knowledge of SG, there are no agreements with brokers or agents for the leasing of space at the Kimball Real Property.

Section 5.13. Leasing Commissions; Tenant Improvements. To the actual knowledge of SG, other than as set forth on Schedule 5.13, there are no obligations for leasing commissions or tenant improvements affecting the Belmar Real Property, Campus Real Property, Kimball Real Property, Rock GW Development Property or Transit Real Property.

Section 5.14. Environmental. To the actual knowledge of SG, the applicable Sellers have not received written notice from a Governmental Authority of a violation of any Environmental Law with respect to either the 55 Corporate Real Property, Kimball Real Property or the Campus Real Property that has not been cured.

Section 5.15. Zoning. To the actual knowledge of SG, none of the applicable Sellers has received written notice from any Governmental Authority of (i) any pending, threatened or contemplated annexation or condemnation proceedings, or private purchase in lieu thereof, materially adversely affecting or which may materially adversely affect any of the Belmar Real Property, Campus Real Property, Kimball Real Property, 55 Corporate Real Property, Rock GW Development Property or Transit Real Property, (ii) any proposed or pending proceeding to materially adversely change or redefine the zoning classification of all or any part of the Belmar Real Property, Campus Real Property, Kimball Real Property, 55 Corporate Real Property, Rock GW Development Property or Transit Real Property, (iii) any proposed or pending special assessments affecting any of the Belmar Real Property, Campus Real Property, Kimball Real Property, 55 Corporate Real Property, Rock GW Development Property or Transit Real Property or any portion thereof, (iv) any penalties or interest due with respect to real estate taxes assessed against any of the Belmar Real Property, Campus Real Property, Kimball Real Property, 55 Corporate Real Property, Rock GW Development Property or Transit Real Property, and (v) any proposed change(s) in any road or grades with respect to the roads providing a means of ingress and egress to any of the Belmar Real Property, Campus Real Property, Kimball Real Property, 55 Corporate Real Property, Rock GW Development Property or Transit Real Property.

Section 5.16. Tax Certiorari Proceedings. To the actual knowledge of SG, Schedule 5.16 sets forth all pending proceeds for tax certiorari with respect to any of Belmar Real Property, Campus Real Property, Kimball Real Property, 55 Corporate Real Property, Rock GW Development Property or Transit Real Property.

Section 5.17. Surveys. To the actual knowledge of SG, Schedule 5.17 sets forth all current surveys with respect to the Kimball Real Property that are in the possession or control of GCF II. Complete copies of the surveys listed on Schedule 5.17 have been provided or made available to MCRAC.

Section 5.18. Private Letter Rulings. To the actual knowledge of SG, none of the applicable Sellers are subject to any private letter ruling of the Internal Revenue Service or comparable rulings of another taxing authority.

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Section 5.19. Foreign Person. None of the Sellers is a foreign person within the meaning of Section 1445 of the Internal Revenue Code of 1986, as amended, or any other laws requiring withholding of amounts paid to foreign persons.

Section 5.20. Due Diligence Information. SG has no actual knowledge that any information made available to MCRAC and MCRLP by SG or any Seller in connection with the transactions contemplated by this Agreement is not the true, accurate and complete understanding of SG, in all material respects, relating to the Non-Portfolio Property Interests.

Article VI
REPRESENTATIONS AND WARRANTIES
OF MCRAC AND MCRLP

Each of MCRAC and MCRLP hereby, severally and not jointly, represents and warrants to the Sellers as of the date hereof and as of each Closing, as follows:

Section 6.01. Organization and Authority of MCRAC and MCRLP.

(a) MCRAC is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation. MCRLP is a limited partnership, duly organized, validly existing and in good standing under the laws of its jurisdiction of organization. Each of MCRAC and MCRLP has all necessary power and authority to enter into this Agreement, to carry out its obligations hereunder and to consummate the transactions contemplated hereby.

(b) The execution and delivery by each of MCRAC and MCRLP of this Agreement, the performance of their obligations hereunder and the

consummation of the transactions contemplated hereby by MCRAC and MCRLP have been duly authorized by all requisite corporate or partnership action on the part of MCRAC and MCRLP, as applicable.

(c) This Agreement has been duly executed and delivered by MCRAC and MCRLP, and (assuming due authorization, execution and delivery by the other parties thereto) this Agreement constitutes the legal, valid and binding obligations of MCRAC and MCRLP, enforceable against each of them in accordance with its terms.

Section 6.02. No Conflict. The execution, delivery and performance of this Agreement by each of MCRAC and MCRLP do not and will not (a) violate, conflict with or result in the breach of the certificate of incorporation, bylaws, certificate of organization, operating agreement, partnership agreement (or similar organizational documents) of MCRAC or MCRLP, (b) conflict with or violate, in any material respect, any Law or Governmental Order applicable to MCRAC or MCRLP, (c) except as would not adversely affect the ability of each of MCRAC and MCRLP to carry out its obligations under, and to consummate the transactions contemplated by, this Agreement conflict with, violate or breach any agreement to which either MCRAC or MCRLP is a party.

Section 6.03. Litigation. No action by or against MCRLP or MCRAC is pending or, to the knowledge of MCRLP or MCRAC, threatened, which could affect the legality, validity or enforceability of this Agreement or the consummation of the transactions contemplated hereby.

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Section 6.04. Independent Investigation; Representations. Each of MCRLP and MCRAC has conducted its own independent investigation, review and analysis of the operations, results of operations, financial condition and prospects of the Non-Portfolio Property Interests, which investigation, review and analysis was done by each of MCRLP and MCRAC and its Affiliates and representatives. Each of MCRLP and MCRAC acknowledges that it and its representatives have been provided adequate access to the personnel, properties, premises and records of the Sellers for such purpose. In entering into this Agreement, each of MCRLP and MCRAC acknowledges that it has relied solely upon the aforementioned investigation, review and analysis and not on any factual representations or opinions of the Sellers or its representatives (except the specific representations and warranties of the Sellers set forth in Article V). Each of MCRAC and MCRLP hereby acknowledge and agree that (a) other than the representations and warranties made in Article V, none of the Sellers, their Affiliates, or any of their respective officers, directors, employees or representatives make or have made any representation or warranty, express or implied, at law or in equity, with respect to the Non-Portfolio Property Interests, and (b) other than the indemnification obligations of the Sellers set forth in Article VIII, none of the Sellers, their Affiliates, or any of their respective officers, directors, employees or representatives will have or be subject to any liability or indemnification obligation to MCRAC, MCRLP or to any other Person resulting from the distribution to MCRLP or MCRAC, its Affiliates or representatives of, or the their use of, any information relating to the Non-Portfolio Property Interests, including any information, documents or material made available to MCRLP or MCRAC, whether orally or in writing, in data rooms, management presentations, break-out discussions, responses to questions submitted on behalf of MCRLP or MCRAC or in any other form in expectation of the transactions contemplated by this Agreement.

Article VII ADDITIONAL AGREEMENTS

Section 7.01. Notification of Certain Matters. Each party shall promptly notify the other parties in writing of any action, suit or proceeding that shall be instituted or threatened against such party to restrain, prohibit or otherwise challenge the legality of any transaction contemplated by this Agreement.

Section 7.02. Further Action. The parties hereto shall use all reasonable efforts to take, or cause to be taken, all appropriate action, to do or cause to be done all things necessary, proper or advisable under applicable Law, and to execute and deliver such documents and other papers, as may be required to carry out the provisions of this Agreement and consummate and make effective the transactions contemplated by this Agreement. The parties hereto hereby agree that if the applicable Seller has management rights with respect to a leased premises as contemplated by Section 5.09 hereof, MCRAC shall have the right to advise and consult with such Seller prior to (i) any such lease extension or expansion of leased premises, (ii) any capital contribution made by such Seller, and (iii) major management decisions.

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Section 7.03. Third-Party Consents; Additional Closings; Buy-Sell

(a) Each of the Sellers hereby agree to use their commercial best efforts to obtain the Non-Portfolio Consents.

(b) In the event that any Non-Portfolio Consent is not obtained at or prior to the closing of the Purchase Agreement, the parties agree that additional Closings shall occur to effect the consummation of the transactions with respect to the applicable Non-Portfolio Property Interests (i) during the ninety (90) day period following the closing of the Purchase Agreement, or (ii) with respect to any Optional Non-Portfolio Property Interest, during the applicable Option Period as provided for in Section 2.04, in each case, promptly upon the receipt of the applicable Non-Portfolio Consents.

(c) In the event that any Non-Portfolio Consent is not obtained within ninety (90) days following the closing of the Purchase Agreement (or (i) with respect to the Rock GW Office Interest, within thirty (30) days following the satisfaction of the conditions set forth in Section 2.06(b), (ii) with respect to the 55 Corporate Interest, within thirty (30) days following the satisfaction of the conditions set forth in Section 2.06(d), and (iii) with respect to any Optional Non-Portfolio Property Interest, within the applicable Option Period), MCRAC shall have the right and the option to exercise any of the following: (1) require the applicable Sellers to promptly thereafter implement any relevant "buy-sell" provisions with respect to the corresponding Non-Portfolio Property Interest, (2) cause the contribution of the Economic Benefits and Burdens of the applicable Non-Portfolio Property Interests to the applicable JV LLC's or (3) agree to terminate its obligations to purchase the applicable Non-Portfolio Property Interests and release the applicable Sellers from their obligations to contribute such Non-Portfolio Property Interests, by delivering written notice of such exercise to the applicable Sellers within two (2) Business Days thereafter. If MCRAC shall fail to deliver a timely notice within said two (2) Business Day period, then this Agreement shall automatically terminate with respect to any Non-Portfolio Property Interest (including any Optional Non-Portfolio Property Interest) for which a Closing shall not have occurred. MCRAC shall, if requested by the applicable Sellers, promptly furnish such Sellers with written evidence acknowledging such automatic termination.

(d) In the event MCRAC shall require the applicable Sellers to implement any relevant "buy-sell" provisions with respect to the corresponding Non-Portfolio Property Interests, then such "buy-sell" shall be at a price not less than the amount of the applicable Cash Contribution for such Non-Portfolio Property Interest (provided, that if MCRAC shall specify a higher price, the applicable Sellers shall implement such "buy-sell" provisions at such higher price). If the other party to the "buy-sell" shall agree to acquire the applicable Non-Portfolio Property Interest at the price offered by the applicable Sellers, then the applicable Sellers shall sell such Non-Portfolio Property Interest to such other party at the specified purchase price (and shall turn over to MCRAC any portion of consideration received which is in excess of such applicable Cash Contribution). If the other party to the "buy-sell" shall require the applicable Sellers to acquire such other party's interest, then MCRAC shall, and MCRLP shall cause MCRAC to, acquire both such other party's interest (at the price specified by the applicable Sellers to the other party) and the applicable Sellers' interest (at the price equal to the applicable Cash Contribution). In addition, MCRAC shall, and MCRLP shall cause MCRAC to, reimburse

the applicable Sellers for all reasonable costs and expenses incurred by the applicable Sellers in implementing and consummating the “buy-sell” contemplated hereby.

Section 7.04. Assignment of Economic Interests. In the event MCRAC shall elect to accept the Economic Benefits and Burdens of the applicable Non-Portfolio Property Interest in accordance with the provisions of Section 7.03(c) hereof, the parties hereto hereby acknowledge and agree that the parties shall consummate the transactions as contemplated by this Agreement with respect to such Non-Portfolio Property Interest, except that the applicable Sellers shall contribute to the applicable JV LLC’s solely the Economic Benefits and Burdens of each such Non-Portfolio Property Interests (and such additional rights as may be granted pursuant to the applicable Limited Liability Company Operating Agreement) and in no event shall the transactions contemplated by this Agreement constitute a sale, assignment, transfer, pledge, hypothecation, encumbrance, disposal, loan, gift, attachment, levy or other disposition with respect to such Non-Portfolio Property Interests. In addition, the parties shall enter into a Limited Liability Company Operating Agreement substantially in the form of Exhibit K attached hereto for such Non-Portfolio Property Interests.

Section 7.05. Effect of Termination. Notwithstanding anything contained herein to the contrary, if MCRAC terminates its obligations to purchase a Non-Portfolio Property Interest as specified in Section 7.03(c) or shall fail to timely exercise its option with respect to any Optional Non-Portfolio Property Interest as specified in Section 2.04, (i) nothing contained in this Agreement or in the Purchase Agreement shall prohibit the applicable Sellers from owning such Non-Portfolio Property Interest and operating the Non-Portfolio Real Properties related to such Non-Portfolio Property Interest, and (ii) MCRAC shall be released from any and all obligations and restrictions (including without limitation, any restriction on competition) relating to such Non-Portfolio Property Interest or Optional Non-Portfolio Property Interest.

Section 7.06. Development of Jefferson Real Property. Notwithstanding anything contained herein to the contrary, each of MCRAC and MCRLP hereby agree that, if MCRAC, MCRLP or any of their Affiliates shall enter into any agreement or other arrangement with JP Morgan or any of its Affiliates the subject of which relates to the development of the Jefferson Real Property, then:

(a) MCRAC, MCRLP or their applicable Affiliate, shall contribute, convey, assign, transfer and deliver to Jefferson LLC as a capital contribution, and upon such contribution, conveyance, assignment, transfer and delivery, the parties hereto shall cause Jefferson LLC to accept and assume, 100% of the equity interests in such entity that owns (directly or indirectly) an interest in the Jefferson Real Property;

(b) the parties hereto shall cause Jefferson LLC to issue and deliver to GCF II the membership interests contemplated to be delivered to GCF II by the Jefferson LLC Operating Agreement; and

(c) the parties hereto shall cause Jefferson LLC to issue and deliver to MCRAC, MCRLP or their applicable Affiliate the membership interests contemplated to be delivered to MCRAC, MCRLP or their applicable Affiliate by the Jefferson LLC Operating Agreement.

Section 7.07. Reimbursement for MCRAC Employee Assistance. To the extent any employee of MCRAC or its Affiliates assists the Sellers with the procurement of any approvals related to the Rock-GW Development Property, SG shall promptly reimburse MCRAC or its Affiliates the actual cost to MCRAC or its Affiliates of such services.

Article VIII INDEMNIFICATION

Section 8.01. Survival of Representations and Warranties. The representations and warranties of the parties hereto contained in this Agreement shall survive the Closing for a period of nine (9) months after the Closing of the applicable Non-Portfolio Property Interest; provided, that any claim made with reasonable specificity by the party seeking to be indemnified within the time periods set forth in this Section 8.01 shall survive until such claim is finally and fully resolved. All covenants and agreements contained herein shall remain in full force and effect for a period of nine (9) months following the Closing of the applicable Non-Portfolio Property Interest; provided, however, that any claim made with reasonable specificity by the party seeking to be indemnified within the time periods set forth in this Section 8.01 shall survive until such claim is finally and fully resolved. Notwithstanding the foregoing, (i) the representations and warranties contained in Sections 5.05 and 5.08 shall survive the Closing for a period of three (3) years after the Closing of the applicable Non-Portfolio Property Interest, and (ii) the representations and warranties contained in Sections 5.01, 5.02, 5.06 and 6.01 shall survive the Closing indefinitely, subject only to any applicable statute of limitations.

Section 8.02. Indemnification by the Sellers. Subject to Section 8.04, MCRLP, MCRAC and their Affiliates, officers, directors, employees, agents, successors and assigns (each, a “MCRAC Indemnified Party”) shall be indemnified and held harmless by each Seller, severally and not jointly, for and against all losses, damages, claims, costs and expenses, interest, awards, judgments and penalties (including reasonable attorneys’ and consultants’ fees and expenses) actually suffered or incurred by them (hereinafter, a “Loss” or, collectively “Losses”), arising out of or resulting from: (a) the breach of any representation or warranty made by each Seller contained in this Agreement or (b) the breach of any covenant or agreement by each Seller contained in this Agreement.

Section 8.03. Indemnification by MCRAC. Subject to Section 8.04, the Sellers and their Affiliates, officers, directors, employees, agents, successors and assigns (each, a “Seller Indemnified Party”) shall be indemnified and held harmless by MCRLP and MCRAC, jointly and severally, for and against any and all Losses, arising out of or resulting from: (a) the breach of any representation or warranty made by MCRAC or MCRLP contained in this Agreement, or (b) the breach of any covenant or agreement by MCRAC or MCRLP contained in this Agreement.

Section 8.04. Limits on Indemnification.

(a) No claim may be asserted nor may any Action be commenced against either party for breach of any representation, warranty, covenant or agreement contained herein, unless written notice of such claim or action is received by such party describing in reasonable detail the facts and circumstances with respect to the subject matter of such claim or Action on or

prior to the date on which the representation, warranty, covenant or agreement on which such claim or Action is based ceases to survive as set forth in Section 8.01, irrespective of whether the subject matter of such claim or action shall have occurred before or after such date.

(b) Notwithstanding anything to the contrary contained in this Agreement: (i) an Indemnifying Party shall not be liable for any claim for

indemnification pursuant to Sections 8.02(a) (other than with respect to breaches of the representations and warranties set forth in Sections 5.01, 5.02, 5.05, 5.06, and 5.08) or 8.03(a) (other than with respect to breaches of the representations and warranties set forth in Section 6.01), unless and until the aggregate amount of indemnifiable Losses which may be recovered from the Indemnifying Party equals or exceeds an amount equal to .05% of the applicable Cash Contribution attributable to such Non-Portfolio Property Interest that is the subject of the right of indemnification (the “Indemnification Threshold”) after which the Indemnifying Party shall fully indemnify the other party for the total of such Losses; (ii) the maximum amount of indemnifiable Losses which may be recovered from an Indemnifying Party arising out of or resulting from the causes set forth in Section 8.02(a) (other than with respect to breaches of the representations and warranties set forth in Sections 5.01, 5.02, 5.05, 5.06, and 5.08) or 8.03(a) (other than with respect to breaches of the representations and warranties set forth in Section 6.01) shall be an amount equal to 10% of the Cash Contribution attributable to such Non-Portfolio Property Interest that is the subject of the right of indemnification, and (iii) neither party hereto shall have any liability under any provision of this Agreement for any punitive damages.

(c) For all purposes of this Article VIII, “Losses” shall be net of any insurance or other recoveries actually received by the Indemnified Party or its Affiliates in connection with the facts giving rise to the right of indemnification.

Section 8.05. Notice of Loss; Third Party Claims.

(a) An Indemnified Party shall give the Indemnifying Party notice of any matter which an Indemnified Party has determined has given or could give rise to a right of indemnification under this Agreement, within sixty (60) days of such determination, stating the amount of the Loss, if known, and method of computation thereof, and containing a reference to the provisions of this Agreement in respect of which such right of indemnification is claimed or arises.

(b) If an Indemnified Party shall receive written notice of any Action, audit, claim, demand or assessment (each, a “Third Party Claim”) against it which may give rise to a claim for Loss under this Article VIII, within thirty (30) days of the receipt of such notice, the Indemnified Party shall give the Indemnifying Party notice of such Third Party Claim; provided, however, that the failure to provide such notice shall not release the Indemnifying Party from any of its obligations under this Article VIII except to the extent that such failure results in a detriment to the Indemnifying Party and shall not relieve the Indemnifying Party from any other Liability that it may have to any Indemnified Party other than under this Article VIII. The Indemnifying Party shall be entitled to assume and control the defense of such Third Party Claim at its expense and through counsel of its choice if it gives notice of its intention to do so to the Indemnified Party within fifteen (15) days of the receipt of such notice from the Indemnified Party. If the Indemnifying Party elects to undertake any such defense against a Third Party

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Claim, the Indemnified Party may participate in such defense at its own expense. The Indemnified Party shall fully cooperate with the Indemnifying Party in such defense and make available to the Indemnifying Party, at the Indemnifying Party’s expense, all witnesses, pertinent records, materials and information in the Indemnified Party’s possession or under the Indemnified Party’s control relating thereto as is reasonably required by the Indemnifying Party. If the Indemnifying Party elects to direct the defense of any such claim or proceeding, the Indemnified Party shall not pay, or permit to be paid, any part of such Third Party Claim unless the Indemnifying Party consents in writing to such payment or unless the Indemnifying Party withdraws from the defense of such Third Party Claim liability or unless a final judgment from which no appeal may be taken by or on behalf of the Indemnifying Party is entered against the Indemnified Party for such Third Party Claim. If the Indemnifying Party assumes the defense of any such claims or proceeding pursuant to this Section 8.05 and proposes to settle such claims or proceeding prior to a final judgment thereon or to forgo any appeal with respect thereto, then the Indemnifying Party shall give the Indemnified Party prompt written notice thereof and the Indemnified Party shall have the right to participate in the settlement or assume or reassume the defense of such claims or proceeding. The Indemnifying Party shall not enter into any settlement or compromise of any action, suit or proceeding or consent to the entry of any judgment (i) which does not include as an unconditional term thereof the delivery by the claimant or plaintiff to the Indemnified Party of a written release from all liability in respect of such action, suit or proceeding or (ii) for other than monetary damages to be borne in full by the Indemnifying Party without the prior written consent of the Indemnified Party, which consent shall not be unreasonably withheld, conditioned or delayed.

Section 8.06. Remedies. MCRLP, MCRAC and each of the Sellers acknowledge and agree that (i) following each applicable Closing, the indemnification provisions of Section 8.02 and Section 8.03 shall be the sole and exclusive remedies of the parties for any breach by the other party of the representations and warranties in this Agreement and for any failure by the other party to perform and comply with any covenants and agreements contained in this Agreement, except that if any of the provisions of this Agreement are not performed in accordance with their terms or are otherwise breached, the parties shall be entitled to specific performance of the terms thereof in addition to any other remedy at Law or equity and (ii) anything herein to the contrary notwithstanding, no breach of any representation, warranty, covenant or agreement contained herein shall give rise to any right on the part of MCRLP, MCRAC or the Sellers, after the consummation of the contribution of all of the Economic Benefits and Burdens associated with the Non-Portfolio Property Interests contemplated by this Agreement, to rescind this Agreement or any of the transactions contemplated hereby. Each party hereto shall take all reasonable steps to mitigate its Losses upon and after becoming aware of any event which could reasonably be expected to give rise to any Losses.

Article IX
GENERAL PROVISIONS

Section 9.01. Expenses. Except as otherwise specified in this Agreement, all costs and expenses, including, fees and disbursements of counsel, financial advisors and accountants, incurred in connection with this Agreement and the transactions contemplated by this Agreement shall be borne by the party incurring such costs and expenses.

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Section 9.02. Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by an internationally recognized overnight courier service, by e-mail (read receipt requested), by facsimile or registered or certified mail (postage prepaid, return receipt requested) to the respective parties hereto at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 9.02):

If to the Sellers:

c/o The Gale Company, Suite 200|
100 Campus Drive
Florham Park, New Jersey 07932
Telecopy: (973) 245-3600
Telephone: (973) 301-9500
E-Mail: SG@TheGaleCompany.com
Attention: Mr. Stanley C. Gale and Mr. Mark Yeager

with a copy (which shall not constitute notice) to:

Greenberg Traurig, LLP
200 Park Avenue
New York, NY 10166
Telecopy: (212) 801-6400
Telephone: (212) 801-9200
E-Mail: Ivanhoer@gtlaw.com and Gerasimovichk@gtlaw.com
Attention: Robert Ivanhoe, Esq. and Kenneth A. Gerasimovich, Esq.

If to MCRLP or MCRAC:

c/o Mack-Cali Realty Corporation
11 Commerce Drive
Cranford, New Jersey 07016

with two (2)
separate copies
of the notice sent
to the attention of:

Telecopy: (908) 272-0214
Telephone: (908) 272-2009
Email: mhersh@mack-cali.com
Attention: Mitchell E. Hersh,
President and Chief Executive Officer

And

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Telecopy: (908) 497-0485
Telephone: (908) 272-2612
Email: rthomas@mack-cali.com
Attention: Roger W. Thomas,
Executive Vice President and General Counsel

with a copy (which shall not constitute notice) to:

Pryor Cashman Sherman & Flynn LLP
410 Park Avenue
New York, New York 10022
Telecopy: (212) 798-6329
Telephone: (212) 326-0133
Email: bhornick@pryorcashman.com
Attention: Blake Hornick

And

Seyfarth Shaw LLP
1270 Avenue of the Americas
25th Floor
New York, New York 10020
Telecopy: (212) 218-5527
Telephone: (212) 218-5620
Email: jnapoli@seyfarth.com
Attention: John P. Napoli

Section 9.03. Public Announcements; Confidentiality. Upon the execution of this Agreement, MCRAC and MCRLP shall have the right to make such public announcements or filings as may be required by (i) the Securities Act, (ii) the Securities Exchange Act, (iii) the rules and listing standards of the New York Stock Exchange, Inc., (iv) any other law of a jurisdiction to which MCRLP is subject, or (v) any oral questions, interrogatories, requests for information, subpoena, civil investigative demand, or similar process required by applicable rules, laws or regulations by any court, law or administrative authority to which MCRAC and MCRLP are subject. MCRAC and MCRLP also shall have the right to make such public announcements or filings as they may deem reasonably prudent, and shall be entitled to make such filings or announcements upon advice of counsel as may be otherwise be deemed necessary. The Sellers may make such public disclosures as are required by Law. Each of the Sellers, MCRAC and MCRLP hereby agree to provide the non-disclosing parties as much advance notice as reasonably possible with respect to the nature of such disclosure, cooperate fully as to the timing and contents of such disclosure and review in good faith the suggestions of the other party with respect to the contents of such disclosure.

Section 9.04. Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any Law or public policy, all other terms and provisions of this Agreement shall nevertheless remain in full force and effect for so long as the economic or legal substance of the transactions contemplated by this Agreement is not affected in any

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manner materially adverse to either party hereto. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the

transactions contemplated by this Agreement are consummated as originally contemplated to the greatest extent possible.

Section 9.05. Entire Agreement. This Agreement (including the Exhibits) constitutes the entire agreement of the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and undertakings, both written and oral, between the Sellers, MCRLP and MCRAC with respect to the subject matter hereof.

Section 9.06. Assignment. This Agreement may not be assigned by operation of Law or otherwise without the prior express written consent of the Sellers, and MCRAC or MCRLP which consent may be granted, conditioned, delayed or withheld in the sole discretion of the Sellers or MCRAC or MCRLP, as the case may be. Notwithstanding the foregoing, MCRAC or MCRLP may assign any or all of its interests in this transaction to one or more Affiliates.

Section 9.07. Waiver. Any term or provision of this Agreement may be waived, or the time for its performance may be extended, by the party or parties entitled to the benefit thereof. Any such waiver shall be validly and sufficiently authorized for the purposes of this Agreement if, as to any party, it is authorized in writing by an authorized representative of such party. The failure of any party hereto to enforce at any time any provision of this Agreement shall not be construed to be a waiver of such provision, nor in any way to affect the validity of this Agreement or any part hereof or the right of any party thereafter to enforce each and every such provision. No waiver of any breach of this Agreement shall be held to constitute a waiver of any other or subsequent breach.

Section 9.08. No Third Party Beneficiaries. This Agreement shall be binding upon and inure solely to the benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied (including the provisions of Article VIII relating to indemnified parties), is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever, under or by reason of this Agreement.

Section 9.09. Currency. Unless otherwise specified in this Agreement, all references to currency, monetary values and dollars set forth herein shall mean United States (U.S.) dollars and all payments hereunder shall be made in United States dollars.

Section 9.10. Governing Law. This Agreement and all others arising out of or relating to this Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware. All Actions arising out of or relating to this Agreement shall be heard and determined exclusively in any New York federal court sitting in the Borough of Manhattan of The City of New York; provided, however, that if such federal court does not have jurisdiction over such Action, such Action shall be heard and determined exclusively in any New York state court sitting in the Borough of Manhattan of The City of New York. Consistent with the preceding sentence, the parties hereto hereby (a) submit to the exclusive jurisdiction of any federal or state court sitting in the Borough of Manhattan of The City of New York for the

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purpose of any Action arising out of or relating to this Agreement brought by any party hereto and (b) irrevocably waive, and agree not to assert by way of motion, defense, or otherwise, in any such Action, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the Action is brought in an inconvenient forum, that the venue of the Action is improper, or that this Agreement or the transactions contemplated by this Agreement may not be enforced in or by any of the above-named courts.

Section 9.11. Waiver of Jury Trial. The parties hereto hereby waive to the fullest extent permitted by applicable law any right it may have to a trial by jury with respect to any litigation directly or indirectly arising out of, under or in connection with this Agreement or the transactions contemplated by this Agreement. Each of the parties hereto hereby (a) certifies that no representative, agent or attorney of the other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver and (b) acknowledges that it has been induced to enter into this Agreement and the transactions contemplated by this Agreement, as applicable, by, among other things, the mutual waivers and certifications in this Section 9.11.

Section 9.12. Counterparts. This Agreement shall not be effective or binding until such time as it has been executed and delivered by all parties hereto. This Agreement may be executed and delivered (including by facsimile transmission or portable document format (PDF)) in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement.

Section 9.13. Cooperation. This Agreement shall be given a fair and reasonable construction in accordance with the intentions of the parties hereto, and without regard to or aid of canons requiring construction against the Sellers, MCRAC and MCRLP or the party whose counsel drafted this Agreement. The provisions of this Section 9.13 shall survive the Closing.

Section 9.14. Specific Performance. Each of the parties hereto acknowledges and agrees that the other party would be irreparably damaged if any of the provisions of this Agreement are not performed in accordance with their specific terms and that any breach of this Agreement by the other party may not be adequately compensated in all cases by monetary damages alone. Accordingly, in addition to any other right or remedy to which each party may be entitled, at law or in equity, each party shall be entitled to enforce the provisions of this Agreement by a decree of specific performance and to temporary, preliminary and permanent injunctive relief to prevent breaches or threatened breaches of any of the provisions of this Agreement, without posting any bond or other undertaking.

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IN WITNESS WHEREOF, the parties hereto have executed, or have caused this Agreement to be executed, as of the day and year first above written.

MACK-CALI REALTY ACQUISITION CORP.,
a Delaware corporation

By: /s/ Mitchell E. Hersh
Name: Mitchell E. Hersh
Title: President and Chief Executive Officer

MACK-CALI REALTY L.P.,
a Delaware limited Partnership

By: Mack-Cali Realty Corporation,
a Maryland corporation, its general partner

By: /s/ Mitchell E. Hersh

Name: Mitchell E. Hersh
Title: President and Chief Executive Officer

STANLEY C. GALE

/s/ Stanley C. Gale

MARK YEAGER

/s/ Mark Yeager

MSGW-ONE CAMPUS INVESTORS, LLC

By: Gale Global Facility Services, LLC, as successor in interest to Gale & Wentworth, LLC, its Administrator

By: /s/ Stanley C. Gale
Name: Stanley C. Gale
Title: Manager

THE GALE INVESTMENTS COMPANY, LLC

By: /s/ Stanley C. Gale
Name: Stanley C. Gale
Title: Manager

GCF II INVESTOR, LLC

By: The Gale Investments Company, LLC, its Managing Member

By: /s/ Stanley C. Gale
Name: Stanley C. Gale
Title: Manager

GALE & WENTWORTH VREELAND, LLC,

By: /s/ Stanley C. Gale
Name: Stanley C. Gale
Title: Manager

GALE URBAN SOLUTIONS LLC

By: The Gale Investments Company, LLC,
its sole member

By: /s/ Stanley C. Gale
Name: Stanley C. Gale
Title: Manager

**AMENDED AND RESTATED
LIMITED LIABILITY COMPANY
OPERATING AGREEMENT**

OF

THE GALE PFV INVESTOR COMPANY, L.L.C.

(a Delaware Limited Liability Company)

May 9, 2006

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**AMENDED AND RESTATED
LIMITED LIABILITY COMPANY
OPERATING AGREEMENT
OF
THE GALE PFV INVESTOR COMPANY, L.L.C.**

This AMENDED AND RESTATED LIMITED LIABILITY COMPANY OPERATING AGREEMENT of The Gale PFV Investor Company, L.L.C. (the “Company”) is made and entered into and shall be effective as of May 9, 2006, by and between The Gale Company, L.L.C., a New Jersey limited liability company (“Managing Member”), and Stanley C. Gale (“Gale”).

RECITALS:

WHEREAS, the Company exists as a limited liability company pursuant to the provisions of the Delaware Limited Liability Company Act (the “Delaware Act”) under the name “The Gale PFV Investor Company, L.L.C.,” pursuant to a Certificate of Formation dated as of August 4, 2003 (the “Certificate of Formation”);

WHEREAS, Gale has been admitted as a Member of the Company; and

WHEREAS, the parties wish to set forth the rights and obligations of the Members of the Company.

NOW, THEREFORE, the parties hereto hereby agree as follows:

I. DEFINED TERMS

1.01. Defined Terms. As used in this Agreement, the following terms have the meanings set forth below:

“Adjusted Capital Account Balance” means, with respect to any Member for any period, the balance, if any, in such Member’s Capital Account as of the end of such period, after giving effect to the following adjustments:

(a) Credit to such Capital Account any amounts that such Member is obligated to restore or is deemed obligated to restore as described in the penultimate sentence of Treasury Regulation Section 1.704-2(g)(1) and in Treasury Regulation Section 1.704-2(i)(5); and

(b) Debit to such Capital Account the items described in Treasury Regulation Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6).

“Adjusted Capital Account Deficit” means, with respect to any Member for any taxable year of the Company, the deficit balance, if any, in such Member’s Adjusted

Capital Account Balance as of the end of such taxable year.

“Affiliate” means, with respect to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with such Person or owning or controlling,

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directly or indirectly, 51% or more of the outstanding voting interests of such Person. For purposes of this definition, the term “control”, when used with respect to any Person means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person whether through the ownership of voting securities, by contract or otherwise.

“Agreement” means this Amended and Restated Limited Liability Company Operating Agreement, including any exhibits or schedules attached hereto, as the same may be further amended or restated from time to time pursuant to the terms of this Agreement.

“Book Basis” means, with respect to any asset of the Company, the adjusted basis of such asset for federal income tax purposes provided, however, that (a) if any asset is contributed to the Company, the initial Book Basis of such asset shall equal its fair market value on the date of contribution (as agreed to by the Members), and (b) if the Capital Accounts of the Members are adjusted pursuant to Treasury Regulation Section 1.704-1(b) to reflect the fair market value of any asset of the Company, the Book Basis of such asset shall be adjusted to equal its respective fair market value as of the time of such adjustment (as agreed to by the Members), in accordance with such Treasury Regulation. The Book Basis of all assets of the Company shall be adjusted thereafter by depreciation or amortization as provided in Treasury Regulation Section 1.704-1(b)(2)(iv)(g) and any other adjustment to the basis of such assets other than depreciation or amortization.

“Business Day” means any day that is not a Saturday, Sunday or a day on which banks are required or permitted to be closed in the State of New York.

“Capital Account” means the separate account maintained for each Member under Section 4.03 hereof.

“Capital Contribution” means the contributions made by the Members to the capital of the Company pursuant to Article IV hereof.

“Cash Equivalents” shall mean (a) debt instruments issued or guaranteed by the United States or its agencies or instrumentalities and maturing within six months or less from the date of acquisition; (b) commercial paper rated P-1 or A-1 on the date of acquisition and maturing within six months or less from the date of acquisition; (c) overnight time deposits (whether or not insured); (d) interest bearing deposits in domestic and foreign branches of United States commercial banks having capital and surpluses of at least \$250,000,000; (e) money market mutual funds with assets of at least \$750,000,000, substantially all of which assets consist of obligations of the type described in the foregoing clauses; and (f) similar quality short term investments.

“Certificate of Formation” has the meaning set forth in the Recitals to this Agreement.

“CLI Shortfall” has the meaning set forth in Section 9.05(a) hereof.

“Code” means the Internal Revenue Code of 1986, as amended. Any reference herein to any specific section or sections of the Code shall be deemed to include a reference to any corresponding provision of future laws.

[Amended and Restated LLC Agreement of The Gale PFV Investor Company, LLC]

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“Company” has the meaning set forth the Preamble to this Agreement.

“Company Accountant” has the meaning set forth in Section 8.04 hereof.

“Company Minimum Gain” means “partnership minimum gain” as defined in Treasury Regulation Section 1.704-2(d).

“Confidential Information” has the meaning set forth in Section 12.15(a) hereof.

“Delaware Act” has the meaning set forth in the Recitals to this Agreement.

“Drag-Along Rights” has the meaning set forth in Section 9.05(a) hereto.

“Drag-Along Response Period” has the meaning set forth in Section 9.05(b) hereto.

“Electronic Participation” has the meaning set forth in Section 7.02(c) hereof.

“Embargoed Person” has the meaning set forth in Section 12.01(a)(x) hereof.

“Expenses” means, for any period, the sum of the total gross cash expenditures of the Company during such period.

“GAAP” has the meaning set forth in Section 8.02 hereof.

“Gale” has the meaning set forth in the Preamble of this Agreement.

“Indemnified Party” has the meaning set forth in Section 10.02 hereof.

“Interest” means, with respect to any Member at any time, the interest of such Member in the Company at such time, including the right of such Member to any and all of the benefits to which such Member may be entitled as provided in this Agreement, together with the obligations of such Member to comply with all of the terms and

provisions of this Agreement.

“Liquidating Member” means the Member designated as such by the Managing Member from time-to-time; provided, however, that any Member that causes the dissolution of the Company under Section 11.01(c) hereof shall not serve as the Liquidating Member.

“Loss” means, for each taxable year or other period, an amount equal to the Company’s items of taxable deduction and loss for such year or other period, determined in accordance with Section 703(a) of the Code (including all items of loss or deduction required to be stated separately under Section 703(a)(1) of the Code), with the following adjustments:

(a) Any expenditures of the Company described in Section 705(a)(2)(B) of the Code or treated as Section 705(a)(2)(B) expenditures under Treasury Regulation Section 1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Loss, will be considered an item of Loss;

(b) Loss resulting from any disposition of any assets of the Company with respect to which gain or loss is recognized for federal income tax purposes will be computed by reference

to the Book Basis of such property, notwithstanding that the adjusted tax basis of such property may differ from its Book Basis;

(c) In lieu of depreciation, amortization and other cost recovery deductions taken into account in computing taxable income or loss, there will be taken into account depreciation for the taxable year or other period as determined in accordance with Treasury Regulation Section 1.704-1(b)(2)(iv)(g);

(d) Any items of deduction and loss specially allocated pursuant to Section 6.08 shall not be considered in determining Loss; and

(e) Any decrease to Capital Accounts as a result of any adjustment to the Book Basis of Company assets pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv)(f) shall constitute an item of Loss.

“Managing Member” has the meaning set forth the Preamble to this Agreement.

“Managing Member Preferential Return” means, with respect to the Managing Member, the distribution of Net Cash Flow to the Managing Member equal to the aggregate amount of (i) the Purchase Amount plus all of the Managing Member’s Capital Contributions pursuant to Sections 4.01 and 4.02 and (ii) an internal rate of return on the Purchase Amount plus all of the Managing Member’s Capital Contributions made pursuant to Sections 4.01 and 4.02 of 10% per annum, based on a 365 or 366-day year, as the case may be, compounded on a quarterly basis in arrears commencing on the date hereof with respect to the Purchase Amount and the date or dates that the Managing Member’s Capital Contribution(s) is (or are) received by the Company, taking into account the timing and amounts of all such distributions of Net Cash Flow from the Company to the Managing Member. Managing Member Preferential Return shall be computed by assuming that such Capital Contribution(s) made by the Managing Member, and all such distributions received by the Managing Member, occur on the day on which they are actually made or received.

“Material Notices” has the meaning set forth in Section 12.03 hereof.

“MCRC” has the meaning set forth in Section 6.09 hereof.

“Member” or “Members” means one or more (as the case may be) of the Managing Member or Gale and any other Person who, from time-to-time, is admitted as a member of the Company in accordance with this Agreement and applicable law, so long as such Person continues as a member of the Company.

“Member Minimum Gain” means the Company’s “partner nonrecourse debt minimum gain” as defined in Treasury Regulation Section 1.704-2(i)(2).

“Member Nonrecourse Debt Minimum Gain” means an amount, with respect to each Member Nonrecourse Debt, equal to the Company Minimum Gain that would result if such Member Nonrecourse Debt were treated as a nonrecourse liability of the Company, determined in accordance with Treasury Regulations Sections 1.704-2(i)(2) and (3).

“Member Nonrecourse Deductions” means “partner nonrecourse deductions” as defined in Treasury Regulation Section 1.704-2(i)(2).

“Net Cash Flow” means, for any period, the excess of (a) Revenues for such period over (b) Expenses for such period.

“Net Loss” means, for any period, the excess of items of Loss over items of Profit, if applicable, for such period determined without regard to any items of Profit or Loss allocated pursuant to Section 6.02 hereof.

“Net Profit” means, for any period, the excess of items of Profit over items of Loss, if applicable, for such period determined without regard to any items of Profit or Loss allocated pursuant to Section 6.02 hereof.

“Nonrecourse Deductions” has the meaning set forth in Treasury Regulation Section 1.704-2.

“Payout Percentages” means, with respect to each Member, the percentages set forth below opposite its name as follows:

<u>Member</u>	<u>Payout Percentage</u>
MANAGING MEMBER	50%
GALE	50%

“Percentage Interests” means, with respect to each Member, the percentage set forth below opposite its name (subject to adjustment as provided in this Agreement):

“Person” means any individual, partnership, corporation, limited liability company, trust or other entity.

“Purchase Amount” means One Million Seven Hundred Seventy Four Thousand Five Hundred Dollars (\$1,774,500).

“Purchaser” means any third-party prospective purchaser or purchasers of all of the Interests of a Member which is not a Related Person of such Member.

“Profit” means, for each taxable year or other period, an amount equal to the Company’s taxable income and gain for such year or other period, determined in accordance with Section 703(a) of the Code (including all items of income and gain required to be stated separately under Section 703(a)(1) of the Code), with the following adjustments:

(a) Any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Profit or Loss will be added to taxable income;

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(b) Gain resulting from any disposition of any assets of the Company with respect to which gain or loss is recognized for federal income tax purposes will be computed by reference to the Book Basis of such property, notwithstanding that the adjusted tax basis of such property may differ from its Book Basis;

(c) Any items specially allocated pursuant to Section 6.08 shall not be considered in determining Profit; and

(d) Any increase to Capital Accounts as a result of any adjustment to the Book Basis of Company assets pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv)(f) shall constitute an item of Profit.

“Readily Marketable Securities” means those securities that (a) are (i) debt or equity securities of or other interests in any Person that are traded on a national security exchange, reported on by the National Association of Securities Dealers Automated Quotation System or otherwise actively traded over the counter or (ii) debt securities of an issuer that has debt or equity securities that are so traded or so reported on and that a nationally recognized securities firm has agreed to make a market in and (b) are not subject to restrictions on transfer as a result of any applicable contractual provisions or the provisions of the Securities Act.

“Regulatory Allocations” has the meaning set forth in Section 6.02(f) hereof.

“REIT” means a real estate investment trust as defined under the Code.

“Related Persons” means, as to any Person, its Affiliates, members, partners, directors, officers, shareholders and employees.

“Required Capital Call” has the meaning set forth in Section 4.02 hereof.

“Reserve Accounts” has the meaning set forth in Section 8.05 hereof.

“Revenues” means, for any period, the sum of the total gross cash revenues received by the Company during such period.

“Sale” has the meaning set forth in Section 9.05(a) hereof.

“Securities Act” has the meaning set forth in Section 12.01(a)(vi) hereof.

“Securities Laws” has the meaning set forth in Section 12.01(a)(vi) hereof.

“Tax Matters Partner” has the meaning set forth in Section 6.07 hereof.

“Transfer” has the meaning set forth in Section 9.01 hereof.

“Treasury Regulation” or “Regulation” means, with respect to any referenced provision, such provision of the regulations of the United States Department of the Treasury or any successor provision.

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“U.S. Government Blacklists” means, (a) the two (2) lists maintained by the United States Department of Commerce (Denied Persons and Entities; the Denied Persons), (b) the list maintained by the United States Department of Treasury (Specially Designated Nationals and Blocked Persons), and (c) the list by the United States Department of State (Terrorist Organizations and Debarred Parties).

1.02. Other Terms. As used in this Agreement, unless otherwise specified, (a) all references to Sections, Articles or Exhibits are to Sections, Articles or Exhibits of this Agreement, (b) each accounting term has the meaning assigned to it in accordance with GAAP, (c) all Exhibits, Schedules, Addenda and other attachments to this Agreement are specifically incorporated into and made a part of this Agreement by any reference thereto in this Agreement, (d) the terms “include” and “including” shall be construed as if followed by the phrase “without limitation”, and (e) all terms used in this Agreement which are not defined in this Article I shall have the meaning set forth elsewhere in this Agreement.

II. ORGANIZATION

2.01. Formation. (a) The Company was formed by the filing of the Certificate of Formation with the Secretary of State of the State of Delaware. The Members agree that the Company shall continue to be a limited liability company under and pursuant to the Delaware Act, upon and subject to the terms and conditions set forth in this Agreement. The Managing Member is hereby authorized to file and record any amendments to the Certificate of Formation and such other documents as may be required or appropriate under the Delaware Act or the laws of any other jurisdiction in which the Company may conduct business or own property.

(b) The Managing Member is the Company's designated "authorized person" and shall continue as the designated "authorized person" within the meaning of the Delaware Act. The Managing Member shall execute, deliver and file any other certificates (and any amendments and/or restatements thereof) necessary for the Company to qualify to do business in the State of New Jersey and in any other jurisdiction in which the Company may wish to conduct business.

2.02. Name and Principal Place of Business.

(a) The name of the Company shall be The Gale PFV Investor Company, L.L.C. The Managing Member may change the name of the Company from time-to-time and may adopt one or more fictitious names for use by the Company. All business of the Company shall be conducted under such name, and title to all assets of the Company shall be held in such name.

(b) The principal place of business and office of the Company shall be located at the offices of the Managing Member, 100 Campus Drive, Suite 200, Florham Park, New Jersey 07932. The Managing Member may from time-to-time change such principal office and place of business or may change or establish such additional offices or places of business of the Company as it may deem necessary or appropriate for the operation of the Company's business. The Managing Member may from time to time change its place of business or may change or

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establish such substitute or additional offices or places of business as it may deem necessary or appropriate.

2.03. Term. The term of the Company commenced on the date of the filing of the Certificate of Formation pursuant to the Delaware Act and shall continue in full force and effect until the dissolution and termination of the Company pursuant to Article XI or as otherwise provided herein.

2.04. Registered Agent, Registered Office and Foreign Qualification. The name of the Company's registered agent for service of process shall be Corporation Trust Center, and the address of the Company's registered agent and the address of the Company's registered office in the State of Delaware shall be 1209 Orange Street, City of Wilmington, County of New Castle, Delaware 19801. Such agent and such office may be changed from time-to-time by the Managing Member. The Managing Member, or any other Person authorized by the Managing Member, is hereby authorized, for the purpose of authorizing or qualifying the Company to do business in any state, territory or dependency of the United States in which it is necessary or expedient for the Company to transact business, to do any and all acts and things necessary to obtain from such state, territory or dependency any such authorization or qualification.

2.05. Purpose. The purpose of the Company shall be transacting any and all lawful business for which a limited liability company may be organized under the Delaware Act.

III. MEMBERS

3.01. Admission of Members. Gale and the Managing Member are the Members of the Company as of the date hereof. Except as expressly permitted by this Agreement, no other Person shall be admitted as a Member of the Company, and no additional Interests shall be issued, without the prior written approval of the Managing Member.

3.02. Limitation on Liability.

(a) Except as otherwise expressly provided in the Delaware Act, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Company, and no Member shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a member of the Company. Except as otherwise expressly provided in the Delaware Act or as provided in Section 10.02(b) hereof, but subject to the provisions of subparagraph (b) of this Section 3.02, the liability of each Member shall be limited to the amount of Capital Contributions made by such Member in accordance with the provisions of this Agreement, but only when and to the extent the same shall become due and payable pursuant to the provisions of this Agreement. Further, no Managing Member, general or limited partner of any Member, shareholder, member or other holder of any equity or other ownership or beneficial interest of any Member, or any officer, director or employee of any of the foregoing or any of their Related Persons shall be obligated personally for any debt, obligation or other liability of the Company solely by reason of their being a Managing Member, general or limited partner of any Member, shareholder or member or other holder of any equity interest of any Member, or officer, director or employee of any of the foregoing or any of their Related Persons. Further, failure of the

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Company to observe any corporate or other formalities or requirements relating to the exercise of its powers or the management of its business or affairs under either this Agreement or the Delaware Act shall not be grounds for the Managing Member, any Member, general or limited partner of any Member, shareholder or member or other holder of any equity interest of any Member, or any officer, director or employee of any of the foregoing or any of their Related Persons to be held liable or obligated for any debt, obligation or other liability of the Company.

(b) Notwithstanding any other provision of this Agreement to the contrary (including the provisions of Section 10.02(b) hereof) (i) each Member's liability under this Agreement is explicitly limited to the assets of such Member, and (ii) neither the Company nor any Member shall have any recourse against any assets of any Related Person of another Member (unless such Related Person is itself a Member) or any past, present or future officers, agents, shareholders, incorporators, directors, principals (direct or indirect), affiliates, partners, members or representatives of another Member (unless the same is itself a Member) or any of the assets or property of any of the foregoing, for the payment or collection of any amount, judgment, judicial process, arbitration award, fees or costs or for any other obligation or claim arising out of or based upon this Agreement.

(c) The provisions of this Section 3.02 shall survive the termination or expiration of this Agreement.

3.03. Third-Party Debt Liability. The parties intend that no Member, or any of its Related Persons, shall have any liability under or in connection with any third-party debt, including liability with regard to any environmental matters, recourse carve-outs, fraud, intentional misconduct, theft or other commonly called "bad-boy acts" or with regard to any other matter, unless otherwise approved by all of the Members.

IV. CAPITAL

4.01. Records. The Managing Member shall be required to record in the books and records of the Company, from time to time, as necessary, any Capital Contributions made in accordance with this Article IV and any return of capital made in accordance with this Agreement.

4.02. Capital Contributions. The Managing Member may in its sole and absolute discretion make Capital Contributions to the Company from time to time.

4.03. Capital Accounts. A separate Capital Account will be maintained for each Member in accordance with Treasury Regulation Section 1.704-1(b)(2)(iv). Consistent therewith, the Capital Account of each Member will be determined and adjusted as follows:

(a) Each Member's Capital Account will be credited with:

(i) Any contributions of cash made by such Member to the capital of the Company and fair market value of any property contributed by such Member to the capital of the Company (net of any liabilities to which such property is subject or which are assumed by the Company);

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(ii) The Member's distributive share of Net Profit and items thereof; and

(iii) Any other increases required by Treasury Regulation Section 1.704-1(b)(2)(iv).

(b) Each Member's Capital Account will be debited with:

(i) Any distributions of cash made from the Company to such Member (including all amounts paid or distributed pursuant to the provisions of Section 6.03 hereof other than distributions made pursuant to Section 6.03(b)(i)) plus the fair market value of any property distributed in kind to such Member (net of any liabilities to which such property is subject or which are assumed by such Member);

(ii) The Member's distributive share of Net Loss and items thereof; and

(iii) Any other decreases required by Treasury Regulation Section 1.704-1(b)(2)(iv).

The provisions of this Section 4.03 relating to the maintenance of Capital Accounts have been included in this Agreement to comply with Section 704(b) of the Code and the Treasury Regulations promulgated thereunder and will be interpreted and applied in a manner consistent with those provisions. In the event the Tax Matters Partner shall determine that it is prudent to modify the manner in which the Capital Accounts or any debts or credits thereto (including, without limitation, debits or credits relating to liabilities which are secured by contributed or distributed property or which are assumed by the Company or any Members) are computed in order to comply with such Regulations, the Managing Member may make such modification, provided that it is not likely to have a material effect on the amounts distributed to any Member pursuant to Section 6.04 hereof upon the dissolution of the Company.

4.04. No Further Capital Contributions. Except as expressly provided in this Agreement or with the prior written consent of the Managing Member, no Member shall be required or entitled to contribute any other or further capital to the Company, nor shall any Member be required or entitled to loan any funds to the Company (it being understood, however, that amounts properly incurred by a Member which are reimbursable by the Company pursuant to and in accordance with the terms of this Agreement shall not be deemed loans). No Member will have any obligation to restore any negative or deficit balance in its Capital Account upon liquidation or dissolution of the Company (and for purposes of this Section 4.04, Capital Account shall be deemed to also include the capital account of any Member for financial or book purposes or as set forth in the Delaware Act or under common law). Notwithstanding any other provision of this Agreement to the contrary, nothing contained herein will, or is intended or will be deemed to benefit any creditor of the Company or any creditor of any Member, and no such creditor shall have any rights, interests or claims hereunder, be entitled to any benefits or be entitled to require the Company, the Managing Member or any Member to demand, solicit or accept any loan, advance or additional Capital Contribution for or to the Company or to enforce any rights which the Company or any Member may have against any other Member or which any Member may have against the Company, pursuant to this Agreement or otherwise.

4.05. Book Basis Adjustments. The Book Basis of all assets will be adjusted to equal their respective fair market values, as agreed to by the Members, upon the events set forth in Treasury Regulation § 1.704-1(b)(2)(iv)(f)(5).

V. INTERESTS IN THE COMPANY

5.01. Percentage Interests. With regard to each Member separately, the Percentage Interest and the Payout Percentages of each Member as of the date hereof shall be as set forth in Section 1.01 hereof. The Percentage Interests and the Payout Percentages of the Members may be adjusted only as set forth in this Agreement.

5.02. Return of Capital. No Member shall be liable for the return of the Capital Contributions (or any portion thereof) of any other Member, it being expressly understood and agreed that any such return shall be made solely from the assets of the Company. No Member shall be entitled to withdraw or receive a return of any part of its Capital Contributions or Capital Account, to receive interest on its Capital Contributions or Capital Account or to receive any distributions from the Company, except as expressly provided for in this Agreement or under applicable law (and for purposes of this Section 5.02, Capital Account shall be deemed to also include the Capital Account of any Member for financial or book purposes or as set forth in the Delaware Act or under common law).

5.03. Ownership. All assets of the Company shall be owned by the Company, subject to the terms and provisions of this Agreement.

5.04. Waiver of Partition; Nature of Interests in the Company. Except as otherwise expressly provided for in this Agreement, each of the Members hereby irrevocably waives any right or power that such Member might have:

(a) To cause the Company or the assets of the Company to be partitioned;

(b) To cause the appointment of a receiver for all or any portion of the assets of the Company;

(c) To compel any sale of all or any portion of the assets of the Company pursuant to any applicable law; or

(d) To file a complaint or to institute any proceeding at law or in equity, to cause the termination, dissolution or liquidation of the Company.

Each of the Members has been induced to enter into this Agreement in reliance upon the waivers set forth in this Section 5.04, and without such waivers no Member would have entered into this Agreement. No Member shall have any interest in any specific assets of the Company. The interests of all Members in this Company are personal property.

VI. ALLOCATIONS AND DISTRIBUTIONS

6.01. Allocations. After the application of Section 6.02, Net Profits and Net Losses for any taxable year, or portion thereof, shall be allocated among the Members in a manner such that

the Capital Account of each Member, immediately after making such allocation, and after taking into account actual distributions made during such taxable year, or portion thereof, is, as nearly as possible, equal (proportionately) to (i) the distributions that would be made to such Member pursuant to Section 6.03 if the Company were dissolved, its affairs wound up and its assets sold for cash equal to their Book Basis, all Company liabilities, including the Company's share of any liability of any entity treated as a partnership for U.S. federal income tax purposes in which the Company is a partner, were satisfied (limited with respect to each nonrecourse liability to the Book Basis of the assets securing such liability) and the net assets of the Company were distributed in accordance with Section 6.03 to the Members immediately after making such allocation, minus (ii) such Member's share of Member Minimum Gain and Member Nonrecourse Debt Minimum Gain determined pursuant to Treasury Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5), computed immediately prior to the hypothetical sale of assets. Subject to the other provisions of this Article VI, an allocation to a Member of a share of Net Profit or Net Loss shall be treated as an allocation of the same share of each item of income, gain, loss or deduction that is taken into account in computing Net Profit or Net Loss.

6.02. Special Allocations and Compliance with Section 704(b). The following special allocations shall, except as otherwise expressly provided in this Agreement, be made in the following order:

(a) Minimum Gain Chargeback. If there is a net decrease in Company Minimum Gain during a Fiscal Year, so that an allocation is required by Treasury Regulations Section 1.704-2(f), each Member will be allocated, before any other allocation under this Article VI, items of income and gain for such Fiscal Year (and if necessary, subsequent years) in proportion to and to the extent of an amount equal to such Member's share of the net decrease in Company Minimum Gain determined in accordance with Treasury Regulations Section 1.704-2(g)(2). This Section 6.02(a) is intended to comply with, and shall be interpreted consistently with, the "minimum gain chargeback" provisions of Treasury Regulations Section 1.704-2(f).

(b) Minimum Gain Attributable to Member Nonrecourse Debt. If there is a net decrease in Member Nonrecourse Debt Minimum Gain attributable to a Member Nonrecourse Debt during any Fiscal Year, each Member who has a share of the Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Treasury Regulations 1.704-2(i)(5), shall be specially allocated items of the Company's income and gain for such year (and, if necessary, subsequent years) in an amount equal to such Member's share of the net decrease in Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Treasury Regulations Section 1.704-2(i)(4). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member pursuant thereto. The items to be so allocated shall be determined in accordance with Treasury Regulations Section 1.704-2(i)(4). This Section 6.02(b) is intended to comply with the "minimum gain chargeback" requirement of that Section of the Regulations and shall be interpreted consistently therewith.

(c) Qualified Income Offset. If any Member unexpectedly receives any adjustments, allocation or distributions described in clauses (4), (5) or (6) of Treasury Regulations Section 1.704-1(b)(2)(ii)(d), items of the Company income shall be specially

allocated to such Member in an amount and manner sufficient to eliminate the deficit balance in its Adjusted Capital Account created by such adjustments, allocations or distributions as quickly as possible; provided, however, that an allocation pursuant to this Section 6.02(c) shall be made only if, and to the extent that, such Member would have a an Adjusted Capital Account Deficit after all other allocations provided for in Article VI tentatively have been made as if this Section 6.02(c) were not in this Agreement. This Section 6.02(c) is intended to constitute a "qualified income offset" within the meaning of Treasury Regulations Section 1.704-1(b)(2)(ii)(d)(3) and shall be interpreted consistently therewith.

(d) Nonrecourse Deductions; Member Nonrecourse Deductions. Nonrecourse Deductions shall be allocated among the Members in accordance with their Percentage Interests. Member Nonrecourse Deductions shall be specially allocated to the Member who bears (or is deemed to bear) the economic risk of loss with respect to the Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in accordance with Treasury Regulations Section 1.704-2(i)(2).

(e) Limitation on Allocation of Losses. To the extent that Net Losses or items of loss or deduction otherwise allocable to a Member hereunder would cause such Member to have an Adjusted Capital Account Deficit as of the end of the taxable year to which such Net Losses, or items of loss or deduction, relate (after taking into account the allocation of all items of income and gain for such taxable period), such Net Losses, or items of loss or deduction, shall not be allocated to such Member and instead shall be allocated to the Members in accordance with Section 6.01 as if such Member were not a Member.

(f) Regulatory Allocations. Any allocations required to be made pursuant to Section 6.02(a) through Section 6.02(e) (the "Regulatory Allocations") (other than allocations, the effects of which are likely to be offset in the future by other special allocations) shall be taken into account, to the extent permitted by the Treasury Regulations, in computing subsequent allocations of income, gain, loss or deduction pursuant to Section 6.01 so that the net amount of any items so allocated and all other items allocated to each Member shall, to the extent possible, be equal to the amount that would have been allocated to each Member pursuant to Section 6.01 had such Regulatory Allocations under this Section 6.02 not occurred.

(g) Liquidation. It is intended that prior to a distribution of the proceeds from a liquidation of the Company, the positive Capital Account balance of each Member shall be equal to the amount that such Member is entitled to receive pursuant to Section 6.03. Accordingly, notwithstanding anything to the contrary in this Article VI, to the extent permissible under Sections 704(b) of the Code and the Treasury Regulations promulgated thereunder, Net Profits and Net Losses and, if necessary, items of gross income and gross deductions, of the Company for the year of liquidation of the Company (or, if earlier, the year in which all or substantially all of the Company's assets are sold, transferred or disposed of) shall be allocated among the Members so as to bring the positive Capital Account balance of each Member as close as possible to the amount that such Member would receive if the Company were liquidated and all the proceeds were distributed in accordance with Section 6.03.

6.03. Distributions. From and after the date hereof, except as provided in Section 6.04, and subject to Sections 6.05 and 6.09 hereof, the Company shall make distributions or payments

of Net Cash Flow (to the extent and if available) to the Members in the following manner and order of priority:

(a) First, an amount of Net Cash Flow shall be paid to the Managing Member until the Managing Member shall have received payments of Net Cash Flow, pursuant to this Section 6.03(a), in an aggregate amount (for the current period and all previous periods) equal to the Managing Member Preferential Return; and

(b) Thereafter, any remaining Net Cash Flow shall be distributed to the Members in accordance with and in proportion to their respective Payout Percentages, determined as of the moment each dollar of such distribution is made.

6.04. Distributions in Liquidation. Upon the dissolution and winding-up of the Company, the proceeds of sale and other assets of the Company distributable to the Members under Section 11.02(c)(iii) shall be distributed, not later than the latest time specified for such distributions pursuant to Treasury Regulation Section 1.704-1(b)(2)(ii)(b)(2) to the Members in accordance with Section 6.03. With the approval of the Managing Member, a pro rata portion of the distributions that would otherwise be made to the Members under the preceding sentence may be distributed to a trust established (for the benefit of the Members) for the purposes of liquidating Company assets, collecting amounts owed to the Company and paying any contingent or unforeseen liabilities or obligations of the Company arising out of or in connection with the Company. The assets of any trust established under this Section 6.04 will be distributed to the Members from time-to-time by the trustee of the trust upon approval of the Managing Member in the same proportions as the amount distributed to the trust by the Company would otherwise have been distributed to the Members under this Agreement.

6.05. Reinvestment of Cash Flow. Notwithstanding the provisions of Section 6.03, at the discretion of the Managing Member, the Company may retain Net Cash Flow of the Company for any purpose.

6.06. Tax Matters. The Members intend for the Company to be treated as a partnership under the Code. The Managing Member shall make all applicable elections, determinations and other decisions under the Code, including, without limitation, the deductibility of a particular item of expense and the positions to be taken on the Company's tax return, and shall approve the settlement or compromise of all audit matters raised by the Internal Revenue Service affecting the Members generally. The Members shall each take reporting positions on their respective federal, state and local income tax returns consistent with the positions determined for the Company by the Managing Member. The Managing Member shall cause all federal, state and local income and other tax returns to be timely filed by the Company.

6.07. Tax Matters Partner. The Managing Member shall be the tax matters partner within the meaning of Section 6231(a)(7) of the Code ("Tax Matters Partner") and, subject to Section 6.06, shall exercise all rights, obligations and duties of a tax matters partner under the Code. The Managing Member, in its capacity as Tax Matters Partner, shall oversee the Company tax affairs in the overall best interests of the Company and shall comply with the requirements of Sections 6221 through 6232 of the Code and regulations promulgated thereunder, and the Members further agree as follows:

(a) The Tax Matters Partner shall have a continuing obligation to provide the Internal Revenue Service with sufficient information so that proper notice can be mailed to all Members as provided in Section 6223 of the Code.

(b) The Tax Matters Partner shall keep the Members informed of all administrative and/or judicial proceedings for the adjustment of partnership items (as defined in Section 6231(a)(3) of the Code and regulations promulgated thereunder).

(c) The Tax Matters Partner may from time to time request that a Member provide such documents and information necessary for the Tax Matters Partner to perform its duties and obligations as Tax Matters Partner. Each Member shall reasonably cooperate with any such request by the Tax Matters Partner with respect to any such document or other information that may be in such Member's possession.

6.08. Section 704(c). In accordance with Section 704(c) of the Code and the applicable Treasury Regulations thereunder, income, gain, loss, deduction and tax depreciation with respect to any property contributed to the capital of the Company, or with respect to any property which has a Book Basis different than its adjusted tax basis, shall, solely for federal income tax purposes, be allocated among the Members so as to take into account any variation between the adjusted tax basis of such property to the Company and the Book Basis of such property. The Company shall use the "traditional method" without curative allocations.

6.09. REIT Compliance. The Members hereby acknowledge the status of Mack-Cali Realty Corporation ("MCRC") (an Affiliate of the Managing Member) as a REIT. Notwithstanding any other provision of this Agreement to the contrary, neither Member will require or cause the Company to take any action which may, in the opinion of MCRC's independent auditors or legal counsel, result in the loss of MCRC's status as a REIT. The Members further agree that, to the extent possible, the Company shall be managed in a manner so that: (a) the Company's gross income meets the tests provided in Section 856(c)(2) and (3) of the Code as if the Company were a REIT; (b) the Company's assets meet the tests provided in Section 856(c)(4) of the Code as if the Company were a REIT; and (c) the Company minimizes federal, state and local income and excise taxes that may be incurred by MCRC, or any of their Affiliates, including taxes under Section 857(b), 860(c) or 4981 of the Code. Furthermore, the Members shall use reasonable efforts to structure the Company's transactions to minimize any prohibited transaction tax or other taxes applicable to any Member and MCRC. The Members hereby further acknowledge, agree and accept that, pursuant to this Section 6.09, the Company may be precluded from taking, or may be required to take, an action which it would not have otherwise taken, even though the taking or the not taking of such action might otherwise be advantageous to the Company and/or to one or more of the Members (or one or more of their Affiliates).

VII. MANAGEMENT

7.01. Management. (a) Except as otherwise expressly provided in this Agreement, the business and affairs of the Company shall be controlled by the Managing Member. The Managing Member shall have responsibility for supervising, directing and overseeing the activities of the Company, establishing the policies and operating procedures of the Company,

managing the business and affairs of the Company and making all decisions as to all matters which the Company has authority to perform. All decisions made with respect to the management and control of the Company and approved by the Managing Member shall be binding on the Company and all Members.

(b) Subject to the terms and limitations of this Agreement and the limitations imposed by law, the Managing Member shall have all of the same powers as a general partner of a general partnership under the laws of the State of Delaware, including without limitation, the power and authority to: (i) authorize other persons to execute and deliver such documents on behalf of the Company as the Managing Member may deem necessary or desirable for the Company's business; (ii) perform, or cause to be performed, all of the Company's obligations under any agreement to which the Company is a party; (iii) enter into contracts on behalf of the Company and make expenditures as are required to operate and manage the Company; and (iv) do any act which is necessary or desirable to carry out any of the purposes of the Company.

(c) The Managing Member may, on behalf of the Company, employ, engage or retain any Persons (including any Related Persons of any Member) to act in such capacities as the Managing Member may determine are necessary or desirable in connection with the Company's business.

(d) No Member, other than the Managing Member, shall have any right or power to participate in or have any control over the Company's business, affairs or operations or to act for or to bind the Company in any matter whatsoever and no Member other than the Managing Member shall be required or permitted to consent to, acquiesce in, vote on or approve any action or act taken or decision made by the Managing Member, except as otherwise expressly provided in this Agreement or as expressly provided in the Delaware Act.

7.02. Meetings of the Members.

(a) The Members shall meet at such times as may be requested by the Managing Member to review the affairs of the Company or for such other reason as may be determined by the Managing Member, but not less than once per year. The place of such meetings shall be at the offices of the Company unless otherwise agreed to by all of the Members.

(b) Any action required to be taken at a meeting of the Members or any other action which may be taken at a meeting of the Members may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Members unless otherwise provided by the Delaware Act. Any such consent signed by the Members as indicated above in the immediately preceding sentence shall be a valid and proper act of the Members.

(c) The Members may participate in and act at meetings of the Members through the use of a conference telephone or other communications equipment or system by means of which all persons participating in the meeting can hear each other ("Electronic Participation"). Participation in such meeting shall constitute attendance in person at the meeting of the person or persons so participating.

(d) Notice of any meeting of the Members shall be given no fewer than five (5) Business Days and no more than twenty (20) Business Days prior to the date of the meeting (unless such notice is waived in writing). Notice of any meeting of the Members shall specify the date, time and place of the proposed meeting and the agenda for the meeting. Notice shall be delivered in the manner set forth in Section 12.03 hereof. The attendance (whether in person or by Electronic Participation) of a Member at a meeting of the Members (as reflected in the minutes of the meeting) shall constitute a waiver of notice of such meeting, except where a Member attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not properly called or convened.

(e) A written record of all meetings of the Members and all decisions made by the Members shall be made by the Managing Member, as Secretary, or such other Person as may be appointed by the Managing Member, and kept in the records of the Company.

7.03. Remuneration for Managing Member. Except as otherwise agreed to by all of the Members, the Managing Member shall not be entitled to receive any salary or other remuneration or expense reimbursement from the Company for its services as Managing Member.

7.04. Duties and Conflicts.

(a) The Managing Member shall devote such time to the business of the Company as it deems to be necessary or desirable in connection with its duties and responsibilities hereunder. Except as otherwise expressly provided in this Agreement or as otherwise approved by the Managing Member, no Member nor any member, partner, shareholder, officer, director, employee, agent or representative of any Member shall receive any salary or other remuneration for its services rendered pursuant to this Agreement.

(b) Each of the Members recognizes that the other Member and its members, partners, shareholders, officers, directors, employees, agents, representatives and Related Persons, has or may in the future have other business interests, activities and investments, some of which may be in conflict or competition with the business of the Company, and that the other Member and its members, partners, shareholders, officers, directors, employees, agents, representatives and Related Persons, are entitled to carry on such other business interests, activities and investments. Nothing contained in this Agreement shall preclude any of the Members from engaging in or possessing an interest in other business ventures of any nature and description, independently or with others, including, but not limited to, the ownership, financing, acquiring, leasing, promoting, improving, operation, management, syndication, brokerage and/or development of real property, including, but not limited to, property in the State of New Jersey, on its own behalf or on behalf of other entities with which any of the Members is affiliated or otherwise, and nothing contained in this Agreement shall preclude any of the Members from engaging in any such activities, whether or not competitive with the Company, without any obligation to offer any interest in such activities to the Company or to the other Member. Neither the Company nor the other Member shall have any right, by virtue of this Agreement in or to such activities, or the income or profits derived therefrom, and the pursuit of such activities, even if competitive with the business of the Company, shall not be deemed wrongful or improper.

7.05. Company Expenses. Except as otherwise expressly provided in this Agreement, and except for any costs to be borne by any third party under any agreement with the Company, the Company shall be responsible for paying, and shall pay, all direct costs and expenses related to the business of the Company. In the event any such costs and expenses are or have been paid by any Member, such Member shall be entitled to be reimbursed for such payment so long as such payment is reasonably necessary for Company business or operations and has been approved by the Managing Member. Notwithstanding the foregoing, in no event shall the Company have any obligation to pay or reimburse any Member for (a) any direct or indirect general overhead expense of such Member, (b) the costs and expenses, including legal costs, relating to any employees, staff or other personnel necessary to conduct the day-to-day operations of the Company or to provide the financial reporting of the Company (other than those required by the express terms of this Agreement, or any other agreement, to be provided by third parties, including year-end audited financial statements and tax returns and reports prepared by third parties), or (c) any travel expenses, unless in each such case the same have been approved by the Managing Member.

VIII. BOOKS AND RECORDS

8.01. Books and Records. The Managing Member shall maintain, or cause to be maintained, at the expense of the Company, in a manner customary and consistent with good accounting principles, practices and procedures, a comprehensive system of office records, books and accounts (which records, books and accounts shall be and remain the property of the Company) in which shall be entered fully and accurately each and every financial transaction with respect to the operations of the Company. Bills, receipts and vouchers shall be maintained on file by the Managing Member. The Managing Member shall maintain said books and accounts in a safe manner and separate from any records not having to do directly with the Company. The Managing Member shall cause audits to be performed and audited statements and income tax returns to be prepared as required by Section 8.03 hereof. Such books and records of account shall be prepared and maintained by the Managing Member at the principal place of business of the Company or such other place or places as may from time-to-time be determined by the Managing Member.

8.02. Accounting and Fiscal Year. The books of the Company shall be kept on the accrual basis in accordance with United States generally accepted accounting principles ("GAAP"), and the Company shall report its operations for tax purposes on the accrual method. The taxable year of the Company shall end on December 31 of each year, unless a different taxable year shall be required by the Code.

8.03. Reports.

(a) The Managing Member shall prepare or cause to be prepared at the Company's expense the financial reports and other information that the Managing Member may determine are appropriate. Promptly after the end of each fiscal year and at the expense of the Company, the Managing Member will cause the Company Accountant to prepare and deliver to each Member a report setting forth in sufficient detail all such information and data with respect to business transactions effected by or involving the Company during such fiscal year as will enable the Company and each Member to timely prepare its federal, state and local income tax

returns in accordance with the laws, rules and regulations then prevailing. The Managing Member will also cause the Company Accountant to prepare federal, state and local tax returns required of the Company, submit those returns to the Managing Member for its approval as early as practicable but in no event later than ninety (90) calendar days following the end of the preceding fiscal year and will file or cause to be filed the tax returns after they have been approved by the Managing Member. The Managing Member shall prepare and distribute or cause to be prepared and distributed the reports and statements described in this Section 8.03.

(b) All decisions as to accounting principles shall be made by the Managing Member, subject to the provisions of this Agreement.

8.04. The Company Accountant. The Company shall retain as the regular accountant and auditor for the Company (the “Company Accountant”) a nationally-recognized accounting firm or any other accounting firm approved and designated by the Managing Member. The fees and expenses of the Company Accountant shall be a Company expense. The Company Accountant shall be Price Waterhouse Coopers, until such time as the Managing Member shall elect to change such Company Accountant.

8.05. Reserves. The Managing Member may, in its discretion, subject to such conditions as it shall determine, establish cash reserves for the purposes and requirements as it may deem appropriate (the “Reserve Accounts”). Such Reserve Accounts will be increased by any deposits thereto from time-to-time of amounts of the revenues of the Company from operations, the net proceeds from capital transactions, and contributions and other sources, before any distributions of such amounts to the Members, as determined reasonably necessary by the Managing Member. Once established, such Reserve Accounts may be charged by the Managing Member with any expenditure for the operation of the Company, whether such items are treated as current expense deductions or as capital expenditures under GAAP.

IX. TRANSFER OF INTERESTS

9.01. No Transfer.

(a) Except as expressly permitted or contemplated by this Agreement, no Member may, directly or indirectly, sell, assign, give, hypothecate, pledge, encumber or otherwise transfer (“Transfer”) all or any portion of its Interest without the prior written consent of the Managing Member (which may be withheld or granted in the sole discretion of the Managing Member).

(b) Any Transfer in contravention of this Article IX shall be null and void. No Member, without the prior written consent of the Managing Member, may resign from the Company, except as a result of such Member’s involuntary dissolution or final adjudication as bankrupt or in connection with a permitted Transfer.

9.02. Permitted Transfers.

(a) Subject to the provisions of Section 9.06 hereof, the Managing Member may, from time-to-time and in its sole discretion, without the consent of the Managing Member, transfer some or all of its Interest to any Purchaser, without the prior written consent of the

Managing Member, provided such transferee agrees to be bound by all of the terms, conditions and provisions of this Agreement (including the provisions of this Article IX).

(b) Subject to the provisions of Section 9.06 hereof, Gale may, from time-to-time and in its sole discretion, without the consent of the Managing Member, transfer all of his Interest to any Person which is wholly owned by Gale, provided such transferee agrees to be bound by all of the terms, conditions and provisions of this Agreement (including the provisions of this Article IX), and such transferee shall remain wholly owned by Gale.

9.03. Transferees. No transferee of all or any portion of any Interest shall be admitted as a substitute Member unless (a) such Interest is transferred in compliance with the applicable provisions of this Agreement and (b) such transferee shall have executed and delivered to the Company such instruments as the Managing Member reasonably deem necessary or desirable to effectuate the admission of such transferee as a Member and to confirm the agreement of such transferee to be bound by all the terms, conditions and provisions of this Agreement with respect to such Interest. At the request of the Managing Member, each such transferee shall also cause to be delivered to the Company at the transferee’s sole cost and expense, a favorable opinion of legal counsel reasonably acceptable to the Managing Member, to the effect that (i) such transferee has the legal right, power and capacity to own the Interest proposed to be Transferred, (ii) such Transfer does not violate any provision of any loan commitment or agreement or any mortgage, deed of trust or other security instrument encumbering all or any portion of any asset of the Company, and (iii) such Transfer does not violate any federal or state security laws and will not cause the Company to become subject to the Investment Company Act of 1940, as amended. As promptly as practicable after the admission of any Person as a Member, the books and records of the Company shall be changed to reflect such admission. All reasonable costs and expenses incurred by the Company in connection with any Transfer of any Interest and, if applicable, the admission of any transferee as a Member shall be paid by such transferee.

9.04. Admission of Additional Members.

(a) No person may be admitted as an additional Member of the Company (in contrast with admission as a substitute Member in connection with a permitted Transfer) without the consent of the Managing Member (which may be withheld or granted in the sole discretion of the Managing Member).

(b) Any additional or substitute Member admitted to the Company shall execute and deliver documentation in form satisfactory to the Managing Member accepting and agreeing to be bound by this Agreement, and such other documentation as the Managing Member shall reasonably require in order to effect such Person’s admission as an additional Member. The admission of any Person as an additional Member shall become effective on the date upon which the name of such person is recorded on the books and records of the Company following the consent of all of the Members to such admission.

9.05. Drag-Along Rights.

(a) Subject to the other provisions of this Article IX, if the Managing Member proposes to sell, exchange or otherwise dispose of (a “Sale”) all of its Interest in the Company

for cash, Cash Equivalents or Readily Marketable Securities or any combination thereof to any Purchaser, the Managing Member may, in its discretion, elect to require Gale to sell, exchange or otherwise dispose of all of Gale’s Interest in the Company pursuant to such Sale for the same proportionate consideration and otherwise on the same terms and conditions upon which the Managing Member proposes to sell, exchange or otherwise dispose of its Interest (the “Drag-Along Rights”). The net consideration received in connection with such sale (which shall be the consideration received in connection with such sale minus an amount equal to (x) the Managing Member Preferential Return of 10% per annum, compounded quarterly, on the Managing Member’s Capital Contributions plus the Purchase Amount reduced by (y) the aggregate distributions to the Managing Member pursuant to Section 6.03(a) of this Agreement (such amount, the “CLI Shortfall”) shall be allocated between the Managing Member and Gale on the basis and in proportion to each Member’s Payout Percentages. The CLI Shortfall shall be retained by the Managing Member as additional consideration for the sale of its Interest.

(b) Not less than thirty (30) days prior to the consummation of such Sale (the “Drag-Along Response Period”), the Managing Member shall provide Gale with written notice of its election to exercise its Drag-Along Rights, which notice shall include the name of the Purchaser, and the aggregate consideration to be received

by Gale for its Interest and a copy of all Sale documents (which documents shall be on terms that are identical to the terms of the Managing Member's Transfer, except that Gale shall not be required to make any representations, warranties, covenants or agreements other than its authority to sign such documents, its title to its Interests being sold and its obligation to Transfer its Interests). Gale must execute and deliver to the Managing Member the documents previously furnished to Gale for execution in connection with the Sale within the Drag-Along Response Period. Gale does hereby irrevocably constitute and appoint the Managing Member with full power of substitution, the true and lawful attorney-in-fact and agent of Gale, to execute and deliver in Gale's name, place and stead, all instruments, documents and certificates previously furnished to Gale for execution in connection with the Sale, provided, (i) Gale has not otherwise executed such documents within twenty-five (25) days following Gale's receipt of the Managing Member's written notice of its election to exercise its Drag-Along Rights, and (ii) such documents are in conformity, in all respects, with the provisions of this Section 9.05.

(c) In connection with any such Sale pursuant to which Gale shall be required to participate in accordance with the Drag-Along Rights as set forth above, the Managing Member shall, promptly after consummation of such Sale, notify Gale to that effect, and shall promptly (and in any event within fifteen (15) Business Days following the consummation of such Sale) cause to be remitted to Gale the proceeds attributable to the sale of Gale's Interest.

(d) Notwithstanding anything in this Section 9.05 to the contrary, there shall be no liability on the part of Gale to the Managing Member if any sale of Interest pursuant to this Section 9.05 is not consummated for whatever reason other than a failure to comply with the foregoing provisions. It is understood that the Managing Member, in its sole discretion, shall determine whether to effect a Sale to any third party pursuant to this Section 9.05.

9.06. Override on Permitted Transfers.

(a) It is expressly understood and agreed that any Transfer permitted pursuant to this Article IX shall in all instances be prohibited (and, if consummated, shall be void ab initio) if such Transfer does not comply with all applicable laws, rules and regulations and other requirements of governmental authorities, including, without limitation, Executive Order 13224 (September 23, 2001), the rules and regulations of the Office of Foreign Assets Control, Department of Treasury, and any enabling legislation or other Executive Orders in respect thereof.

(b) Each admitted Member shall be required to make the representations and warranties set forth in Section 12.01(a) of this Agreement to the other Member(s) and the Company as of the date of such Member's admission into the Company. Each Member shall be deemed to make the representations and warranties set forth in Section 12.01(a)(ix)-(xii) of this Agreement to the Members and the Company on behalf of any Person that acquires a beneficial ownership interest in such Member as of the date of such acquisition.

(c) Notwithstanding anything to the contrary contained in this Agreement, no Transfer of all or any part of any Interest shall be made except in compliance with all applicable securities laws.

X. EXCULPATION AND INDEMNIFICATION

10.01. Exculpation. Notwithstanding any contrary provision of the Delaware Act, no Member (and no general or limited partner of any Member, shareholder, member or other holder of an equity interest in such Member or officer, director or employee of any of the foregoing or any of their Affiliates) shall be liable to the Company or to any other Member for monetary damages for any losses, claims, damages or liabilities arising from any act or omission performed or omitted by it arising out of or in connection with this Agreement or the Company's business or affairs; provided, however, such act or omission was taken in good faith, was reasonably believed to be in the best interests of the Company and was within the scope of authority granted to such Person and was not attributable in whole or in part to (a) a breach of this Agreement which has a material adverse effect upon the value of, or causes material damage to, the Company, (b) a knowing violation of law which has a material adverse effect upon the value of, or causes material damage to, the Company, (c) a transaction for which such Member received a personal benefit in violation or breach of the provisions of this Agreement, or (d) such Member's or Person's fraud, bad faith, willful misconduct or gross negligence.

10.02. Indemnification.

(a) The Company shall, to the fullest extent permitted by applicable law, indemnify, defend and hold harmless each Member, and each general or limited partner of any Member, each shareholder, member or other holder of any equity interest in such Member or any officer, director or employee of any of the foregoing (each an "Indemnified Party"), against any losses, claims, damages or liabilities to which such Indemnified Party may become subject in connection with any matter arising out of or incidental to any act performed or omitted to be performed by any such Indemnified Party in connection with this Agreement or the Company's

business or affairs, including any action or omission constituting a breach of any fiduciary duties; provided, however, that such act or omission (i) was taken in good faith, was reasonably believed by the applicable Indemnified Party to be in the best interest of the Company and was within the scope of authority granted to such Member or applicable Indemnified Party, (ii) was not a transaction for which the Indemnified Party received a personal benefit in violation or breach of the provisions of this Agreement, (iii) was not attributable in whole or in part to such Indemnified Party's breach of this Agreement or a knowing violation of law, in either case which has a material adverse effect upon the value of, or causes material damage to, the Company, or (iv) in the case of a Member or related Indemnified Party, was not attributable in whole or in part to such Indemnified Party's fraud, bad faith, willful misconduct or gross negligence. If an Indemnified Party becomes involved in any capacity in any action, proceeding or investigation in connection with any matter arising out of or in connection with this Agreement or the Company's business or affairs, the Company shall reimburse such Indemnified Party for its reasonable legal and other reasonable out-of-pocket expenses (including the cost of any investigation and defense preparation) as they are incurred in connection therewith, provided that such Indemnified Party shall promptly repay to the Company the amount of any such reimbursed expenses paid to it if it shall ultimately be determined that such Indemnified Party was not entitled to be indemnified by the Company in connection with such action, proceeding or investigation. If for any reason (other than the fraud or gross negligence, intentional misconduct, breach of this Agreement or a knowing violation of law by such Indemnified Party or a transaction for which such Indemnified Party received a personal benefit in violation or breach of the provisions of this Agreement) the foregoing indemnification is unavailable to such Indemnified Party, or insufficient to hold it harmless, then the Company shall contribute to the amount paid or payable by such Indemnified Party as a result of such loss, claim, damage, liability or expense in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and such Indemnified Party on the other hand or, if such allocation is not permitted by applicable law, to reflect not only the relative benefits referred to above but also any other relevant equitable considerations. Any indemnity under this Section 10.02(a) shall be paid solely out of and to the extent of Company assets and shall not be a personal obligation of any Member and in no event will any Member be required or permitted, without the consent of the other Members, to contribute additional capital under Article IV to enable the Company to satisfy any obligation under this Section 10.02.

(b) Notwithstanding the provisions of Section 3.02(a) hereof, each Member shall indemnify and hold harmless the Company and the other Member from and against any and all claims, demands, liabilities, costs, damages, expenses and causes of action of any nature whatsoever arising out of or incidental to (i) any act performed by or on behalf of any such Member (including acts performed as the Managing Member) which is not performed in good faith or is not reasonably believed by such Member to be in the best interests of the Company and within the scope of authority conferred upon such Member under this Agreement, (ii) the fraud, bad faith, intentional or willful misconduct or gross negligence of such Member, (iii) a breach of this Agreement or a knowing violation of law by such Member, in either case which has a material adverse effect upon the value of, or causes material damage to, the Company or its assets or (iv) any transaction for which such Member received a personal

benefit in violation or breach of the provisions of this Agreement.

(c) The provisions of this Section 10.02 shall survive for a period of four (4) years from the date of dissolution of the Company, provided that if at the end of such period there are any actions, proceedings or investigations then pending, an Indemnified Party may so notify the Company and the Members at such time (which notice shall include a brief description of each such action, proceeding or investigation and the liabilities asserted therein) and the provisions of this Section 10.02 shall survive with respect to each such action, proceeding or investigation set forth in such notice (or any related action, proceeding or investigation based upon the same or similar claim) until such date that such action, proceeding or investigation is finally resolved, and the obligations of the Company under this Section 10.02 shall be satisfied solely out of Company assets.

(d) Notwithstanding any other provision of this Agreement to the contrary, the obligations of the Company or any Member under this Section 10.02 shall be in addition to any liability which the Company or such Member may otherwise have and inure to the benefit of such Member, its Related Persons and their respective members, directors, officers, employees, agents and Affiliates and any successors, assigns, heirs and personal representatives of such Persons.

XI. DISSOLUTION AND TERMINATION

11.01 Dissolution. The Company shall be dissolved and its business wound up upon the earliest to occur of any of the following events:

(a) The sale or other disposition of all the assets of the Company and the receipt of all consideration therefor;

(b) The determination of the Managing Member to dissolve the Company in its sole and complete discretion; or

(c) The resignation, expulsion, bankruptcy or dissolution of any Member or the occurrence of any other event that terminates the continued membership of any Member in the Company, unless, within ninety (90) calendar days after such event, the Managing Member elects in writing (i) to continue the business of the Company, and (ii) if any such time there exists only one (1) remaining Member, effective as of the date of such event, to admit at least one (1) additional Member to the Company and (iii) if applicable, to appoint a new Managing Member.

Without limiting, but subject to, the other provisions hereof, the assignment of all or any part of a Member's Interest permitted hereunder will not result in the dissolution of the Company. Except as otherwise expressly provided in this Agreement, each Member agrees that, without the consent of the Managing Member, no Member may withdraw from or cause a voluntary dissolution of the Company. In the event any Member withdraws from or causes a voluntary dissolution of the Company in contravention of this Agreement, such withdrawal or the causing of a voluntary dissolution shall not affect such Member's liability for obligations of the Company.

11.02. Termination. In all cases of dissolution of the Company, the business of the Company shall be wound up and the Company terminated as promptly as practicable thereafter, and each of the following shall be accomplished:

(a) The Liquidating Member shall cause to be prepared a statement setting forth the assets and liabilities of the Company as of the date of dissolution, a copy of which statement shall be furnished to all of the Members.

(b) The interests and all other assets of the Company shall be liquidated by the Liquidating Member as promptly as possible, but in an orderly and businesslike and commercially reasonable manner and to the extent applicable, subject to the provisions of a liquidating plan approved by the Managing Member. The Liquidating Member may distribute the assets of the Company in kind only with the consent of the all the Members.

(c) The proceeds of sale and all other assets of the Company shall be applied and distributed as follows and in the following order of priority:

(i) To the payment of (A) the debts and liabilities of the Company and (B) the expenses of liquidation.

(ii) To the setting up of any reserves which the Liquidating Member and the Managing Member shall determine to be reasonably necessary for contingent, unliquidated or unforeseen liabilities or obligations of the Company or any Member arising out of or in connection with the Company. Such reserves may, in the discretion of the Liquidating Member, be paid over to a national bank or national title company selected by it and authorized to conduct business as an escrowee to be held by such bank or title company as escrowee for the purposes of disbursing such reserves to satisfy the liabilities and obligations described above, and at the expiration of such period as the Liquidating Member may reasonably deem advisable, distributing any remaining balance as provided in Section 12.02(c)(iii) hereof; provided, however, that, to the extent that it shall have been necessary, by reason of applicable law or regulation, to create any reserves prior to any and all distributions which would otherwise have been made under Section 11.02(c)(i) above and, by reason thereof, a distribution under Section 11.02(c)(i) has not been made, then any balance remaining shall first be distributed pursuant to Section 11.02(c)(i) above.

(iii) The balance, if any, to the Members in accordance with Section 6.04 hereof.

11.03 Liquidating Member. The Liquidating Member is hereby irrevocably appointed as the true and lawful attorney in the name, place and stead of each of the Members, such appointment being coupled with an interest, to make, execute, sign, acknowledge and file with respect to the Company all papers which shall be necessary or desirable to effect the dissolution and termination of the Company in accordance with the provisions of this Article XI. Notwithstanding the foregoing, each Member, upon the request of the Liquidating Member, shall promptly execute, acknowledge and deliver all such documents, certificates and other instruments as the Liquidating Member shall reasonably request to effectuate the proper

dissolution and termination of the Company, including the winding up of the business of the Company.

XII. MISCELLANEOUS

12.01. Covenants, Representations and Warranties of the Members.

(a) Each Member represents and warrants to the other Member as follows:

(i) It is duly organized, validly existing and in good standing under the laws of its jurisdiction of formation with all requisite power and authority to enter into this Agreement and to conduct the business of the Company.

(ii) This Agreement constitutes the legal, valid and binding obligation of the Member enforceable in accordance with its terms, subject to the application of principles of equity and laws governing insolvency and creditors' rights generally.

(iii) No consents or approvals (which have not been obtained) are required from any governmental authority for the Member to enter into this Agreement and be admitted to the Company. All limited liability company, corporate or partnership action on the part of the Member (and its direct or indirect equity owners) necessary for the authorization, execution and delivery of this Agreement, and the consummation of the transactions contemplated hereby, have been duly taken.

(iv) The execution and delivery of this Agreement by the Member, and the consummation of the transactions contemplated hereby, do not conflict with or contravene the provisions of such Member's organic documents or any agreement or instrument by which it or its properties are bound or any law, rule, regulation, order or decree to which it or its properties are subject.

(v) The Member has not retained any broker, finder or other commission or fee agent, and no such person has acted on its behalf in connection with the acquisition and assumption of its Interest in the Company or the execution and delivery of this Agreement.

(vi) Each Member is acquiring its Interest in the Company for investment, solely for its own account, with the intention of holding such Interest for investment and not with a view to, or for resale in connection with, any distribution or public offering or resale of any portion of such interest within the meaning of the Securities Act of 1933 as amended from time to time (the "Securities Act") or any other applicable federal or state securities law, rule or regulation ("Securities Laws").

(vii) Each Member acknowledges that it is aware that its interest in the Company has not been registered under the Securities Act or under any Securities Laws, or other Federal or state securities law in reliance upon exemptions contained therein. Each Member understands and acknowledges that its representations and warranties contained herein are being relied upon by the Company, the other Member and the constituent owners of such other Member as the basis for exemption of the issuance of

interest in the Company from registration requirements of the Securities Act and other Securities Laws. Each Member acknowledges that the Company will not and has no obligation to register any Interest in the Company under the Securities Act or other Securities Laws.

(viii) Each Member acknowledges that prior to its execution of this Agreement, it received a copy of this Agreement and that it examined this document or caused this document to be examined by its representative or attorney. Each Member does hereby further acknowledge that it or its representative or attorney is familiar with this Agreement, and with the business and affairs of the Company, and that except as otherwise expressly provided in this Agreement, it does not desire any further information or data relating to the Company or the other Member. Each Member does hereby acknowledge that it understands that the acquisition of its Interest in the Company is a speculative investment involving a high degree of risk and does hereby represent that it has a net worth sufficient to bear the economic risk of its investment in the Company and to justify its investing in a highly speculative venture of this type.

(ix) The Member is in compliance with Executive Order 13224 (September 23, 2001), the rules and regulations of the Office of Foreign Assets Control, Department of Treasury, and any enabling legislation or other Executive Orders in respect thereof.

(x) At all times, including after giving effect to any Transfers permitted pursuant to this Agreement, (a) none of the funds or other assets of the Member constitutes property of, or are beneficially owned, directly or indirectly, by any Person, entity or government subject to trade restrictions under U.S. law (including, but not limited to, the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701 et seq., The Trading with the Enemy Act, 50 U.S.C. App. 1 et seq., and any Executive Orders or regulations promulgated thereunder) (any such Person, entity or government, an "Embargoed Person") with the result that the investment in the Member (whether directly or indirectly), is prohibited by any applicable law, rule, regulation, order or decree is in violation thereof; (b) no Embargoed Person has any interest of any nature whatsoever in the Member with the result that the investment in the Member (whether directly or indirectly), is prohibited by any applicable law, rule, regulation, order or decree is in violation thereof; and (c) none of the funds of the Member have been derived from any unlawful activity with the result that the investment in the Member (whether directly or indirectly), is prohibited by any applicable law, rule, regulation, order or decree is in violation thereof.

(xi) If applicable to such Member, the Member has implemented a corporate anti-money laundering plan that is reasonably designed to ensure compliance with applicable foreign and U.S. anti-money laundering law.

(xii) The Member is familiar with the U.S. Government Blacklists maintained by applicable U.S. Federal agencies and none of its investors, officers or directors are on the U.S. Government Blacklists.

(b) Subject to the provisions of Section 3.02(b) hereof, each Member agrees to indemnify and hold harmless the Company and the other Member and their officers, directors, shareholders, partners, members, employees, successors and assigns from and against any and all loss, damage, liability or expense (including reasonable costs and reasonable attorneys fees) which they may incur by reason of, or in connection with, any material breach of the foregoing representations and warranties by such Member and all such representations and warranties shall survive the execution and delivery of this Agreement and the termination and dissolution of either of the Members and/or the Company.

12.02. Further Assurances. Each Member agrees to execute, acknowledge, deliver, file, record and publish such further instruments and documents, and do all such other acts and things as may be required by law, or as may be required to carry out the intent and purposes of this Agreement.

12.03. Notices. All notices of default, demands, requests for or grants of consents or approvals, which any of the parties to this Agreement may desire or be required to give hereunder (collectively, "Material Notices") shall be in writing and shall be given by (a) personal delivery, (b) facsimile transmission with proof of receipt and provided such notice is also delivered by method (a) or (c) or (c) a nationally recognized overnight courier service, fees prepaid, addressed as follows:

If to the Managing Member, to: c/o Mack-Cali Realty Corporation
11 Commerce Drive
Cranford, New Jersey 07016

with two (2) separate copies of the
notice sent to the attention of:

Mitchell E. Hersh
Telecopy: (908) 272-0214
Telephone: (908) 272-2009

And

Roger W. Thomas, Esq.
Telecopy: (908) 497-0485
Telephone: (908) 272-2612

With a copy (which shall not
constitute notice) to:

Seyfarth Shaw LLP
1270 Avenue of the Americas
25th Floor
New York, New York 10020
Telecopy: (212) 218-5527
Telephone: (212) 218-5620
Attention: John P. Napoli, Esq.

If to Gale, to:

c/o Gale International, L.L.C.
100 Campus Drive, Suite 200
Florham Park, New Jersey 07932
Telecopy: (973) 245-3600
Telephone: (973) 301-9500
Attention: Mr. Stanley C. Gale

With a copy (which shall not
constitute notice) to:

Greenberg Traurig, LLP
200 Park Avenue
New York, New York 10166
Attn: Robert J. Ivanhoe, Esq.
Telephone: 212-801-9200
Facsimile No.: 212-801-6400

Any Member may designate another addressee (and/or change its address) for Material Notices hereunder by a notice given pursuant to this Section 12.03. A Notice sent in compliance with the provisions of this Section 12.03 shall be deemed given on the date of receipt if delivered by method (a) or (b) and on the next Business Day after deposit with the courier if delivered by method (c). Other than with regard to Material Notices, communications under this Agreement shall be delivered and exchanged among the Members in such mutually acceptable form as shall be conducive to the use and implementation of the materials in question (*e.g.*, by electronic mail or telecopier with regard to the exchange of periodic financial information). Any mutually acceptable method of communication must provide for confirmation of delivery or refusal thereof.

12.04. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware applicable to agreements made and to be performed wholly within that state.

12.05. Captions. All titles or captions contained in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit, extend, or describe the scope of this Agreement or the intent of any provision in this Agreement.

12.06. Pronouns. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, and neuter, singular and plural, as the identity of the party or parties may require.

12.07. Successors and Assigns. This Agreement shall be binding upon the parties hereto and their respective executors, administrators, legal representatives, heirs, successors and permitted assigns, and shall inure to the benefit of the parties hereto and, except as otherwise expressly provided herein, their respective executors, administrators, legal representatives, heirs, successors and permitted assigns.

12.08. Extension Not a Waiver. No delay or omission in the exercise of any power, remedy or right herein provided or otherwise available to a Member or the Company shall impair or affect the right of such Member or the Company thereafter to exercise the same. Any extension of time or other indulgence granted to a Member hereunder shall not otherwise alter or

affect any power, remedy or right of any other Member or of the Company, or the obligations of the Member to whom such extension or indulgence is granted.

12.09. Creditors Not Benefited. Nothing contained in this Agreement is intended or shall be deemed to benefit any creditor of the Company or any Member, and no creditor of the Company or any Member shall be entitled to require the Company to solicit or the Members to make any Capital Contribution to the Company or to enforce any right which the Company or any Member may have against any Member under this Agreement or otherwise.

12.10. Recalculation of Interest. If any applicable law is ever judicially interpreted so as to deem any distribution, contribution, payment or other amount received by any Member or the Company under this Agreement as interest and so as to render any such amount in excess of the maximum rate or amount of interest permitted by applicable law, then it is the express intent of the Members and the Company that all amounts in excess of the highest lawful rate or amount theretofore collected be credited against any other distributions, contributions, payments or other amounts to be paid by the recipient of the excess amount or refunded to the appropriate Person, and the

provisions of this Agreement immediately be deemed reformed, without the necessity of the execution of any new document, so as to comply with the applicable law, but so as to permit the payment of the fullest amount otherwise required hereunder. All sums paid or agreed to be paid that are judicially determined to be interest shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the term of such obligation so that the rate or amount of interest on account of such obligation does not exceed the maximum rate or amount of interest permitted under applicable law.

12.11. Severability. In case any one or more of the provisions contained in this Agreement or any application thereof shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and other application thereof shall not in any way be affected or impaired thereby.

12.12 Entire Agreement. This Agreement contains the entire understanding between the parties relating to the subject matter contained herein, and supersedes all other prior representations, warranties, agreements, understandings or letters of intent between or among the parties hereto, including, without limitation, the Limited Liability Operating Company Agreement of The Gale PFV Investor Company, L.L.C. dated "August , 2003." Amendments, variations, modifications or changes herein may be made effective and binding upon the Members only by the setting forth of same in a document duly executed by each Member, and any alleged amendment, variation, modification or change herein which is not so documented shall not be effective as to any Member.

12.13. Publicity. The parties agree that no Member or any of its advisors shall issue any press release or otherwise publicize or disclose the terms of this Agreement without the consent of the Managing Member, except as such disclosure may be made in the course of normal reporting practices by any Member or Related Persons to its Members, shareholders or partners or as otherwise required by law or rule of any stock exchange (and prior to any such disclosure the disclosing Member will notify the other Member and provide it with a copy of the proposed disclosure and an opportunity to comment thereon before the disclosure is made).

12.14. Counterparts. This Agreement may be executed in multiple counterparts (and by facsimile or portable document format (PDF) transmission), each of which shall be an original but all of which together shall constitute but one and the same agreement.

12.15. Confidentiality.

(a) Subject to Section 12.13, the terms of this Agreement and all other business, financial or other information relating directly to the conduct of the business and affairs of the Company or the relative or absolute rights or interests of any of the Members that has not been publicly disclosed pursuant to authorization of the Members (collectively, the "Confidential Information") is confidential and proprietary information of the Company, the disclosure of which would cause irreparable harm to the Company and the Members. Accordingly, each Member represents that it has not and agrees that it will not and will direct its members, shareholders, partners, directors, officers, agents, advisors and Related Persons not to, disclose to any Person other than its attorneys, accountants, consultants, advisors and other agents who have a need to know such information any Confidential Information or confirm any statement made by third Persons regarding Confidential Information until the Company has publicly disclosed the Confidential Information pursuant to authorization by the Members and has notified each Member that it has done so; provided, however, that any Member (or its Related Persons) may disclose such Confidential Information (i) if required by law or rule of any stock exchange (it being specifically understood and agreed that anything set forth in a registration statement or any other document filed pursuant to law will be deemed required by law, and provided that before making any disclosure of Confidential Information required by law or rule of any stock exchange, the disclosing Member will notify the other Member and provide it with a copy of the proposed disclosure and an opportunity to comment thereon before the disclosure is made), (ii) in connection with an actual or proposed Transfer of Interests permitted hereunder, (iii) reasonably necessary in connection with any transaction authorized pursuant to the terms of this Agreement, or (iv) if necessary for it to perform any of its duties or obligations hereunder.

(b) Subject to the provisions of Section 12.15(a), each Member agrees not to disclose any Confidential Information to any Person (other than a Person agreeing in writing to maintain all Confidential Information in strict confidence or a judge, magistrate or referee in any action, suit or proceeding relating to or arising out of this Agreement or otherwise), and to keep confidential all documents (including, without limitation, responses to discovery requests) containing any Confidential Information. Each Member hereby consents in advance to any motion for any protective order brought by any other Member represented as being intended by the movant to implement the purposes of this Section 12.15 provided that, if a Member receives a request to disclose any Confidential Information under the terms of a valid and effective order issued by a court or governmental agency and the order was not sought by or on behalf of or consented to by such Member, then such Member may disclose the Confidential Information to the extent required if the Member as promptly as practicable notifies the other Member of the existence, terms and circumstances of the order, consults in good faith with the other Member on the advisability of taking legally available steps to resist or to narrow the order, and if disclosure of the Confidential Information is required, exercises its best efforts to obtain a protective order or other reliable assurance that confidential treatment will be accorded to the portion of the disclosed Confidential Information that the other Member may designate. The cost (including, without limitation, reasonable attorneys' fees and expenses) of obtaining a protective order

covering Confidential Information designated by such other Member will be borne by the Company.

(c) The covenants contained in this Section 12.15 will survive the Transfer of the Interest of any Member and the dissolution of the Company.

(d) Notwithstanding anything contained in this Section 12.15 to the contrary, nothing contained in this Agreement shall be deemed to prevent any Member from making such disclosures as are required by applicable law, including, without limitation, federal or state Securities Laws.

12.16. Venue. Any suit, action or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with this Agreement or the transactions contemplated hereby or thereby may be brought in any state or federal court in The City of New York, Borough of Manhattan, and each Member hereby consents to the exclusive jurisdiction of any court in the State of New York (and of the appropriate appellate courts therefrom) in any suit, action or proceeding and irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such suit, action or proceeding in any such court or that any such suit, action or proceeding which is brought in any such court has been brought in an inconvenient forum. Each Member hereby waives the right to commence an action, suit or proceeding seeking to enforce any provision of, or based on any matter arising out of or in connection with this Agreement or the transactions contemplated hereby or thereby in any court outside of The City of New York, Borough of Manhattan. Process in any suit, action or proceeding may be served on any party anywhere in the world, whether within or without the jurisdiction of any such court. Without limiting the foregoing, each party agrees that service of process on such party as provided in Section 12.03 shall be deemed effective service of process on such party.

12.17. Waiver of Jury Trial. EACH OF THE MEMBERS HEREBY WAIVES TRIAL BY JURY IN ANY ACTION ARISING OUT OF MATTERS RELATED TO THIS AGREEMENT, WHICH WAIVER IS INFORMED AND VOLUNTARY.

[The rest of this page left intentionally blank]

[SIGNATURES BEGIN ON NEXT PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date set forth in the introductory paragraph hereof.

THE GALE COMPANY, L.L.C.:

By: /s/ Mitchell E. Hersh
Name: Mitchell E. Hersh
Title: Chairman & Chief Executive Officer

STANLEY C. GALE

/s/ Stanley C. Gale

FIRST AMENDMENT TO CONTRIBUTION AND SALE AGREEMENT

THIS FIRST AMENDMENT TO CONTRIBUTION AND SALE AGREEMENT ("**Amendment**"), being entered into as of the 9th of May, 2006 by and among GALE SLG NJ LLC, a Delaware limited liability company ("**Gale SLG**"), GALE SLG NJ MEZZ LLC, a Delaware limited liability company ("**Portfolio Mezz**") and GALE SLG RIDGEFIELD MEZZ LLC, a Delaware limited liability company ("**Challenger Mezz**", and together with Gale SLG and Portfolio Mezz, collectively, the "**Gale SLG Transferors**", and each a "**Gale SLG Transferor**"), and Mack-Cali Ventures L.L.C., a Delaware limited liability company ("**Mack-Cali**").

WITNESSETH:

WHEREAS, the Gale SLG Transferors and Mack-Cali entered into that certain Contribution and Sale Agreement, dated as of March 7, 2006 (the "**Agreement**"), regarding the formation of a new joint venture and the contribution and sale of certain Properties, as described therein; and

WHEREAS, the Gale SLG Transferors and Mack-Cali wish to modify the Agreement as more particularly set forth herein.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions contained herein and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Gale SLG Transferors and Mack-Cali hereby agree as follows:

1. All capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to them in the Agreement.

2. Notwithstanding anything contained in Section 9(l) of the Agreement to the contrary, (a) PW/MS OP SUB II, LLC shall be deemed deleted from Schedule 8(a)(xviii) of the Agreement, and (b) the entities listed on Schedule 1 attached hereto and made a part hereof (the "**Schedule 1 Entities**") shall not be dissolved at Closing. Gale SLG shall cause the Schedule 1 Entities to be dissolved at such time following the Closing that Gale SLG deems appropriate in its reasonable discretion. Mack-Cali agrees to provide reasonable cooperation to Gale SLG at Gale SLG's sole cost and expense in the dissolution of the Schedule 1 Entities.

3. Recital O is hereby modified to amend and restate subparagraph (c) and to add a new subparagraph (d) as follows:

(c) an amount (the "**Clause C Amount**") equal to Mack-Cali's Applicable Percentage Share of an amount equal to the difference between (x) the Agreed Value of the Troy Properties and (y) the aggregate principal amount of

Existing Floating Rate Debt encumbering the Troy Properties as of the Closing Date (and after application of the release prices in respect of the Class A Properties and Class B Properties encumbered thereby to reduce the principal amount thereof); and

(d) an amount equal to Mack-Cali's Applicable Percentage Share of the Agreed Value of the Naperville Interest (such amount the "**Naperville Amount**", and together with the Clause A Amount, the Clause B Amount and the Clause C Amount, collectively, the "**Portfolio Purchase Price**"; the Portfolio Purchase Price, together with the Challenger Purchase Price, the Thornall Purchase Price and the Waterview Purchase Price, collectively, the "**Total Purchase Price**"), in all cases subject to proration and adjustment at Closing and to the other terms and conditions contained herein, including, without limitation, the provisions of **Section 21** (the interest in JVLLC acquired by Mack-Cali upon payment of the Portfolio Purchase Price is referred to herein as the "**Mack-Cali Interest**").

4. Section 1 "CERTAIN DEFINITIONS" is hereby modified to include the following definition:

"**Naperville Interest**" means the OP's one hundred percent (100%) beneficial interest in Gale SLG Naperville.

5. Schedule 13 of the Agreement is hereby deleted in its entirety and replaced with "Replacement Schedule 13" annexed to this Amendment.

6. Counterparts. This Amendment may be executed in any number of counterparts each of which when so executed and delivered shall be deemed to be an original, but all such counterparts shall constitute one and the same agreement.

7. Severability. If any provision of this Amendment shall be determined to be invalid or unenforceable, the remaining provisions of this Amendment shall not be affected thereby, and every provision of this Amendment shall remain in full force and effect and enforceable to the fullest extent permitted by law.

8. Governing Law. This Amendment shall be governed by and construed in accordance with, the internal laws of the State of New York, without regard to the principles of conflicts of laws.

9. Entire Agreement; Modification. This Amendment constitutes the entire agreement between the parties as to the subject matter hereof. There are no promises or other agreements, oral or written, express or implied, between them other than as set forth in this Amendment. No change or modification of, or waiver under, this Amendment

shall be valid unless it is in writing and signed by duly authorized representatives of the Gale SLG Transferors and Mack-Cali.

10. Further Assurance. Each party hereto shall execute and deliver all such other and additional instruments and documents and do all such other acts and things as may be necessary more fully to effectuate the terms of this Amendment, provided the same do not increase or decrease the parties' respective liabilities, obligations or benefits hereunder.

11. Ratification of Development Administrative Agreement. The Agreement, as amended by this Amendment, is hereby ratified and affirmed and shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Amendment effective as of this 9th day of May, 2006.

GALE SLG PARTIES:

GALE SLG NJ LLC,
a Delaware limited liability company

By: Gale Core Fund I LLC,
a Delaware limited liability company,
its managing member

By:

/s/
Joseph
Adamo
Name:
Joseph
Adamo
Title:
Secretary

Gale SLG NJ Mezz LLC, a Delaware
limited liability company:

By:
Name: Joseph Adamo
Title: Secretary

/s/ Joseph Adamo

Gale SLG Ridgefield Mezz LLC, a
Delaware limited liability company

By: /s/ Joseph Adamo
Name: Joseph Adamo
Title: Secretary

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Amendment effective as of this 9th day of May, 2006.

Mack-Cali:

Mack-Cali Ventures L.L.C.

By: Mack-Cali Realty L.P., a Delaware limited
partnership, its sole member

By: Mack-Cali Realty Corporation, a Maryland
corporation, its general partner

By: /s/ Mitchell E. Hersh
Name: Mitchell E. Hersh
Title: President and Chief Executive Officer

Schedule 1

1. 10 Independence Associates Limited Partnership
2. Alan Warren Associates Limited Partnership
3. Warren '85 Associates Limited Partnership

4. Alan Warren PW/MS LLC
5. Warren '85 PW/MS LLC
6. PW/MS OP SUB I, LLC
7. 1200 Wall SPE LLC
8. 4 Century SPE LLC
9. 5 Century SPE LLC
10. 6 Century SPE LLC

Replacement Schedule 13

<u>Property</u>	<u>City</u>	<u>State</u>	<u>SF</u>	<u>Allocated Value</u>
One Grande Commons	Bridgewater	NJ	198,376	33,383,565
1280 Wall Street	Lyndhurst	NJ	121,314	15,619,093
10 Sylvan Way	Parsippany	NJ	125,829	16,484,989
5 Independence Way	Princeton	NJ	113,376	16,818,047
1 Independence Way	Princeton	NJ	111,979	13,423,072
3 Becker Farm Road	Roseland	NJ	113,837	16,822,906
75 Livingston Avenue	Roseland	NJ	94,625	14,955,553
Total JV Property Values			879,336	127,507,225
35 Waterview	Parsippany	NJ	172,313	32,500,000
105 Challenger	Meadowlands	NJ	148,150	32,500,000
343 Thornall	Edison	NJ	195,699	41,000,000
Remaining Properties			1,678,049	271,992,775
Total New Jersey Value			3,073,547	505,500,000
Troy Value	Troy	MI	1,216,223	110,000,000
Naperville Value	Naperville	IL	419,040	4,500,000

LOAN AGREEMENT

by and among

THE ENTITIES SET FORTH ON EXHIBIT A,

collectively, as Borrower

and

GRAMERCY WAREHOUSE FUNDING I LLC

as Lender

\$90,286,551 Floating Rate Mortgage Loan

Dated: May 9, 2006

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LOAN AGREEMENT

This LOAN AGREEMENT (this "Agreement") is made as of the 9th day of May, 2006, by and between the entities set forth on Exhibit A attached hereto and made a part hereof, each of which is a Delaware limited liability company and each of which has its chief executive office c/o Mack-Cali Realty Corp., 11 Commerce Drive, Cranford, New Jersey 07016, Attention: Mitchell Hersh (collectively, hereinafter referred to as "Borrower"), jointly and severally, and Gramercy Warehouse Funding I LLC, a Delaware limited liability company, having an address at 420 Lexington Avenue, New York, New York 10170, Attention: Robert Foley (hereinafter referred to as "Lender").

WITNESSETH

WHEREAS, Borrower has requested from Lender, and Lender has agreed to make to Borrower upon the terms and conditions set forth herein, a loan (hereinafter referred to as the "Loan") in the principal amount of NINETY MILLION TWO HUNDRED EIGHTY-SIX THOUSAND FIVE HUNDRED FIFTY-ONE and NO/100 DOLLARS (\$90,286,551.00)] (hereinafter referred to as the "Loan Amount"), which Loan is evidenced by that certain Promissory Note, of even date herewith (together with any supplements, amendments, modifications or extensions thereof, hereinafter referred to as the "Note") given by Borrower, as maker, to Lender, as payee and is secured by, among other things, the Mortgages (as hereinafter defined).

NOW THEREFORE, in consideration of the making of the Loan and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower and Lender hereby agree as follows:

ARTICLE I

DEFINITIONS

Certain Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context clearly indicates a contrary intent:

- (i) the capitalized terms defined in this Section have the meanings assigned to them in this Section, and include the plural as well as the singular;
- (ii) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with GAAP; and
- (iii) the words “herein”, “hereof”, and “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Section or other subdivision.

“401K Plan Assets” shall mean only those specific assets that are required to be transferred, and are actually so transferred, by Borrower, in its capacity as an employer, to a separate trust account maintained for the benefit of its employees that are participating in a so-called 401K plan, by reason of the deferral of compensation otherwise payable to such employees participating in such plan.

“75 Agreement” shall mean that certain agreement between Lender and the JV Member relating to the payment to Lender of certain distributions of cash flow from the 75 Property.

“75 Property” shall mean the property owned by 75 Livingston SPE LLC and located at 75 Livingston Avenue, Roseland, New Jersey.

“Acceptable Substitute Guarantor” shall have the meaning ascribed thereto in the definition of Permitted Entity Transfers.

“Accrued Lease Liability Escrow Account” shall mean an Escrow Account established and maintained pursuant to Section 5.14 hereof.

“Accrued Lease Liability Expenses” shall mean any monetary obligations of Borrower payable with respect to Leases existing as of the date hereof.

“ACH” shall have the meaning set forth in Section 5.01 hereof.

“Actual Net Cash Flow” shall mean Net Operating Income from all of the Projects, computed on a trailing twelve (12)—month basis, and including, for the purpose of such calculation, available interest reserves under the Loan for the succeeding twelve (12)—month period. The Actual Net Cash Flow shall be calculated by Borrower and shall be subject to the review and approval of Lender in its reasonable discretion.

“Adjusted Net Cash Flow” shall mean Pro-Forma Net Operating Income projected over the twelve (12)—month period subsequent to the date of calculation less Pro-Forma Capital Expenditures. The Adjusted Net Cash Flow shall be calculated by Borrower and shall be subject to the review and approval of Lender in its reasonable discretion.

“Affiliate” of any specified Person shall mean any other Person directly or indirectly Controlling or Controlled by or under direct or indirect common Control with such specified Person.

“Allocated Loan Amount” shall mean the portion of the Loan Amount allocated, for purposes of a Release, to each Project, as set forth on Exhibit D hereto.

“Annual Budget” shall mean an annual budget submitted by Borrower to Lender in accordance with the terms of Section 2.09 hereof.

“Appraisal” shall mean the appraisal(s) of the Projects and all supplemental reports or updates thereto previously delivered to Lender in connection with the Loan, and any new or updated appraisal(s) prepared after the date hereof pursuant to the terms hereof, all of

which shall conform to the standards set forth in the Financial Institutions Reform, Recovery and Enforcement Act of 1989, as amended.

“Appraiser” shall mean the Person(s) who prepared the Appraisal (with respect to the Appraisals delivered to Lender in connection with the closing of the Loan) or such other independent, third party M.A.I. appraiser reasonably approved by Lender.

“Approved Annual Budget” shall mean each Annual Budget approved by Lender in accordance with terms hereof.

“Approved Manager Standard” shall mean the standard of business operations, practices and procedures customarily employed by entities (together with their Affiliates) having a senior executive with at least seven (7) years’ experience in the management of commercial office buildings which manage not less than five (5) properties having an aggregate leasable square footage of not less than ten (10) million leasable square feet.

“Architect” shall have the meaning set forth in Section 3.04(b)(i) hereof.

“Assignment” shall mean, collectively, the Assignments of Leases and Rents and Security Deposits of even date herewith relating to the Projects given by Borrower to Lender.

“Assignment of Rate Cap” shall mean that certain Collateral Assignment of Interest Rate Hedge Agreement, dated as of the date hereof, executed by Borrower in connection with the Loan for the benefit of Lender, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

“Bank” shall mean the bank, trust company, savings and loan association or savings bank designated by Lender, in its sole and absolute discretion, in which

the Central Account shall be located.

“Bankruptcy Code” shall mean 11 U.S.C. §101 et seq., as amended from time to time.

“Basic Carrying Costs” shall mean the sum of the following costs associated with the Projects: (a) Impositions and (b) insurance premiums which, for the purposes of this Agreement, shall be equal to the product of (i) \$0.25 and (ii) the annual amount of the gross rentable square footage of each Project, as set forth on Exhibit B-1. Lender reserves the right to adjust the amount of the annual insurance premiums included in the Basic Carrying Costs if, in Lender’s reasonable judgment, after prior notice to and discussion with Borrower, the amount being escrowed would be insufficient to purchase the insurance coverage on the Projects that is required under this Agreement.

“Basic Carrying Costs Escrow Account” shall mean the Escrow Account maintained pursuant to Section 5.06 hereof.

“Basic Carrying Costs Monthly Installment” shall mean Lender’s estimate of one-twelfth (1/12th) of the annual amount for Basic Carrying Costs. “Basic Carrying Costs Monthly Installment” shall also include, if required by Lender, a sum of money which, together with such

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monthly installments, will be sufficient to make the payment of each such Basic Carrying Cost at least thirty (30) days prior to the date initially due. Should such Basic Carrying Costs not be ascertainable at the time any monthly deposit is required to be made, the Basic Carrying Costs Monthly Installments shall be determined by Lender in its reasonable discretion on the basis of the aggregate Basic Carrying Costs for the prior Fiscal Year or month or the prior payment period for such cost. As soon as the Basic Carrying Costs are fixed for the then current Fiscal Year, month or period, the next ensuing Basic Carrying Costs Monthly Installment shall be adjusted to reflect any deficiency or surplus in prior monthly payments. If at any time during the term of the Loan Lender reasonably determines that there will be insufficient funds in the Basic Carrying Costs Escrow Account to make payments when they become due and payable, Lender shall have the right to adjust the Basic Carrying Costs Monthly Installment such that there will be sufficient funds to make such payments.

“Basic Carrying Costs Sub-Account” shall mean the Sub-Account of the Central Account established pursuant to Section 5.02 into which the Basic Carrying Costs Monthly Installment shall be deposited.

“Borrower” shall mean Borrower named herein and any successor to the obligations of Borrower.

“Budget” shall have the meaning set forth in Section 5.07 hereof.

“Business Day” shall mean any day other than (a) a Saturday or Sunday, or (b) a day on which banking and savings and loan institutions in the State of New York are authorized or obligated by law or executive order to be closed, or at any time during which the Loan is an asset of a Secondary Market Transaction, the cities, states and/or commonwealths used in the comparable definition of “Business Day” in the Secondary Market Transaction documents.

“By-Laws” shall have the meaning set forth in Section 2.12.

“Capital Expenditures” shall mean for any period, the amount expended for items capitalized under GAAP including expenditures for building improvements or major repairs, leasing commissions and tenant improvements.

“Cash Expenses” shall mean for any period, the Operating Expenses for the Projects as set forth in an Approved Annual Budget to the extent that such expenses are actually incurred or to be incurred by Borrower minus payments into the Basic Carrying Costs Sub-Account, the Debt Service Payment Sub-Account and the Recurring Replacement Reserve Sub-Account.

“Central Account” shall mean an Eligible Account, maintained at the Bank, in the name of Lender or its successors or assigns (as secured party) as may be designated by Lender.

“Clearing Account” shall mean, collectively, the Eligible Accounts, maintained at the Clearing Bank, in the name of Lender or its successors or assigns (as secured party) as may be designated by Lender.

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“Clearing Account Agreement” shall mean collectively, those certain Clearing Account Agreements by and among Borrower, Lender and Clearing Bank dated as of the date hereof.

“Clearing Bank” shall mean Bank of America.

“Closing Date” shall mean the date of the Note.

“Code” shall mean the Internal Revenue Code of 1986, as amended and as it may be further amended from time to time, any successor statutes thereto, and applicable U.S. Department of Treasury regulations issued pursuant thereto.

“Condemnation Proceeds” shall mean all of the proceeds in respect of any Taking or purchase in lieu thereof.

“Condominium” shall have the meaning set forth in Section 2.12.

“Condominium Act” shall have the meaning set forth in Section 2.12.

“Contractual Obligation” shall mean, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or undertaking to which such Person is a party or by which it or any of the property owned by it is bound.

“Control” means, when used with respect to any specific Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person whether through ownership of voting securities, beneficial interests, by contract or otherwise. The definition is to be construed to

apply equally to variations of the word “Control” including “Controlled,” “Controlling” or “Controlled by”.

“Creditor” shall have the meaning set forth in Section 2.04(b).

“Credit Tenant” shall mean a tenant under a Space Lease which has a long term unsecured senior debt rating of (a) BBB- or better as issued by Standard & Poor’s or (b) Baa3 or better as issued by Moody’s.

“Current Month” shall mean each Interest Accrual Period.

“Debt” shall mean the outstanding principal amount set forth in, and evidenced by, this Agreement and the Note together with all interest accrued and unpaid thereon and all other sums due to Lender in respect of the Loan under the Note, this Agreement, the Mortgages or any other Loan Document.

“Debtor” shall have the meaning set forth in Section 2.04(b).

“Debt Service” shall mean the amount of interest and principal payments due and payable in accordance with the Note during an applicable period.

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“Debt Service Coverage Ratio” shall mean the quotient obtained by dividing (a) Actual Net Cash Flow for the specified period by (b) Pro-Forma Debt Service with respect to such period.

“Debt Service Payment Sub-Account” shall mean the Sub-Account of the Central Account established pursuant to Section 5.02 hereof into which the Required Debt Service Payment shall be deposited.

“Declaration” shall have the meaning set forth in Section 2.12.

“Default” shall mean any Event of Default or event which would constitute an Event of Default if all requirements in connection therewith for the giving of notice, the lapse of time, and the happening of any further condition, event or act, had been satisfied.

“Default Rate” shall mean the lesser of (a) the highest rate allowable at law and (b) three percent (3%) above the interest rate set forth in the Note.

“Default Rate Interest” shall mean, to the extent the Default Rate becomes applicable, interest in excess of the interest which would have accrued on (a) the principal amount of the Loan which is outstanding from time to time and (b) any accrued but unpaid interest, if the Default Rate was not applicable.

“Development Laws” shall mean all applicable subdivision, zoning, environmental protection, wetlands protection, or land use laws or ordinances, and any and all applicable rules and regulations of any Governmental Authority promulgated thereunder or related thereto.

“Disclosure Document” shall have the meaning set forth in Section 17.02 hereof.

“Eligible Account” shall mean a segregated account which is either (a) an account or accounts maintained with a federal or state chartered depository institution or trust company the long term unsecured debt obligations of which are rated by each of the Rating Agencies (or, if not rated by Fitch, Inc. (“Fitch”), otherwise acceptable to Fitch, as confirmed in writing that such account would not, in and of itself, result in a downgrade, qualification or withdrawal of the then current ratings assigned to any certificates issued in connection with a Secondary Market Transaction) in its highest rating category at all times (or, in the case of the Basic Carrying Costs Escrow Account, the long term unsecured debt obligations of which are rated at least “AA” (or its equivalent)) by each of the Rating Agencies (or, if not rated by Fitch, otherwise acceptable to Fitch, as confirmed in writing that such account would not, in and of itself, result in a downgrade, qualification or withdrawal of the then current ratings assigned to any certificates issued in connection with a Secondary Market Transaction) or, if the funds in such account are to be held in such account for less than thirty (30) days, the short term obligations of which are rated by each of the Rating Agencies (or, if not rated by Fitch, otherwise acceptable to Fitch, as confirmed in writing that such account would not, in and of itself, result in a downgrade, qualification or withdrawal of the then current ratings assigned to any certificates issued in connection with a Secondary Market Transaction) in its highest rating category at all times or (b) a segregated trust account or accounts maintained with a federal or state chartered depository institution or trust company acting in its fiduciary capacity which, in the case of a state chartered

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depository institution is subject to regulations substantially similar to 12 C.F.R. § 9.10(b), having in either case a combined capital and surplus of at least \$100,000,000 and subject to supervision or examination by federal and state authority, or otherwise acceptable (as evidenced by a written confirmation from each Rating Agency that such account would not, in and of itself, cause a downgrade, qualification or withdrawal of the then current ratings assigned to any certificates issued in connection with a Secondary Market Transaction) to each Rating Agency, which may be an account maintained by Lender or its agents. Eligible Accounts shall bear interest (other than the Basic Carrying Costs Sub-Account and Basic Carrying Costs Escrow Account) for the benefit of Borrower and shall be taxable to Borrower and shall be added to and disbursed in the same manner and under the same conditions as the principal sum on which said interest accrued. The title of each Eligible Account shall indicate that the funds held therein are held in trust for the uses and purposes set forth herein.

“Eligibility Requirements” means, with respect to any Person, that such Person (i) has total assets (in name or under management) in excess of \$600,000,000 and (except with respect to a pension advisory firm or similar fiduciary) capital/statutory surplus or shareholder’s equity of \$250,000,000 and (ii) is regularly engaged in the business of making or owning commercial real estate loans (including mezzanine loans) or operating commercial properties.

“Engineer” shall have the meaning set forth in Section 3.04(b)(i) hereof.

“Engineering Escrow Account” shall mean an Escrow Account established and maintained pursuant to Section 5.12 hereof relating to payments for any Required Engineering Work.

“Environmental Indemnity Agreement” shall mean that certain Hazardous Substances Indemnity Agreement of even date herewith by and among Borrower and Guarantor in favor of Lender.

“Environmental Report” shall mean the environmental audit report(s) for the Projects and any supplements or updates thereto, previously delivered to Lender in connection with the Loan, which documents are set forth on Exhibit E attached hereto.

“Environmental Statute” shall mean any applicable local, state or federal law, rule or regulation pertaining to environmental regulation, contamination or clean up, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. §9601 et seq. and 40 CFR §302.1 et seq.), the Resource Conservation and Recovery Act of 1976 (42 U.S.C. §6901 et seq.), the Federal Water Pollution Control Act (33 U.S.C. §1251 et seq. and 40 CFR §116.1 et seq.), those relating to lead based paint, and the Hazardous Materials Transportation Act (49 U.S.C. §1801 et seq.), and the regulations promulgated pursuant to said laws, all as amended.

“Equipment” shall have the meaning set forth in each of the Mortgages.

“ERISA” shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated thereunder. Section references to ERISA are to ERISA, as in effect at the date of this Agreement and, as of the relevant date, any

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subsequent provisions of ERISA, amendatory thereof, supplemental thereto or substituted therefor.

“ERISA Affiliate” shall mean any corporation or trade or business that is a member of any group of organizations (a) described in Section 414(b) or (c) of the Code of which Borrower or Guarantor is a member and (b) solely for purposes of potential liability under Section 302(c)(11) of ERISA and Section 412(c)(11) of the Code and the lien created under Section 302(f) of ERISA and Section 412(n) of the Code, described in Section 414(m) or (o) of the Code of which Borrower or Guarantor is a member.

“Escrow Account” shall mean each of the Liquidity Reserve Escrow Account, Engineering Escrow Account, Basic Carrying Costs Escrow Account, the Recurring Replacement Reserve Escrow Account, the Reletting Reserve Escrow Account, the Accrued Lease Liability Escrow Account, and, if established, the Lease Termination Payment Escrow Account, each of which shall be an Eligible Account or book entry sub-account of an Eligible Account.

“Event of Default” shall have the meaning set forth in Section 13.01 hereof.

“Exchange Act” shall have the meaning set forth in Section 17.02 hereof.

“Exit Fee” shall mean, with respect to any payment, repayment or prepayment of all or any portion of the Principal Amount, including, but not limited to, the payment of any Release Amount, an amount equal to one-quarter of one percent (0.25%) of the Principal Amount being paid, repaid or prepaid.

“Extraordinary Expense” shall mean an extraordinary operating expense or capital expense not set forth in the Approved Annual Budget or allotted for in the Recurring Replacement Reserve Sub-Account.

“First Interest Accrual Period” shall have the meaning set forth in the Note.

“Fiscal Year” shall mean the twelve (12) month period commencing on January 1 and ending on December 31 during each year of the term of this Agreement, or such other fiscal year of Borrower as Borrower may select from time to time with the prior written consent of Lender, which shall not be unreasonably withheld, conditioned or delayed.

“Fixtures” shall have the meaning set forth in the Mortgages.

“GAAP” shall mean generally accepted accounting principles in effect from time to time in the United States of America, consistently applied.

“Governmental Authority” shall mean, with respect to any Person, any U.S. federal or State government or other political subdivision thereof and any entity, including any regulatory or administrative authority or court, exercising executive, legislative, judicial, regulatory or administrative or quasi administrative functions of or pertaining to government, and any arbitration board or tribunal, in each case having jurisdiction over such applicable

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Person or such Person’s property and any stock exchange on which shares of capital stock of such Person are listed or admitted for trading.

“Guarantor” shall mean, collectively, Mack-Cali Realty L.P. and SL Green Operating Partnership, L.P. and any other Person now or hereafter guaranteeing, in whole or in part, the obligations of Borrower under the Loan Documents.

“Guaranty” shall mean the guaranties executed by Guarantor with respect to the Loan, and, if applicable, the guaranties executed and delivered by any successor guarantor, which guaranties shall be in the form of the Guaranty executed and delivered on the date hereof, *mutatis mutandis*.

“Hazardous Material” shall mean all hazardous, toxic or harmful substances, wastes, materials, pollutants or contaminants (including, without limitation, asbestos, lead based paint, polychlorinated biphenyls, petroleum products, flammable explosives, radioactive materials, infectious substances or raw materials which include hazardous constituents) or any other substances or materials which are included under or regulated by Environmental Statutes.

“Impositions” shall mean all taxes (including, without limitation, all real estate, ad valorem, sales (including those imposed on lease rentals), use, single business, gross receipts, value added, intangible, transaction, privilege or license or similar taxes), assessments (including, without limitation, all assessments for public improvements or benefits, whether or not commenced or completed prior to the date hereof and whether or not commenced or completed within the term of this Agreement), ground rents, water, sewer or other rents and charges, excises, levies, fees (including, without limitation, license, permit, inspection, authorization and similar fees), and all other governmental charges, in each case whether general or special, ordinary or extraordinary, or foreseen or unforeseen, of every character in respect of the Projects and/or any Rent (including all interest and penalties thereon), which at any time prior to, during or in respect of the term hereof may be assessed or imposed on or in respect of or be a lien upon (a) Borrower (including, without limitation, all franchise, single business or other taxes imposed on Borrower for the privilege of doing business in the jurisdictions in which the Projects or any other collateral delivered or pledged to Lender in connection with the Loan are located) or Lender, (b) the Projects or any part thereof or any

Rents therefrom or any estate, right, title or interest therein, or (c) any occupancy, operation, use or possession of, or sales from, or activity conducted on, or in connection with the Projects, or any part thereof, or the leasing or use of the Projects, or any part thereof, or the acquisition or financing of the acquisition of the Projects, or any part thereof, by Borrower.

“Improvements” shall have the meaning set forth in the Mortgages.

“Indemnified Parties” shall have the meaning set forth in Section 12.01 hereof.

“Independent” shall mean, when used with respect to any Person, a Person who (a) is in fact independent, (b) does not have any direct financial interest or any material indirect financial interest in Borrower, or in any Affiliate of Borrower or any constituent partner, shareholder, member or beneficiary of Borrower, (c) is not connected with Borrower or any Affiliate of Borrower or any constituent partner, shareholder, member or beneficiary of Borrower

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as an officer, employee, promoter, underwriter, trustee, partner, director or person performing similar functions and (d) is not a member of the immediate family of a Person defined in (b) or (c) above. Whenever it is herein provided that any Independent Person’s opinion or certificate shall be provided, such opinion or certificate shall state that the Person executing the same has read this definition and is Independent within the meaning hereof.

“Initial Engineering Deposit” shall equal the amount set forth on Exhibit B attached hereto and made a part hereof.

“Initial Reletting Reserve Deposit” shall equal the amount set forth on Exhibit B attached hereto and made a part hereof.

“Insolvency Opinion” shall have the meaning set forth in Section 2.02(g)(xix) hereof.

“Institutional Lender” shall mean any of the following Persons: (a) any bank, savings and loan association, savings institution, trust company or national banking association, acting for its own account or in a fiduciary capacity, (b) any charitable foundation, (c) any insurance company or pension and/or annuity company, (d) any fraternal benefit society, (e) any pension, retirement or profit sharing trust or fund within the meaning of Title I of ERISA or for which any bank, trust company, national banking association or investment adviser registered under the Investment Advisers Act of 1940, as amended, is acting as trustee or agent, (f) any investment company or business development company, as defined in the Investment Company Act of 1940, as amended, (g) any small business investment company licensed under the Small Business Investment Act of 1958, as amended, (h) any broker or dealer registered under the Securities Exchange Act of 1934, or any investment adviser registered under the Investment Adviser Act of 1940, as amended, (i) any government, any public employees’ pension or retirement system, or any other government agency supervising the investment of public funds, or (j) any other entity all of the equity owners of which are Institutional Lenders; provided that each of said Persons shall have net assets in excess of \$1,000,000,000 and a net worth in excess of \$500,000,000, be in the business of making commercial mortgage loans, secured by properties of like type, size and value as the Projects and have a long term credit rating which is not less than “BBB-” (or its equivalent) from the Rating Agency.

“Insurance Proceeds” shall mean all of the proceeds received under the insurance policies required to be maintained by Borrower pursuant to Article III hereof.

“Insurance Requirements” shall mean all terms of any insurance policy required by this Agreement, all requirements of the issuer of any such policy, and all regulations and then current standards applicable to or affecting each Project or any use or condition thereof, which may, at any time, be recommended by the Board of Fire Underwriters, if any, having jurisdiction over any Project, or such other Person exercising similar functions.

“Interest Accrual Period” shall have the meaning set forth in the Note.

“Interest Rate” shall have the meaning set forth in the Note.

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“Intra-Obligor Loan” and “Intra-Obligor Loans” shall have the meanings set forth in Section 2.04(b).

“Intra-Obligor Loan Amount” shall have the meaning set forth in Section 2.04(b).

“Issuer” shall have the meaning set forth in Section 17.03 hereof.

“Issuer Group” shall have the meaning set forth in Section 17.03 hereof.

“JV Member” shall mean Mack-Green-Gale LLC, a Delaware limited liability company. Lender acknowledges that the name of JV Member may be changed, provided that written notice of such change is given to Lender within ten (10) Business Days after such change is effected.

“Late Charge” shall have the meaning set forth in Section 13.09 hereof.

“Lease Termination Payment Escrow Account” shall mean the Escrow Account, if any, maintained (to the extent established) pursuant to Section 5.15 hereof relating to the payment of certain amounts more specifically provided for therein.

“Leases” shall have the meaning set forth in the Mortgages.

“Legal Requirement” shall mean as to any Person, the certificate of incorporation, by laws, certificate of limited partnership, agreement of limited partnership or other organization or governing documents of such Person, and any law, statute, order, ordinance, judgment, decree, injunction, treaty, rule or regulation (including, without limitation, Environmental Statutes, Development Laws and Use Requirements) or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

“Lender” shall mean the Lender named herein and its successors or assigns.

“Liabilities” shall have the meaning set forth in Section 12.01 hereof.

“LIBOR Margin” shall have the meaning set forth in the Note.

“LIBOR Rate” shall have the meaning set forth in the Note.

“Liquidity Reserve Escrow Account” shall mean the Escrow Account maintained pursuant to Section 5.09 hereof.

“Liquidity Reserve Expenses” shall have the meaning set forth in Section 5.09(a) hereof.

“Loan” shall have the meaning set forth in the Recitals hereto.

“Loan Amount” shall have the meaning set forth in the Recitals hereto.

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“Loan Documents” shall mean this Agreement, the Note, the Mortgages, the Clearing Account Agreement, the Guaranty, the Environmental Indemnity Agreement, the Assignment, the Assignment of Rate Cap, and any and all other agreements, instruments, certificates or documents executed and delivered by Borrower or any Affiliate of Borrower in connection with the Loan.

“Loan Year” shall mean each 365 day period (or 366 day period if the month of February in a leap year is included) commencing on the first day of the month following the Closing Date (provided, however, that the first Loan Year shall also include the period from the Closing Date to the end of the month in which the Closing Date occurs).

“Lockout Date” shall mean November 9, 2006.

“Loss Proceeds” shall mean, collectively, all Insurance Proceeds and all Condemnation Proceeds.

“Major Space Lease” shall mean any Space Lease of a tenant and/or Affiliate of such tenant where such tenant and/or such Affiliate (a) leases, in the aggregate, the greater of (y) 15,000 gross rentable square feet of space in a Project, and (z) ten (10%) of the gross rentable square feet of space in a Project, or (b) is an Affiliate of Borrower or Guarantor.

“Management Agreement” shall have the meaning set forth in Section 7.02 hereof.

“Manager” shall mean the Person(s), other than Borrower, which manages one or more Projects on behalf of Borrower. As of the date hereof, the Projects are managed by The Gale Company LLC, an Affiliate of MCRLP.

“Manager Certification” shall have the meaning set forth in Section 2.09(d) hereof.

“Material Adverse Effect” shall mean any event or condition that has a material adverse effect on (a) the Projects, unless the context otherwise requires, considered in the aggregate, (b) the business, prospects, profits, management, operations or condition (financial or otherwise) of Borrower, unless the context otherwise requires, considered in the aggregate, (c) the enforceability, validity and, if applicable, perfection or priority of the lien of any Loan Document or (d) the ability of Borrower to perform any material obligations under any Loan Document.

“Maturity”, when used with respect to the Note, shall mean the Maturity Date set forth in the Note or such other date pursuant to the Note on which the final payment of principal, and premium, if any, on the Note becomes due and payable as therein or herein provided, whether at Stated Maturity or by declaration of acceleration, or otherwise.

“Maturity Date” shall mean the Maturity Date set forth in the Note.

“MCC” shall mean Mack-Cali Realty Corporation, a Maryland corporation.

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“MCRLP” shall mean Mack-Cali, L.P., a Delaware limited partnership.

“MCRLP Borrower” shall mean, as the context shall require, either or both of (a) JV Member or (b) SLG Gale PE II LLC, in such Person’s capacity as the borrower of Permitted MCRLP Financing.

“Mortgage” shall mean one of, and “Mortgages” shall mean, collectively, the Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filings of even date herewith from each Borrower encumbering the Project that such Borrower owns.

“Multiemployer Plan” shall mean a multiemployer plan defined as such in Section 3(37) of ERISA to which contributions have been, or were required to have been, made by Borrower, Guarantor or any ERISA Affiliate and which is covered by Title IV of ERISA.

“Net Capital Expenditures” shall mean for any period the amount by which Capital Expenditures during such period exceeds reimbursements for such items during such period from any fund established pursuant to the Loan Documents.

“Net Operating Income” shall mean in each Fiscal Year or portion thereof during the term hereof, Operating Income less Operating Expenses.

“Net Proceeds” shall mean the excess of (a) the purchase price actually received by the applicable Borrower with respect to the sale of a Release Parcel pursuant to Section 15.04 hereof, over (b) all reasonable and customary costs and expenses, including, without limitation, attorneys’ fees and disbursements and any brokerage fees, if applicable, incurred by the applicable Borrower in connection with such sale of the Release Parcel.

“Note” shall have the meaning set forth in the Recitals hereto.

“OFAC List” means the list of specially designated nationals and blocked persons subject to financial sanctions that is maintained by the U.S. Treasury Department, Office of Foreign Assets Control and accessible through the internet website www.treas.gov/ofac/t11sdn.pdf.

“Officer’s Certificate” shall mean a certificate delivered to Lender by Borrower which is signed on behalf of Borrower by an authorized representative of Borrower which states that the items set forth in such certificate are true, accurate and complete in all material respects.

“Operating Expenses” shall mean, in each Fiscal Year or portion thereof during the term hereof or other period of determination, all expenses directly attributable to the operation, repair and/or maintenance of the Projects constituting security for the Debt including, without limitation, (a) Impositions, (b) insurance premiums, (c) management fees, whether or not actually paid, equal to the greater of the actual management fees and three percent (3%) of annual “base” or “fixed” Rent due under the Leases and (d) costs attributable to the operation, repair and maintenance of the systems for heating, ventilating and air conditioning the Improvements and actually paid for by Borrower. Operating Expenses shall not include interest, principal and premium, if any, due under the Note or otherwise in connection with the Debt, income taxes, any capital improvement costs, any non-cash charge or expense such as

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depreciation or amortization or any item of expense otherwise includable in Operating Expenses which is paid directly by any tenant except real estate taxes paid directly to any taxing authority by any tenant.

“Operating Income” shall mean, in each Fiscal Year or portion thereof during the term hereof or other period of determination, all revenue derived by Borrower arising from the Projects, including, without limitation, rental revenues (whether denominated as basic rent, additional rent, escalation payments, electrical payments or otherwise) and other fees and charges payable pursuant to Leases or otherwise in connection with the Projects, and business interruption, rent or other similar insurance proceeds. Operating Income shall not include (a) Insurance Proceeds (other than proceeds of rent, business interruption or other similar insurance allocable to the applicable period) and Condemnation Proceeds (other than Condemnation Proceeds arising from a temporary taking or the use and occupancy of all or part of a Project allocable to the applicable period), or interest accrued on such Condemnation Proceeds, (b) proceeds of any financing, (c) proceeds of any sale, exchange or transfer of a Project or any part thereof or interest therein, (d) capital contributions or loans to Borrower or an Affiliate of Borrower, (e) any item of income otherwise includable in Operating Income but paid directly by any tenant to a Person other than Borrower except for real estate taxes paid directly to any taxing authority by any tenant, (f) any other extraordinary, non-recurring revenues, (g) Rent paid by or on behalf of any lessee under a Space Lease in whole or partial consideration for the termination of any Space Lease, with the exception of the Amortized Termination Payment Amount (as defined below), which shall be included in Operating Income or (h) sales tax rebates from any Governmental Authority. For the purposes of this Agreement, the “Amortized Termination Payment Amount” shall mean that portion of such termination payment which is equal to the product of (i) the allocable monthly amount of such termination payment, which itself is equal to the quotient obtained by dividing (A) the total amount of such termination payment by (B) the number of months remaining in what was the unexpired term of the Space Lease in question (i.e., prior to termination) and (ii) the number of months of such unexpired term that occur during the applicable Fiscal Year or portion thereof with respect to which such calculation is being made.

“Origination Fee” shall have the meaning set forth in Section 2.01(c).

“Partners” shall have the meaning set forth in Section 18.32.

“Payment Date” shall have the meaning set forth in the Note.

“PBGC” shall mean the Pension Benefit Guaranty Corporation established under ERISA, or any successor thereto.

“Permitted Encumbrances” shall have the meaning set forth in Section 2.05(a) hereof.

“Permitted Entity Transfers” shall mean:

(i) (A) the sale of securities evidencing ownership of MCC and SLG listed and traded on any public exchange and/or (B) Transfers (in one or more transactions) of limited partnership interests in Gale SLG NJ Operating Partnership, L.P. comprising not more than 4%

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in the aggregate of the total indirect ownership interest in Borrower and/or (C) Transfers of limited partnership interests in MCRLP and/or SLGOP provided, that (1) such Transfers described in clauses (B) and (C) of this subsection (i), shall not result in either (I) a change in Control of Borrower (it being agreed that, for the purposes of this definition of Permitted Entity Transfers, a “change of Control of Borrower” will not be deemed to have occurred provided that, after any such Transfer, either MCC or SLG retains Control of Borrower), or (II) the transferee, together with its Affiliates, increasing its direct or indirect interest in Borrower, to an amount which equals or exceeds 49% of the direct or indirect ownership interests in Borrower;

(ii) any transaction in the nature of a reorganization, restructuring, sale, merger or combination involving MCC or SLG, provided, that, with respect to any such reorganization, restructuring, sale, merger or combination, (1) after giving effect thereto, (A) Borrower is Controlled, directly or indirectly, by SLG or MCC (or any Affiliate of either thereof which is Controlled by SLG or MCC) and (B) neither SLG nor MCC shall have Transferred more than 49%, in the aggregate, of their respective direct or indirect interests in Borrower, unless, if the requirements of clause (A) and/or (B) are not satisfied, (x) the surviving entity of such transaction, which is the transferee of the direct or indirect interests in Borrower, shall be a Qualified Transferee, (y) to the extent that the same will result in a change in Control of Borrower or results in the transferee, together with its Affiliates, increasing its direct or indirect interest in Borrower to an amount which equals or exceeds 49% of the ownership interests in Borrower, Borrower shall have delivered to Lender, at least ten (10) Business Days prior to the effective date of the transactions resulting in such change in Control or increase in ownership interests, a new Insolvency Opinion reflecting the same, in form, content and substance, and issued by legal counsel, reasonably acceptable to Lender and the Rating Agency, if required by the Rating Agency; and (z) the entity which is proposed to succeed MCRLP or SLGOP, as the case may be, as Guarantor under the Guaranty has, at the time such new Guaranty is executed and delivered, and maintains while the applicable Guaranty is effective, a net worth of not less than \$250,000,000.00 (of which \$50,000,000.00 consists of liquid assets) (such entity described in this clause (z), an “Acceptable Substitute Guarantor”);

(iii) Transfers between SLG and/or MCC (and their respective Affiliates owning direct or indirect interests in Borrower) of direct or indirect interests in Borrower; and

(iv) Transfers by each of MCC and SLG to its respective Affiliates, provided that, at all times after such Transfer, such Affiliate remains Controlled by

such transferor and such transferor owns, directly or indirectly, at least 25% of such Affiliate that is the transferee of such interests.

In addition, in connection with any transaction that would otherwise constitute a Permitted Entity Transfer, it shall be a condition precedent to the consummation thereof that (a) at the time of consummation thereof, there shall exist no Default or Event of Default (provided that the conditions set forth in this clause (a) and clause (c) below shall not apply with respect to a Permitted Entity Transfer described in subsection (i) above, but not otherwise described in subsection (ii) above), i.e., sales of publicly traded securities may be consummated without prior notice and notwithstanding the existence of a Default or Event of Default, unless such sales are being consummated in connection with a reorganization, restructuring, sale, merger or combination described in subsection (ii) above, (b) to the extent that any such Transfer causes

the transferee, together with its Affiliates, to acquire Control of Borrower or to increase its direct or indirect interest in Borrower, to an amount which equals or exceeds 49% of the ownership interests in Borrower, Borrower shall have delivered to Lender, at least ten (10) Business Days prior to the effective date of any such Transfer, a new Insolvency Opinion reflecting such Transfer, in form, content and substance, and issued by legal counsel, reasonably acceptable to Lender and the Rating Agencies; (c) Borrower shall give Lender notice of such Transfer together with copies of all instruments effecting such Transfer not less than ten (10) days prior to the date of such Transfer and (d) Borrower and Sole Member shall continue to comply with requirements of Sections 2.02(g), 2.02(t) and 2.02(w) hereof.

“Permitted Fund Manager” means any Person that on the date of determination is one of the entities listed on Exhibit F or any other nationally-recognized manager of investment funds investing in debt or equity interests relating to commercial real estate, provided such entity is (i) investing through a fund with committed capital of at least \$250,000,000 and (ii) not subject to a Proceeding.

“Permitted Investments” shall mean any one or more of the following obligations or securities payable on demand or having a scheduled maturity on or before the Business Day preceding the date upon which such funds are required to be drawn, and having at all times the required ratings, if any, provided for in this definition, unless each Rating Agency shall have confirmed in writing to Lender that a lower rating would not, in and of itself, result in a downgrade, qualification or withdrawal of the then current ratings assigned to any Securities (the “Certificates”): (a) any Money Market Account (but not any Money Market Account structured as a regulated investment company as defined under Section 851 of the Code) so long as the Fund is rated “AAA M” or “AAA M-G” by each Rating Agency (or, if not rated by any Rating Agency other than S&P, otherwise acceptable to such Rating Agency or Agencies, as applicable, as confirmed in writing that such investment would not, in and of itself, result in a downgrade, qualification or withdrawal of the then current ratings assigned to any Securities); and (b) provided the requirements of Section 5.16 hereof are and remain satisfied, such other obligations as are acceptable as Permitted Investments to each Rating Agency, as confirmed in writing to Lender, that such obligations would not, in and of itself, result in a downgrade, qualification or withdrawal of the then current ratings assigned to any Securities; provided, however, that (i) the investments must have a predetermined fixed dollar of principal due at maturity that cannot vary or change, (ii) if rated by Standard & Poor’s, the investments must not have an “r” highlighter affixed to their rating, (iii) if such investments have a variable rate of interest, such interest rate must be tied to a single interest rate index plus a fixed spread (if any) and must move proportionately with that index, and (iv) such investments must not be subject to liquidation prior to their maturity; and provided, further, that, with respect to each investment described above, in the judgment of Lender, such instrument continues to qualify as a “cash flow investment” pursuant to Code Section 860G(a)(6) earning a passive return in the nature of interest and that no instrument or security shall be a Permitted Investment if (y) such instrument or security evidences a right to receive only interest payments or (z) the right to receive principal and interest payments derived from the underlying investment provides a yield to maturity in excess of 120% of the yield to maturity at par of such underlying investment. Without limiting the foregoing, a Permitted Investment shall not include any obligation or investment that does not constitute cash, a cash item or Government securities within the meaning of Section 856(c)(4)(A) of the Code.

“Permitted MCRLP Financing” shall mean: the loans, if originated, (a) in the maximum amount of \$10,000,000.00, made by Mack-Cali Ventures L.L.C. or a Controlled Affiliate thereof (“MCRLP Lender”) to JV Member and (b) in the maximum amount of \$3,725,000.00, made by such MCRLP Lender, to SLG Gale PE II LLC, and (1) in the case of the loan to JV Member, is unsecured, and (2) in the case of the loan to SLG Gale PE II LLC, may be secured by, inter alia, a pledge of SLG Gale PE II LLC’s indirect membership interests in JV Member; provided that (i) the principal amounts of such loans do not exceed the amounts set forth above, (ii) no Default or Event of Default shall be continuing at the time such debt is incurred, (iii) such loan shall not mature earlier than the Loan, (iv) the loans are, at all times, held by MCRLP or an Affiliate thereof that is at all times Controlled by MCC, (v) Borrower shall pay all reasonable out-of-pocket expenses of Lender associated with the Permitted MCRLP Financing, including the cost of any review of the loan documents and the negotiation of the subordination and standstill agreement described below, (vi) such MCRLP Lender shall not be entitled to enter into any intercreditor agreement with Lender and shall have no rights whatsoever with respect to the Loan, the Borrower or against Lender, (vii) MCRLP Lender will not be permitted to receive and shall within one (1) Business Day of receipt remit to Lender or as Lender directs any payments on account of the Permitted MCRLP Financing unless (A) all current payments under the Loan have been paid in full and (B) all Operating Expenses and other costs incurred with respect to the operation, maintenance, repair and improvement of the Projects then due and payable have been paid in full, (viii) the Permitted MCRLP Financing shall not constitute a claim against JV Member, except to the extent JV Member has cash available to pay such Permitted MCRLP Financing and (ix) prior to the closing of such Permitted MCRLP Financing, such MCRLP Lender enters into a subordination and standstill agreement, with respect to each of the loans, in form and substance reasonably acceptable to Lender and MCRLP Lender, which agreement shall provide, among other things, that, provided that the holder of the loans is and at all times remains MCRLP Lender or a Qualified Transferee, Lender will permit the holder of the loans to exercise its rights under such loans, if an Event of Default occurs under the Loan, to assume control over (A) the JV Member, in the case of the loan to JV Member or (B) the Projects, in the case of the loan to SLG Gale PE II LLC. In all cases, the terms and documentation of any Permitted MCRLP Financing shall be subject to the approval of Lender in its reasonable discretion.

“Permitted Transfers” shall mean: (i) Space Leases entered into in accordance with Section 7.01 hereof; (ii) a Permitted Encumbrance; (iii) provided that no Default or Event of Default shall then exist, a Transfer of up to 49%, in the aggregate, of the direct or indirect interests in Borrower or Sole Member to any Person provided that (A) such Transfer shall not (x) cause the transferee, together with its Affiliates, to acquire Control of Borrower or Sole Member or to increase its direct or indirect interest in Borrower or Sole Member to an amount which equals or exceeds 49% of the ownership interest in the Borrower or Sole Member or (y) result in Borrower or Sole Member no longer being Controlled by either (1) MCC and/or SLG or (2) (A) MCC or (B) SLG, in either case, sharing Control with a Qualified Transferee, (B) after giving effect to such Transfer, MCC (together with unrelated limited partners in Gale SLG NJ Operating Partnership, L.P. (“NJOP”)) owning, for this purpose, not more than 4% of such equity interests) and/or SLG (together with unrelated limited partners in NJOP owning, for this purpose, not more than 4% of such equity interests), shall continue to own more than 50% of all equity interests (direct or indirect) in Borrower and Sole Member and there shall not be a change in Control of the Borrower or Sole Member, (C) Borrower shall give Lender notice of such

Transfer together with copies of all instruments effecting such Transfer not less than ten (10) days prior to the date of such Transfer and (D) Borrower and Sole Member shall continue to comply with requirements of Sections 2.02(g), 2.02(t) and 2.02(w) hereof; (iv) a Permitted Entity Transfer or (v) a Release pursuant to Section 15.02.

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

“Plan” shall mean an employee benefit or other plan established or maintained by Borrower, Guarantor or any ERISA Affiliate during the five-year period ended prior to the date of this Agreement or to which Borrower, Guarantor or any ERISA Affiliate makes, is obligated to make or has, within the five year period ended prior to the date of this Agreement, been required to make contributions (whether or not covered by Title IV of ERISA or Section 302 of ERISA or Section 401(a) or 412 of the Code), other than a Multiemployer Plan.

“Principal Amount” shall mean the Loan Amount as such amount may be reduced from time to time pursuant to the terms of this Agreement, the Note or the other Loan Documents.

“Principal Payments” shall mean all payments of principal, if any, made pursuant to the terms of the Note.

“Proceeding” shall mean any case, proceeding or other action under any existing or future law of any jurisdiction relating to bankruptcy, insolvency, reorganization or relief of debtors.

“Pro-Forma Capital Expenditures” shall mean, for purposes of calculating Adjusted Net Cash Flow, an amount equal to (a) the number of square feet comprising the Total GLA multiplied by (b) \$0.35.

“Pro-Forma Debt Service” shall mean, with respect to a period of calculation, an amount equal to the greater of (a) Debt Service and (b) the Stressed Debt Service.

“Pro-Forma Net Operating Income” shall mean Pro-Forma Operating Income less Pro-Forma Operating Expenses.

“Pro-Forma Operating Expenses” shall mean projected annualized Operating Expenses based on a trailing twelve (12)-month period as reasonably adjusted by Lender (upwards, but not downwards) to take into account, among other things, (a) anticipated increases or decreases, as the case may be, in Operating Expenses including, without limitation, real estate taxes and insurance which shall be included at their respective stabilized and recurring levels and (b) exclusions for non-recurring and capital expenses.

“Pro-Forma Operating Income” shall mean projected annualized Operating Income based on the most recent Rent Roll and such other information as is required to be delivered by Borrower pursuant to Section 2.09 hereof, as reasonably adjusted by Lender (a) to

include only fixed rents from tenants in occupancy with a remaining term under their respective Space Lease of at least twelve (12) months or, as to tenants in occupancy with a remaining term of less than twelve (12) months, only those tenants which have not notified the applicable Borrower in writing of their decision to not renew or extend their Space Lease beyond the then termination date thereof, unless a replacement tenant has executed a letter of intent for such space at market rates or better; (b) to exclude Rents from temporary or month to month tenants; (c) to exclude Rents from tenants operating under bankruptcy protection and which have not affirmed their respective Leases; (d) to exclude Rents from any tenant which is an Affiliate of Borrower or Guarantor other than Leases to affiliated property managers aggregating not more than **[4,000]** square feet per Project at market rates; (e) to exclude Rents from any tenant which is more than three (3) months delinquent in payment of base or fixed rent; (f) to include reimbursements, not in excess of corresponding expense items, based on a trailing 12-month period; (g) to include any Rent from a Credit Tenant under its Space Lease (whether or not in occupancy of its space) provided that the remaining initial term of such Space Lease (exclusive of any extensions) is for a period of twelve (12) months or longer; (h) to include other income on a case-by-case basis but only to the extent it is reasonably determined by Lender to be both stabilized and recurring; (i) to include any free Rent or abated Rent with respect to tenants that are in occupancy provided, that, such free or abated Rent shall only be included for maximum period of ninety (90) days; and (j) to reflect a vacancy and credit loss allowance equal to the greater of: (y) the actual vacancy loss for each Project or (z) 10% of total revenues for such Project.

“Prohibited Person” means any Person identified on the OFAC List or any other Person with whom a U.S. Person may not conduct business or transactions by prohibition of Federal law or Executive Order of the President of the United States of America.

“Project” shall mean one of, and “Projects” shall mean the collective group of, the parcels of real property and Improvements thereon owned by a Borrower and encumbered by a Mortgage, together with all rights pertaining to such real property and Improvements, and all other collateral for the Loan applicable to such parcels of real property and Improvements, respectively, as more particularly described in the granting clauses of the Mortgages and referred to therein as the Mortgaged Property. Each Project, as identified by its street address, and the applicable Borrower that is the owner of each Project is set forth on Exhibit A attached hereto. Any reference to “the Projects” shall be deemed to be a reference to the Projects, as a collective whole, and to the all of the Projects on an individual basis.

“Property Agreements” shall mean all agreements, grants of easements and/or rights-of-way, reciprocal easement agreements, permits, declarations of covenants, conditions and restrictions, disposition and development agreements, planned unit development agreements, management or parking agreements, party wall agreements or other instruments affecting a Project, which, either individually or in the aggregate with all other agreements affecting a particular Project, are material in nature, but not including any brokerage agreements, management agreements, service contracts, Space Leases or the Loan Documents.

“Provided Information” shall have the meaning set forth in Section 17.01 hereof.

“Qualified Transferee” means one or more of the following:

(A) a real estate investment trust, bank, saving and loan association, investment bank, insurance company, trust company, commercial credit corporation, pension plan, pension fund or pension advisory firm, mutual fund, government entity or plan, provided that any such Person referred to in this clause (A) satisfies the Eligibility Requirements;

(B) an investment company, money management firm or “qualified institutional buyer” within the meaning of Rule 144A under the Securities Act of

1933, as amended, or an institutional “accredited investor” within the meaning of Regulation D under the Securities Act of 1933, as amended, provided that any such Person referred to in this clause (B) satisfies the Eligibility Requirements;

- (C) an institution substantially similar to any of the foregoing entities described in clauses (A) or (B) that satisfies the Eligibility Requirements;
- (D) any entity Controlling, Controlled by, under common Control with, any of the entities described in clause (A), (B), (C) or (F) of this definition;
- (E) [RESERVED];
- (F) an investment fund, limited liability company, limited partnership or general partnership where a Permitted Fund Manager or an entity that is otherwise a Qualified Transferee under clauses (A), (B), (C) or (D) of this definition acts as the general partner, managing member or fund manager and at least 50% of the equity interests in such investment vehicle are owned, directly or indirectly, by one or more entities that are otherwise Qualified Transferees under clauses (A), (B), (C) or (D) of this definition; provided, however, that so long as the organizational documents of the applicable investment fund, limited liability company, limited partnership or general partnership vest all managerial control in a Permitted Fund Manager, then the other Persons owning equity interests in such investment vehicle shall not be required to satisfy the conditions set forth in clause (ii) of the definition of “Eligibility Requirements” relating to the nature of their business experience but shall nonetheless be required to satisfy the conditions set forth in clause (i) of the definition of “Eligibility Requirements”;
- (G) any Person which is a Qualified Transferee (pursuant to the foregoing clauses) but is acting in any agency capacity in connection with a lending syndicate, so long as at least fifty-one percent (51%) or more of the lenders in the lending syndicate (by then current loan balance) are Qualified Transferees (pursuant to the foregoing clauses); or
- (H) any other Person for which the Rating Agencies have issued a Rating Comfort Letter.

Solely for purposes of this definition of Qualified Transferee, “Control” shall mean the ownership, directly or indirectly, in the aggregate of more than fifty percent (50%) of the beneficial ownership interests of an entity and the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of an entity, whether through the ability to exercise voting power, by contract or otherwise. “Controlled by,” “Controlling” and “under common Control with” shall have the respective correlative meaning thereto. For purposes of this definition, if more than one Qualified Transferee owns (directly or

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indirectly), more than fifty percent (50%) of the beneficial ownership interests of an entity and one or more of the Qualified Transferees possess the power to direct or cause the direction of the management or policies of the entity, whether through the ability to exercise voting power, by contract or otherwise, even though each such Qualified Transferee individually owns less than fifty percent (50%) of such beneficial interests, such entity shall be deemed to be “Controlled” by a Qualified Transferee.

“Rate Cap Agreement” shall mean that certain interest rate cap agreement (together with the confirmation and schedules relating thereto) with a notional amount which shall not at any time be less than the Principal Amount and a LIBOR Rate strike price equal to seven percent (7.0%), entered into by Borrower in accordance with the terms hereof or of the other Loan Documents and any interest rate cap agreements subsequently entered into in replacement or substitution therefor by Borrower with respect to the Loan, including, without limitation, the Replacement Rate Cap Agreement.

“Rating Agency” shall mean Standard & Poor’s Ratings Services, Inc., a division of The McGraw-Hill Company, Inc. (“Standard & Poor’s”), Fitch and Moody’s Investors Service, Inc. (“Moody’s”), collectively, and any successor to any of them; provided, however, that at any time after a Secondary Market Transaction, “Rating Agency” or “Rating Agencies” shall mean those of the foregoing rating agencies that from time to time rate the securities issued in connection with such Secondary Market Transaction.

“Rating Comfort Letter” shall mean a letter issued by each of the applicable Rating Agencies which confirms that the taking of the action referenced therein will not result in any qualification, withdrawal or downgrading of any existing ratings of Securities created in a Secondary Market Transaction.

“Recurring Replacement Expenditures” shall mean expenditures related to capital repairs, replacements and improvements performed at the Projects from time to time.

“Recurring Replacement Monthly Installment” shall mean the amount per month set forth on Exhibit B attached hereto and made a part hereof, it being agreed that no Recurring Replacement Monthly Installment shall be payable with respect to a Project after the same has been Released.

“Recurring Replacement Reserve Escrow Account” shall mean the Escrow Account maintained pursuant to Section 5.08 hereof relating to the payment of Recurring Replacement Expenditures.

“Recurring Replacement Reserve Sub-Account” shall mean the Sub-Account of the Central Account established pursuant to Section 5.02 hereof into which the Recurring Replacement Monthly Installment shall be deposited.

“Registration Statement” shall have the meaning set forth in Section 17.03 hereof.

“Release” and “Released” shall have the meanings set forth in Section 15.02.

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“Release Amount” shall mean, with respect to each Project that is Released pursuant to Section 15.02 hereof, an amount equal to one hundred ten percent (110%) of the Allocated Loan Amount of such Project.

“Reletting Expenditures” shall mean all reasonable and actual out-of-pocket expenditures payable to bona-fide third parties or to the Manager incurred by Borrower relating to reletting of space at the Projects and in connection with any brokerage commissions due and payable (including override commissions), or any improvements and replacements required to be made by Borrower (or reasonable and actual out-of-pocket expenditures paid to tenants in connection with any improvements and replacements made by tenants at the Projects) under the terms of any Lease to prepare the relevant space for occupancy by the tenant thereunder (including performing base building standard work for such space).

“Reletting Reserve Escrow Account” shall mean the Escrow Account maintained pursuant to Section 5.07 hereof relating to the payment of Reletting Expenditures and which shall be initially funded with the Initial Reletting Reserve Deposit.

“Reletting Reserve Monthly Installment” shall mean the amount set forth on Exhibit B attached hereto and made a part hereof, it being agreed that no Recurring Replacement Monthly Installment shall be payable with respect to a Project after the same has been Released.

“Reletting Reserve Sub-Account” shall mean the Sub-Account of the Central Account established pursuant to Section 5.02 hereof into which the Reletting Reserve Monthly Installment shall be deposited.

“REMIC” shall mean a “real estate mortgage investment conduit” within the meaning of Section 860D of the Code.

“Rents” shall mean all rents, rent equivalents, moneys payable as damages (including payments by reason of the rejection of a Lease in a proceeding under the Bankruptcy Code) or in lieu of rent or rent equivalents, royalties (including all oil and gas or other mineral royalties and bonuses), income, fees, receivables, receipts, revenues, deposits (including security, utility and other deposits), accounts, cash, issues, profits, charges for services rendered, and other payment and consideration of whatever form or nature received by or paid to or for the account of or benefit of Borrower or any of its agents or employees from any and all sources arising from or attributable to the Projects and the Improvements, including all receivables, customer obligations, installment payment obligations and other obligations now existing or hereafter arising or created out of the sale, lease, sublease, license, concession or other grant of the right of the use and occupancy of the Projects and Insurance Proceeds, if any, from business interruption or other loss of income insurance.

“Rent Roll” shall have the meaning set forth in Section 2.05 (o) hereof.

“Replacement Rate Cap Agreement” shall have the meaning set forth in Section 5.10 hereof.

“Required Debt Service Payment” shall mean, as of any Payment Date, (a) the amount of interest and principal, if any, then due and payable pursuant to the Note, together with

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any other sums due thereunder, including, without limitation, any prepayments required to be made or for which notice has been given under this Agreement, Default Rate Interest and premium, if any, paid in accordance therewith plus (b) reasonable out-of-pocket fees incurred by Lender in connection with its administration and servicing of the Central Account or fees payable to Servicer pursuant to Section 5.04 hereof.

“Required Engineering Work” shall mean the immediate engineering and/or environmental remediation work set forth on Exhibit C attached hereto and made a part hereof.

“Required Special Servicer Rating” means (i) a rating of “CSS1” in the case of Fitch, Inc., (ii) on the Standard & Poor’s list of approved special servicers in the case of Standard & Poor’s and (iii) in the case of Moody’s, such special servicer is acting as special servicer in a commercial mortgage loan securitization that was rated by Moody’s within the twelve (12) month period prior to the date of determination, and Moody’s has not downgraded or withdrawn the then-current rating on any class of commercial mortgage securities or placed any class of commercial mortgage securities on watch citing the continuation of such special servicer as special servicer of such commercial mortgage securities.

“Retention Amount” shall have the meaning set forth in Section 3.04(b)(vii) hereof.

“Scheduled Release Date” shall have the meaning set forth in Section 15.04 hereof.

“Secondary Market Transaction” shall have the meaning set forth in Section 17.01 hereof.

“Securities” shall have the meaning set forth in Section 17.01 hereof.

“Securities Act” shall have the meaning set forth in Section 17.02 hereof.

“Security Deposit Account” shall have the meaning set forth in Section 5.01 hereof.

“Single Purpose Entity” shall mean a corporation, partnership, joint venture, limited liability company, trust or unincorporated association, which is formed or organized solely for the purpose of holding, directly, an ownership interest in a Project, does not engage in any business unrelated to such Project, does not have any assets other than those related to its interest in such Project or any indebtedness other than as permitted by this Agreement or the other Loan Documents, has its own separate books and records and has its own accounts, in each case which are separate and apart from the books and records and accounts of any other Person, holds itself out as being a Person separate and apart from any other Person and which otherwise satisfies the criteria of the Rating Agency, as in effect on the Closing Date, for a special-purpose bankruptcy-remote entity.

“SLG” shall mean SL Green Realty Corp., a Maryland corporation.

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“SLGOP” shall mean SL Green Operating Partnership, L.P., a Delaware limited partnership.

“Sole Member” shall mean Gale SLG NJ Mezz LLC, a Delaware limited liability company.

“Solvent” shall mean, as to any Person, that (a) the sum of the assets of such Person, at a fair valuation, exceeds its liabilities, including contingent liabilities, (b) such Person has sufficient capital with which to conduct its business as presently conducted and as proposed to be conducted and (c) such Person has not incurred debts, and does not intend to incur debts, beyond its ability to pay such debts as they mature. For purposes of this definition, “debt” means any liability on a claim, and “claim” means (a) a right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured, or (b) a right to an equitable remedy for breach of performance if such breach gives rise to a payment, whether or not such

right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured. With respect to any such contingent liabilities, such liabilities shall be computed in accordance with GAAP at the amount which, in light of all the facts and circumstances existing at the time, represents the amount which can reasonably be expected to become an actual or matured liability.

“Space Leases” shall mean any Lease or sublease thereunder (including, without limitation, any Major Space Lease) or any other agreement providing for the use and occupancy of a portion of a Project, as the same may be amended, renewed or supplemented.

“Special Transfer” shall have the meaning set forth in Section 9.04 hereof.

“Standard Lease Form” shall mean, as the context shall require, either of the two (2) standard forms of Lease submitted to Lender, in connection with the closing of the Loan, and identified by Borrower as Borrower’s standard forms of Lease.

“State” shall mean any of the states which are members of the United States of America.

“Stated Maturity”, when used with respect to the Note or any installment of interest and/or principal payment thereunder, shall mean the date specified in the Note as the fixed date on which a payment of all or any portion of principal and/or interest is due and payable.

“Stressed Debt Service” shall mean an amount calculated by Lender equal to the constant payment of interest that would be due during a period of calculation upon an assumed interest only loan having (i) a principal balance equal to the Principal Amount as of the date of such calculation, and (ii) an interest rate equal to nine (9%) percent.

“Sub-Accounts” shall have the meaning set forth in Section 5.02 hereof.

“Substantial Casualty” shall have the meaning set forth in Section 3.04 hereof.

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“Supplemental Disbursement Date” shall have the meaning set forth in Section 5.05 hereof.

“Taking” shall mean a condemnation or taking pursuant to the lawful exercise of the power of eminent domain.

“TRIA” shall mean the Terrorism Risk Insurance Act of 2002, as the same may be amended or otherwise modified.

“Total GLA” shall mean the total gross leasable area of the Projects, including all Space Leases.

“Transfer” shall mean the conveyance, assignment, sale, mortgaging, encumbrance, pledging, hypothecation, granting of a security interest in, granting of options with respect to, or other disposition of (directly or indirectly, voluntarily or involuntarily, by operation of law or otherwise, and whether or not for consideration or of record) all or any portion of any legal or beneficial interest (a) in all or any portion of any Project or (b) in any Person having a legal or beneficial ownership in Borrower, and shall also include, without limitation to the foregoing, the following: an installment sales agreement wherein Borrower agrees to sell a Project or any part thereof or any interest therein for a price to be paid in installments; an agreement by Borrower leasing all or substantially all of a Project to one or more Persons pursuant to a single or related transactions, or a sale, assignment or other transfer of, or the grant of a security interest in, Borrower’s right, title and interest in and to any Leases or any Rent; any instrument subjecting a Project to a condominium regime or transferring ownership to a cooperative corporation; and the dissolution or termination of Borrower or the merger or consolidation of Borrower with any other Person.

“UCC” shall mean the Uniform Commercial Code as in effect in the State in which the Project is located.

“Underwriters” shall have the meaning set forth in Section 17.03 hereof.

“Underwriter Group” shall have the meaning set forth in Section 17.03 hereof.

“Unscheduled Payments” shall mean (a) all Loss Proceeds that Borrower has elected or is required to apply to the repayment of the Debt pursuant to this Agreement, the Note or any other Loan Documents, (b) any funds representing a voluntary or involuntary principal prepayment other than scheduled Principal Payments and (c) any Net Proceeds.

“Use Requirements” shall mean any and all building codes, permits, certificates of occupancy or compliance, laws, regulations, or ordinances (including, without limitation, health, pollution, fire protection, medical and day-care facilities, waste product and sewage disposal regulations), restrictions of record, easements, reciprocal easements, declarations or other agreements affecting the use of a Project or any part thereof.

“Welfare Plan” shall mean an employee welfare benefit plan as defined in Section 3(1) of ERISA established or maintained by Borrower, Guarantor or any ERISA Affiliate or that covers any current or former employee of Borrower, Guarantor or any ERISA Affiliate.

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“Work” shall have the meaning set forth in Section 3.04(a)(i) hereof.

“Yield Maintenance Premium” shall have the meaning set forth in Section 13.03 hereof.

ARTICLE II

LOAN TERMS; REPRESENTATIONS, WARRANTIES AND COVENANTS OF BORROWER

Section 2.01 The Loan, (a) Lender is making a loan (the “Loan”) to Borrower on the date hereof, in the Principal Amount of \$90,286,551.00, which

shall mature on the Maturity Date. Borrower acknowledges receipt of the Loan, the proceeds of which are being and shall be used to (i) refinance the existing debt encumbering the Projects, (ii) fund certain of the Escrow Accounts, and (iii) pay transaction costs. No excess proceeds may be distributed to the direct or indirect members of Borrower. No amount repaid in respect of the Loan may be reborrowed.

(b) Borrower will pay the Debt at the time and in the manner provided in the Note, this Agreement and the other Loan Documents, all in lawful money of the United States of America in immediately available funds.

(c) On the date hereof, Borrower shall pay to Lender an origination fee in the amount of \$451,432.76 (the "Origination Fee").

(d) Upon any payment, repayment or prepayment of Principal, including, but not limited to, a payment made in connection with a Release and the repayment of the Loan on the Maturity Date, Borrower shall pay to Lender, the Exit Fee. Upon the repayment of the Loan in full, the Borrower shall pay to Lender the amount by which (i) \$225,716.37 exceeds (ii) the total amount of Exit Fees theretofore paid, if any, by Borrower pursuant to this Section 2.01(d). All Exit Fees hereunder shall be deemed to be earned by Lender upon the funding of the Loan.

Section 2.02 Representations, Warranties and Covenants of Borrower, Borrower represents, warrants and covenants to Lender (each of which representations shall, as the context requires, refer to each entity comprising Borrower and to each Project and shall be deemed made by each such Borrower with respect to each such Project):

(a) Organization and Authority. Borrower (i) is a limited liability company, duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation, (ii) has all requisite power and authority and all necessary licenses and permits to own and operate the Project and to carry on its business as now conducted and as presently proposed to be conducted and (iii) is duly qualified, authorized to do business and in good standing in the jurisdiction where the Project is located and in each other jurisdiction where the conduct of its business or the nature of its activities makes such qualification necessary. Sole Member is a limited liability company, duly organized, validly existing, and in good standing under the laws of the jurisdiction of its formation.

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(b) Power. Borrower and Sole Member have full power and authority to execute, deliver and perform, as applicable, the Loan Documents to which it is a party, to make the borrowings thereunder, to execute and deliver the Note and to grant to Lender a first, prior, perfected and continuing lien on and security interest in the Project, subject only to the Permitted Encumbrances.

(c) Authorization of Borrowing. The execution, delivery and performance of the Loan Documents to which Borrower is a party, the making of the borrowings thereunder, the execution and delivery of the Note, the grant of the liens on the Projects pursuant to the Loan Documents to which Borrower is a party and the consummation of the Loan are within the powers of Borrower and have been duly authorized by Borrower by all requisite action (and Borrower hereby represents that no approval or action of any member, limited partner or shareholder, as applicable, of Borrower is required to authorize any of the Loan Documents to which Borrower is a party, other than those which have been obtained) and will constitute the legal, valid and binding obligation of Borrower, enforceable against Borrower in accordance with their terms, except as enforcement may be stayed or limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity (whether considered in proceedings at law or in equity) and will not (i) violate any provision of its partnership agreement or partnership certificate or certificate of incorporation or by-laws, or operating agreement, or articles of organization, as applicable, or, to its knowledge, any law, judgment, order, rule or regulation of any court, arbitration panel or other Governmental Authority, domestic or foreign, or other Person affecting or binding upon Borrower or the Projects, or (ii) violate any provision of any indenture, agreement, mortgage, deed of trust, contract or other instrument to which Borrower or Sole Member is a party or by which any of their respective property, assets or revenues are bound, or be in conflict with, result in an acceleration of any obligation or a breach of or constitute (with notice or lapse of time or both) a default or require any payment or prepayment under, any such indenture, agreement, mortgage, deed of trust, contract or other instrument, or (iii) result in the creation or imposition of any lien, except those in favor of Lender as provided in the Loan Documents to which it is a party.

(d) Consent. Neither Borrower nor Sole Member is required to obtain any consent, approval or authorization from, or to file any declaration or statement with, any Governmental Authority or other agency in connection with or as a condition to the execution, delivery or performance of this Agreement, the Note or the other Loan Documents which has not been so obtained or filed.

(e) Interest Rate. The rate of interest paid under the Note and the method and manner of the calculation thereof do not violate any usury or other law or applicable Legal Requirement.

(f) Other Agreements. Borrower is not a party to nor is otherwise bound by any agreements or instruments which, individually or in the aggregate, are reasonably likely to have a Material Adverse Effect. Neither Borrower nor Sole Member is in violation of its organizational documents or other restriction or any agreement or instrument by which it is bound, or any judgment, decree, writ, injunction, order or award of any arbitrator, court or Governmental Authority, or any Legal Requirement, in each case, applicable to Borrower or the

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Projects, except for such violations that would not, individually or in the aggregate, have a Material Adverse Effect.

(g) Maintenance of Existence. (i) Borrower is familiar with all of the criteria of the Rating Agency required to qualify as a special-purpose bankruptcy-remote entity and Borrower, at all times since its formation has been a duly formed and existing entity and shall preserve and keep in full force and effect its existence as a Single Purpose Entity.

(ii) Borrower at all times since its organization has complied, and will continue to comply in all material respects (it being agreed that all of the SPE Provisions, as defined below, are material in nature), with the provisions of its certificate and agreement of partnership or certificate of incorporation and by-laws or articles of organization and operating agreement, as applicable, and the laws of its jurisdiction of organization relating to partnerships, corporations or limited liability companies, as applicable.

(iii) Borrower has done or caused to be done and will do all things necessary to observe organizational formalities and preserve its existence and Borrower will not amend, modify or otherwise change in any material respect (it being agreed that any amendment, modification or change which affects any provision relating to the nature of the entity as a special-purpose, bankruptcy-remote entity (an "SPE Provision") is per se material in nature) the certificate and agreement of partnership or certificate of incorporation and by-laws or articles of organization and operating agreement, as applicable, or other organizational documents of Borrower without the prior written consent of Lender, which shall not be unreasonably withheld, conditioned or delayed, unless it relates to any SPE

Provision.

(iv) Borrower has at all times accurately maintained, and will continue to accurately maintain, its financial statements, accounting records and other partnership, company or corporate documents separate from those of any other Person and Borrower will file its own tax returns or, if Borrower is part of a consolidated group for purposes of filing tax returns, Borrower will be shown as separate members of such group. Borrower has not at any time since its formation commingled, and will not commingle, its assets with those of any other Person and will maintain its assets in such a manner such that it will not be costly or difficult to segregate, ascertain or identify its assets from those of any other Person. Borrower will not permit any Affiliate independent access to its bank accounts. Borrower has at all times since its formation accurately maintained and utilized, and will continue to accurately maintain and utilize, its own separate bank accounts, payroll and separate books of account, stationery, invoices and checks.

(v) Borrower has at all times paid, and will continue to pay, its liabilities only from its own assets and shall allocate and charge fairly and reasonably any overhead which Borrower shares with any other Person, including, without limitation, for office space and services performed by any employee of another Person.

(vi) Borrower has at all times identified itself, and will continue to identify itself, in all dealings with the public, under its own name and as a separate and

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distinct entity and shall correct any known misunderstanding regarding its status as a separate and distinct entity. Borrower has not at any time identified itself, and will not identify itself, as being a division of any other Person.

(vii) Borrower has been at all times, and will continue to be, adequately capitalized in light of the nature of its businesses.

(viii) Borrower (A) has not owned, does not own and will not own any assets or property other than the Projects and any incidental personal property necessary for the ownership, management or operation of the Projects, (B) has not engaged and will not engage in any business other than the ownership, management and operation of the Projects, (C) has not incurred and will not incur any debt, secured or unsecured, direct or contingent (including guaranteeing any obligation), other than (W) obligations owed to tenants under Space Leases, (X) the Loan, and (Y) unsecured trade debt which (1) is not evidenced by a note, (2) is incurred in the ordinary course of the operation of the Projects, (3) does not exceed either four (4%) percent of the Allocated Loan Amount, with respect to any particular Project, or \$4,000,000.00, in the aggregate, with respect to all Projects (it being agreed that "unsecured trade debt" shall not include obligations for the payment of tenant improvement costs and leasing commissions in connection with Space Leases) and (4) which is, unless being contested in accordance with the terms of this Agreement, paid prior to the earlier to occur of the sixtieth (60th) day after the date incurred and the date when due, (D) has not and will not pledge its assets for the benefit of any other Person, and (E) has not made and will not make any loans other than Intra-Obligor Loans or advances to any Person (including any Affiliate).

(ix) Borrower will not (i) change its name, or (ii) change its principal place of business unless, as to this clause (ii), it has given Lender not less than thirty (30) days prior written notice of its intention to change its principal place of business and of the address of such new principal place of business.

(x) Borrower does not have, and will at no time have, any subsidiaries.

(xi) Borrower will preserve and maintain its existence as a Delaware limited liability company and all material rights, privileges, tradenames and franchises.

(xii) Borrower will not merge or consolidate with, or sell all or substantially all of its assets to any Person, or liquidate, wind up or dissolve itself (or suffer any liquidation, winding up or dissolution). Borrower will not acquire any business or assets from, or capital stock or other ownership interest of, or be a party to any acquisition of, any Person.

(xiii) Borrower has not at any time since its formation assumed, guaranteed or held itself out to be responsible for, and will not assume, guarantee or hold itself out to be responsible for the liabilities or the decisions or actions respecting the daily business affairs of its partners, shareholders or members or any predecessor company, corporation or partnership, each as applicable, any Affiliates, or any other Persons. Borrower has not at any time since its formation acquired, and will not acquire,

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obligations or securities of its partners or shareholders, members or any predecessor company, corporation or partnership, each as applicable, or any Affiliates. Borrower has not at any time since its formation made, and will not make, loans to its partners, members or shareholders or any predecessor company, corporation or partnership, each as applicable, or any Affiliates of any of such Persons other than Intra-Obligor Loans. Except as set forth on Exhibit G attached hereto, Borrower has no known contingent liabilities nor does it have any material financial liabilities under any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which such Person is a party or by which it is otherwise bound other than under the Loan Documents.

(xiv) Borrower has not at any time since its formation entered into and was not a party to, and, will not enter into or be a party to, any transaction with its Affiliates, members, partners or shareholders, as applicable, or any Affiliates thereof except in the ordinary course of business of Borrower on terms which are no less favorable to Borrower than would be obtained in a comparable arm's length transaction with an unrelated third party.

(xv) Sole Member will at all times comply, and will cause Borrower to comply, with each of the representations, warranties, and covenants contained in this Section 2.02(g) as if such representation, warranty or covenant was made directly by Sole Member.

(xvi) Borrower shall at all times cause there to be at least two duly appointed non-member managers of Borrower (each, an Independent Manager"), For purposes hereof, "Independent Manager" shall mean a natural person who, for the five-year period prior to his or her appointment as Independent Manager has not been, is not now, and during the continuation of his or her service as Independent Manager is not: (i) an employee, director, stockholder, partner, trustee, attorney, counsel or officer of the Borrower or any of its Affiliates (other than his or her service as an Independent Manager); (ii) a creditor, customer or supplier of or other person who derives any of its revenues from its activities with the Borrower or any of its Affiliates; (iii) any member of the Immediate Family of a person described in (i) or (ii); or (iv) a Person Controlling or under common Control with any Person excluded from serving as Independent Manager under (i) or (ii).

A natural person who satisfies the foregoing definition other than subparagraph (ii) shall not be disqualified from serving as an Independent Manager of the Borrower if such individual is an Independent Manager provided by a nationally-recognized company that provides professional Independent Managers (a “Professional Independent Manager”) and other corporate services in the ordinary course of its business. A natural person who otherwise satisfies the foregoing definition other than subparagraph (i) by reason of being an Independent Manager of a “special purpose entity” affiliated with the Borrower shall not be disqualified from serving as an Independent Manager of the Borrower if such individual is either (i) a Professional Independent Manager or (ii) the fees that such individual earns from serving as Independent Manager of Affiliates of the Borrower constitute in the aggregate less than five percent (5%) of such individual’s annual income. Notwithstanding the immediately preceding sentence, an Independent Manager may not simultaneously serve as Independent Manager of the Borrower and an Independent Manager of a special purpose

entity that owns a direct or indirect equity interest in the Borrower or a direct or indirect interest in any co-borrower with the Borrower. For purposes of this paragraph, a “special purpose entity” is an entity whose organizational documents contain restrictions on its activities and impose requirements intended to preserve the such entity’s separateness that are substantially similar to the requirements of a Single Purpose Entity.

(xvii) Borrower shall not cause or permit the board of managers or other governing board or body of Borrower to take any action which, under the terms of Borrower’s articles of organization or operating agreement requires a vote of the board of managers or other governing board or body of Borrower unless at the time of such action there shall be at least two members who are Independent Managers.

(xviii) Borrower shall pay the salaries of its own employees and maintain a sufficient number of employees in light of their contemplated business operations.

(xix) Borrower shall conduct its business so that the assumptions made with respect to Borrower in that certain opinion letter relating to substantive non-consolidation dated the date hereof (the “Insolvency Opinion”) delivered in connection with the Loan shall be true and correct in all respects material to such Insolvency Opinion.

(h) No Defaults. No Default or Event of Default exists or would occur as a result of the consummation of the transactions contemplated by the Loan Documents. Borrower is not in default in the payment or performance of any of its Contractual Obligations in any material respect.

(i) Consents and Approvals. Borrower has obtained or made all necessary (i) consents, approvals and authorizations, and registrations and filings of or with all Governmental Authorities and (ii) consents, approvals, waivers and notifications of partners, stockholders, creditors, lessors and other nongovernmental Persons, in each case, which are required to be obtained or made by Borrower in connection with the execution and delivery of, and the performance by Borrower of its obligations under, the Loan Documents.

(j) Investment Company Act Status, etc. Borrower is not (i) an “investment company,” or a company “controlled” by an “investment company,” as such terms are defined in the Investment Company Act of 1940, as amended, (ii) a “holding company” or a “subsidiary company” of a “holding company” or an “affiliate” of either a “holding company” or a “subsidiary company” within the meaning of the Public Utility Holding Company Act of 1935, as amended, or (iii) subject to any other federal or state law or regulation which purports to restrict or regulate its ability to borrow money.

(k) Compliance with Law. Borrower is in compliance in all material respects with all Legal Requirements to which it or any Project is subject, including, without limitation, all Environmental Statutes, the Occupational Safety and Health Act of 1970, the Americans with Disabilities Act, ERISA and all material building department requirements for each of the Projects. No portion of any Project has been or will be purchased, improved, fixtured, equipped

or furnished with proceeds of any illegal activity and, to the best of Borrower’s knowledge, no illegal activities are being conducted at or from any Project.

(l) Financial Information. Borrower has delivered to Lender the financial statements for the Projects and Borrower for (A) calendar year 2005 and (B) the first calendar quarter of 2006, and Borrower has no knowledge that the information contained in those statements is not accurate in any material respect.

(m) Transaction Brokerage Fees. Borrower has not dealt with any financial advisors, brokers, underwriters, placement agents, agents or finders in connection with the transactions contemplated by this Agreement. All brokerage fees, commissions and other expenses payable in connection with the transactions contemplated by the Loan Documents have been paid in full by Borrower contemporaneously with the execution of the Loan Documents and the funding of the Loan. Borrower hereby agrees to indemnify and hold Lender harmless for, from and against any and all claims, liabilities, costs and expenses of any kind in any way relating to or arising from (i) a claim by any Person that such Person acted on behalf of Borrower in connection with the transactions contemplated herein or (ii) any breach of the foregoing representation. The provisions of this subsection (m) shall survive the repayment of the Debt.

(n) Federal Reserve Regulations. No part of the proceeds of the Loan will be used for the purpose of purchasing or acquiring any “margin stock” within the meaning of Regulations T, U or X of the Board of Governors of the Federal Reserve System or for any other purpose which would be inconsistent with such Regulations T, U or X or any other Regulations of such Board of Governors, or for any purposes prohibited by Legal Requirements or by the terms and conditions of the Loan Documents.

(o) Pending Litigation. Except as disclosed in the Form 10-Q filed by MCC on May 4, 2006, there are no actions, suits or proceedings pending or, to the best knowledge of Borrower, threatened against or affecting Borrower, SLG, MCC, the Guarantors or the Projects in any court or before any Governmental Authority which if adversely determined either individually or collectively has or is reasonably likely to have a Material Adverse Effect.

(p) Solvency; No Bankruptcy. Each of Borrower and Sole Member (i) is and, to the actual knowledge of Borrower, has at all times been Solvent and will remain Solvent immediately upon the consummation of the transactions contemplated by the Loan Documents and (ii) is free from bankruptcy, reorganization or arrangement proceedings or a general assignment for the benefit of creditors and is not contemplating the filing of a petition under any state or federal bankruptcy or insolvency laws or the liquidation of all or a major portion of such Person’s assets or property and Borrower has no knowledge of any Person contemplating the filing of any such petition against it or Sole Member. None of the transactions contemplated hereby will be or have been made with an intent to hinder, delay or defraud any present or future creditors of Borrower and Borrower has received reasonably equivalent value in exchange for its obligations under the Loan Documents. Borrower’s assets do not, and

immediately upon consummation of the transaction contemplated in the Loan Documents will not, constitute unreasonably small capital to carry out its business as presently conducted or as proposed to be conducted. Borrower does not intend to, nor believe that it will, incur debts and liabilities beyond its ability to pay such debts as they may mature.

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(q) Use of Proceeds. The proceeds of the Loan shall be applied by Borrower to, inter alia, (i) satisfy certain mortgage loans presently encumbering all or a part of the Projects and (ii) pay certain transaction costs incurred by Borrower in connection with the Loan. No portion of the proceeds of the Loan will be used for family, personal, agricultural or household use or distributed to Sole Member or any other Person for any reason.

(r) Tax Filings. Borrower and Sole Member have filed all federal, state and local tax returns required to be filed and have paid or made adequate provision for the payment of all federal, state and local taxes, charges and assessments payable by Borrower and Sole Member. Borrower and Sole Member believe that their respective tax returns properly reflect the income and taxes of Borrower and Sole Member for the periods covered thereby, subject only to reasonable adjustments required by the Internal Revenue Service or other applicable tax authority upon audit.

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

(t) ERISA.

(i) Except with respect to the 401K Plan Assets, if any, the assets of Borrower are not and will not become treated as “plan assets”, whether by operation of law or under regulations promulgated under ERISA. Each Plan and Welfare Plan, and, to the actual knowledge of Borrower, each Multiemployer Plan, is in compliance in all material respects with, and has been administered in all material respects in compliance with, its terms and the applicable provisions of ERISA, the Code and any other applicable Legal Requirement, and no event or condition has occurred and is continuing as to which Borrower would be under an obligation to furnish a report to Lender under clause (ii)(A) of this Section. Other than an application for a favorable determination letter with respect to a Plan, there are no pending issues or claims before the Internal Revenue Service, the United States Department of Labor or any court of competent jurisdiction related to any Plan or Welfare Plan under which Borrower or any ERISA Affiliate, directly or indirectly (through an indemnification agreement or otherwise), could be subject to any material risk of liability under Section 409 or 502(i) of ERISA or Section 4975 of the Code. No Welfare Plan provides or will provide benefits, including, without limitation, death or medical benefits (whether or not insured) with respect to any current or former employee of Borrower or any ERISA Affiliate beyond his or her retirement or other termination of service other than (A) coverage mandated by applicable law, (B) death or disability benefits that have been fully provided for by fully paid up insurance or (C) severance benefits.

(ii) Borrower will furnish to Lender as soon as possible, and in any event within ten (10) days after Borrower knows or has reason to believe that any of the events or conditions specified below with respect to any Plan, Welfare Plan or Multiemployer Plan has occurred or exists, an Officer’s Certificate setting forth details respecting such event or condition and the action, if any, that Borrower or its ERISA Affiliate proposes to take with respect thereto (and a copy of any report or notice required to be filed with or given to PBGC (or any other relevant Governmental Authority) by Borrower or an ERISA Affiliate with respect to such event

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or condition, if such report or notice is required to be filed with the PBGC or any other relevant Governmental Authority:

(i) any reportable event, as defined in Section 4043 of ERISA and the regulations issued thereunder, with respect to a Plan, as to which PBGC has not by regulation waived the requirement of Section 4043(a) of ERISA that it be notified within thirty (30) days of the occurrence of such event (provided that a failure to meet the minimum funding standard of Section 412 of the Code and of Section 302 of ERISA, including, without limitation, the failure to make on or before its due date a required installment under Section 412(m) of the Code and of Section 302(e) of ERISA, shall be a reportable event regardless of the issuance of any waivers in accordance with Section 412(d) of the Code), and any request for a waiver under Section 412(d) of the Code for any Plan;

(ii) the distribution under Section 4041 of ERISA of a notice of intent to terminate any Plan or any action taken by Borrower or an ERISA Affiliate to terminate any Plan;

(iii) the institution by PBGC of proceedings under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan, or the receipt by Borrower or any ERISA Affiliate of a notice from a Multiemployer Plan that such action has been taken by PBGC with respect to such Multiemployer Plan;

(iv) the complete or partial withdrawal from a Multiemployer Plan by Borrower or any ERISA Affiliate that results in liability under Section 4201 or 4204 of ERISA (including the obligation to satisfy secondary liability as a result of a purchaser default) or the receipt by Borrower or any ERISA Affiliate of notice from a Multiemployer Plan that it is in reorganization or insolvency pursuant to Section 4241 or 4245 of ERISA or that it intends to terminate or has terminated under Section 4041A of ERISA;

(v) the institution of a proceeding by a fiduciary of any Multiemployer Plan against Borrower or any ERISA Affiliate to enforce Section 515 of ERISA, which proceeding is not dismissed within thirty (30) days;

(vi) the adoption of an amendment to any Plan that, pursuant to Section 401(a)(29) of the Code or Section 307 of ERISA, would result in the loss of tax-exempt status of the trust of which such Plan is a part if Borrower or an ERISA Affiliate fails to timely provide security to the Plan in accordance with the provisions of said Sections; or

(vii) the imposition of a lien or a security interest in connection with a Plan.

(iii) Borrower shall not knowingly engage in or permit any transaction in connection with which Borrower or any ERISA Affiliate could be subject to either a civil penalty or tax assessed pursuant to Section 502(i) or 502(l) of ERISA or Section 4975 of the

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Code, permit any Welfare Plan to provide benefits, including without limitation, medical benefits (whether or not insured), with respect to any current or former employee of Borrower or any ERISA Affiliate beyond his or her retirement or other termination of service other than (A) coverage mandated by applicable law, (B) death or disability benefits that have been fully provided for by paid up insurance or otherwise or (C) severance benefits, permit the assets of Borrower to become “plan assets”, except with respect to 401K Plan Assets, if any, whether by operation of law or under regulations promulgated under ERISA or adopt, amend (except as may be required by applicable law) or increase the amount of any benefit or amount payable under, or permit any ERISA Affiliate to adopt, amend (except as may be required by applicable law) or increase the amount of any benefit or amount payable under, any employee benefit plan (including, without limitation, any employee welfare benefit plan) or other plan, policy or arrangement, except for increases that, in the aggregate, do not result in a material increase in benefits expense to Borrower or any ERISA Affiliate.

(u) Labor Matters. No organized work stoppage or labor strike is pending or, to Borrower’s actual knowledge, threatened by employees or other laborers at any Project and neither Borrower nor Manager (with respect to any Project) (i) is involved in or, to Borrower’s actual knowledge, threatened with any labor dispute, grievance or litigation relating to labor matters involving any employees and other laborers at any Project, including, without limitation, violation of any federal, state or local labor, safety or employment laws (domestic or foreign) and/or charges of unfair labor practices or discrimination complaints; (ii) has, to Borrower’s actual knowledge, engaged in any unfair labor practices within the meaning of the National Labor Relations Act or the Railway Labor Act; or (iii) is a party to, or bound by, any collective bargaining agreement or union contract with respect to employees and other laborers at any Project and no such agreement or contract is currently being negotiated by Borrower, Manager or any of their Affiliates (with respect to any Project), except as set forth in Schedule I attached hereto.

(v) Borrower’s Legal Status. Borrower’s exact legal name that is indicated on the signature page hereto, organizational identification number and place of business or, if more than one, its chief executive office, as well as Borrower’s mailing address, if different, which were identified by Borrower to Lender and contained in this Agreement, are true, accurate and complete. Borrower (i) will not change its name, its place of business or, if more than one place of business, its chief executive office, or its mailing address or organizational identification number if it has one without giving Lender at least thirty (30) days prior written notice of such change, (ii) if Borrower does not have an organizational identification number and later obtains one, Borrower shall promptly notify Lender of such organizational identification number and (iii) Borrower will not change its type of organization, jurisdiction of organization or other legal structure.

(w) Compliance with Anti-Terrorism, Embargo and Anti-Money Laundering Laws None of (i) Borrower, Sole Member, any Guarantor, or, to Borrower’s knowledge, any Person who owns any direct or indirect equity interest (other than publicly held shares in SLG and/or MCC) in or Controls Borrower, Sole Member or any Guarantor currently is identified on the OFAC List or otherwise qualifies as a Prohibited Person, and Borrower has implemented procedures, approved by Sole Member, to ensure that no Person who now or hereafter owns an equity interest (other than publicly held shares in SLG and/or MCC) in Borrower or Sole

Member is a Prohibited Person or Controlled by a Prohibited Person, and (ii) Borrower, Sole Member, or any Guarantor are in violation of any Legal Requirements relating to anti-money laundering or anti-terrorism, including, without limitation, Legal Requirements related to transacting business with Prohibited Persons or the requirements of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, U.S. Public Law 107-56, and the related regulations issued thereunder, including temporary regulations, all as amended from time to time. To the best of Borrower’s knowledge, (i) no tenant at any Project currently is identified on the OFAC List or otherwise qualifies as a Prohibited Person, and (ii) no tenant at any Project is owned or Controlled, directly or indirectly, by a Prohibited Person. Borrower has determined that Manager has implemented procedures, approved by Borrower, to ensure that no tenant at any Project is a Prohibited Person or owned or Controlled by a Prohibited Person.

Section 2.03 Further Acts, etc. Borrower will, at the cost of Borrower, and without expense to Lender, execute and deliver to Lender upon demand such documents, instruments, certificates, assignments and other writings, and do such other acts necessary or desirable, to evidence, preserve and/or protect the collateral at any time securing or intended to secure the Debt and/or for the better and more effective carrying out of the intents and purposes of the Loan Documents, as Lender shall, from time to time, reasonably require, provided that the same does not (y) increase the rights of Lender or (z) increase the obligations or decrease the rights of Borrower or Guarantor under the Loan Documents. Borrower hereby authorizes Lender, if Borrower fails to execute within five (5) Business Days after request, to execute in the name of Borrower or without the signature of Borrower to the extent Lender may lawfully do so, one or more financing statements, chattel mortgages or comparable security instruments to evidence more effectively the liens of the Mortgages upon the Projects. Borrower grants to Lender an irrevocable power of attorney coupled with an interest for the purpose of, protecting, perfecting, preserving and realizing upon the interests granted pursuant to the Mortgages or to effect the intent of this Agreement, all as fully and effectually as Borrower might or could do; provided, however, that Lender will not exercise such powers of attorney unless (i) Borrower fails to execute any of the foregoing within five (5) Business Days after it receives written request from Lender to do so, or (ii) an Event of Default then exists; and Borrower hereby ratifies all that Lender shall lawfully do or cause to be done by virtue hereof. Upon receipt of an affidavit of an officer of Lender as to the loss, theft, destruction or mutilation of the Note or any other Loan Document which is not of public record, and, in the case of any such mutilation, upon surrender and cancellation of such Note or other applicable Loan Document, Borrower will issue, in lieu thereof, a replacement Note or other applicable Loan Document, dated the date of such lost, stolen, destroyed or mutilated Note or other Loan Document in the same principal amount thereof and otherwise of like tenor.

Section 2.04 Cross Default: Cross Collateralization.

(a) Each Borrower acknowledges that Lender has made the Loan to Borrowers upon the security of their collective interest in the Projects and in reliance upon the aggregate of the Projects taken together being of greater value as collateral security than the sum of the Projects taken separately. Each Borrower agrees that the Mortgages are and will be cross-collateralized and cross-defaulted with each other so that (i) an Event of Default under any of the Mortgages shall constitute an Event of Default under the other Mortgages which secures the

Note; (ii) an Event of Default under the Note or this Agreement shall constitute an Event of Default under each Mortgage; and (iii) each Mortgage shall constitute security for the Note as if a single blanket lien were placed on all of the Projects as security for the Note. Each Borrower covenants and agrees that in the case of an Event of Default (i) Lender shall have the right to pursue all of its rights and remedies in one proceeding, or separately and independently in separate proceedings from time to time, as

mortgagee, in its sole and absolute discretion, shall determine from time to time, (ii) Lender is not required to either marshal assets, sell any individual Project in any inverse order of alienation, or be subject to any "one action" or "election of remedies" law or rule, (iii) the exercise by Lender of any remedies against any one Project will not impede Lender from subsequently or simultaneously exercising remedies against any other Project and (iv) all liens and other rights, remedies or privileges provided to Lender shall remain in full force and effect until Lender has exhausted all of its remedies against the Projects and all Projects have been foreclosed, sold and/or otherwise realized upon in satisfaction of the Loan.

(b) Each Borrower hereby acknowledges and agrees that, by virtue of the foregoing provisions of subsection (a), each Borrower has a direct and material interest in preventing the occurrence of an Event of Default under any of the Loan Documents. Accordingly, each Borrower is willing to continue to make or receive loans (each an "Intra-Obligor Loan", and collectively, the "Intra-Obligor Loans") in order to provide for the payment of all amounts due under the Loan Documents and, in so doing, to avoid an Event of Default thereunder. In the event and to the extent that the proceeds from any of the Projects or any other collateral granted to Lender by any Borrower (the "Creditor") are applied to any payments due with respect to the Projects or other collateral owned by any other Borrower (the "Debtor") from and after the date hereof, then the Creditor shall be deemed to have made an Intra-Obligor Loan to Debtor in the amount of such proceeds so applied (the "Intra-Obligor Loan Amount"). Such Intra-Obligor Loan shall be deemed to be made on a non-recourse basis and shall be repaid out of the future proceeds of the Project or other collateral owned by the Debtor, together with interest thereon at a rate to be agreed upon from time to time by each Borrower.

(c) All Intra-Obligor Loans deemed to be made under this Agreement shall be evidenced by this Agreement, shall be an obligation of the Debtor which owes such Intra-Obligor Loan solely by its execution of this Agreement and shall not be evidenced by any separate instrument. Each party hereby waives presentment, notice of dishonor, protest and notice of non-payment or non-performance with respect to each Intra-Obligor Loan for which it is liable under this Agreement. Interest and principal on Intra-Obligor Loans shall be paid solely out of Net Proceeds from the Project or other property owned by the Debtor and shall be subject in all cases to the terms and conditions of the Loan Documents, and the payments from such sources shall be the sole and exclusive remedy available to any Creditor during the term of the Loan. Each such payment of principal or interest on Intra-Obligor Loans shall be subordinate and subject to the prior payment of all amounts payable under the Loan Documents. To the extent such sources of payment are insufficient to pay interest and principal on any Intra-Obligor Loan, the Creditor owed such Intra-Obligor Loan shall not have any claim against the Debtor which owes such Intra-Obligor Loan for such amounts or lien on or security interest in any of the assets of such Debtor and no further or additional recourse shall be available against the Debtor. All payments received on account of any Intra-Obligor Loan under this Agreement shall be credited first to interest, then to principal. Accrued but unpaid interest shall not be compounded.

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Section 2.05 Representations and Warranties as to the Projects. Borrower represents and warrants with respect to the Projects as of the date hereof as follows (each of which representations shall, as the context requires, refer to each entity comprising Borrower and to each Project and shall be deemed made by each such Borrower with respect to each such Project):

(a) Lien Priority. The Mortgages are a valid and enforceable first liens on the Projects, free and clear of all encumbrances and liens having priority over the liens of the Mortgages, except for the items set forth as exceptions to or subordinate matters in the title insurance policies insuring the liens of the Mortgages, none of which, individually or in the aggregate, materially interfere with the benefits of the security intended to be provided by the Mortgages, materially affect the value or marketability of any Project, materially impair the use or operation of any Project for the use currently being made thereof or materially impair Borrower's ability to pay its obligations in a timely manner (such items, being the "Permitted Encumbrances").

(b) Title. Borrower has, subject only to the Permitted Encumbrances, good, insurable and marketable fee simple title to the Projects (including, without limitation, the Improvements and Fixtures with respect thereto) and to all easements and rights benefiting the Projects and has the right, power and authority to mortgage, encumber, give, grant, bargain, sell, alien, enfeoff, convey, confirm, pledge, assign, and hypothecate the Projects. For so long as all or any portion of the Debt remains outstanding, Borrower will preserve its interest in and title to the Projects and will warrant and defend the same to Lender against any and all claims made by, through or under Borrower and will warrant and defend the validity and priority of the lien and security interest created herein against the claims of all Persons whomsoever claiming by, through or under Borrower. The foregoing warranty of title shall survive the foreclosure of any or all of the Mortgages and shall inure to the benefit of and be enforceable by Lender in the event Lender acquires title to the Project(s) pursuant to any foreclosure. In addition, there are no outstanding options to purchase or rights of first refusal to purchase any Project or Borrower's ownership thereof.

(c) Taxes and Impositions. All taxes and other Impositions and governmental assessments due and owing in respect of, and affecting, the Projects have been paid. Borrower has paid all Impositions which constitute special governmental assessments in full, except for those assessments which are permitted by applicable Legal Requirements to be paid in installments, in which case all installments which are due and payable have been paid in full. There are no pending, or to Borrower's best knowledge, proposed special or other assessments for public improvements or otherwise affecting any Project, nor are there any contemplated improvements to any Project that may result in such special or other assessments.

(d) Casualty; Flood Zone. Each Project is in good repair and free and clear of any damage, destruction or casualty (whether or not covered by insurance) that would materially affect the value of such Project or the use for which such Project was intended, there exists no structural or other material defects or damages in or to any Project and Borrower has not received any written notice from any insurance company or bonding company of any material defect or inadequacies in any Project, or any part thereof, which would materially and adversely affect the insurability of the same or cause the imposition of extraordinary premiums or charges

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thereon or of any termination or threatened termination of any policy of insurance or bond. No portion of any Project is located in an "area of special flood hazard," as that term is defined in the regulations of the Federal Insurance Administration, Department of Housing and Urban Development, under the National Flood Insurance Act of 1968, as amended (24 CFR § 1909.1) or Borrower has obtained the flood insurance required by Section 3.01(a)(vi) hereof. No Project lies in a 100 year flood plain that has been identified by the Secretary of Housing and Urban Development or any other Governmental Authority or, if it does, Borrower has obtained the flood insurance required by Section 3.01(a)(vi) hereof.

(e) Completion; Encroachment. All Improvements necessary for the efficient use and operation of the Projects, including, without limitation, all Improvements which were included for purposes of determining the appraised value of each Project in the Appraisal(s), have been completed and, except as shown on the surveys, none of said Improvements lie outside the boundaries and building restriction lines applicable to any Project. Except as set forth in each title insurance policy insuring the lien of each Mortgage, no improvements on adjoining properties encroach upon any Project.

(f) Separate Lot. Each Project is taxed separately without regard to any other real estate and constitute a legally subdivided lot under all applicable Legal Requirements (or, if not subdivided, no subdivision or platting of any Project is required under applicable Legal Requirements), and for all purposes may be mortgaged,

encumbered, conveyed or otherwise dealt with as an independent parcel. No Project benefits from any tax abatement or exemption.

(g) Use. The existence of all Improvements, the present use and operation thereof and the access of the Projects and the Improvements to all of the utilities and other items referred to in paragraph (k) below are in compliance in all material respects with all Leases affecting the Projects and all applicable Legal Requirements, including, without limitation, Environmental Statutes, Development Laws and Use Requirements. Borrower has not received any notice from any Governmental Authority alleging any material uncured violation relating to any Project of any applicable Legal Requirements.

(h) Licenses and Permits. Borrower currently holds and will continue to hold all certificates of occupancy, licenses, registrations, permits, consents, franchises and approvals of any Governmental Authority or any other Person which are material for the lawful occupancy and operation of the Projects or which are material to the ownership or operation of the Projects or the conduct of Borrower's business. All such certificates of occupancy, licenses, registrations, permits, consents, franchises and approvals are current and in full force and effect.

(i) Environmental Matters. Borrower has received and reviewed the Environmental Report and has no reason to believe that the Environmental Report contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained therein or herein, in light of the circumstances under which such statements were made, not misleading.

(j) Property Proceedings. There are no actions, suits or proceedings pending or, to Borrower's actual knowledge after due inquiry and investigation, threatened in any court or before any Governmental Authority or arbitration board or tribunal (i) relating to (A) the zoning

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of a Project or any part thereof, (B) any certificates of occupancy, licenses, registrations, permits, consents or approvals issued with respect to a Project or any part thereof, (C) the condemnation of a Project or any part thereof, or (D) the condemnation or relocation of any roadways abutting a Project required for access or the denial or limitation of access to a Project or any part thereof from any point of access to such Project, (ii) asserting that (A) any such zoning, certificates of occupancy, licenses, registrations, permits, consents and/or approvals do not permit the operation of any material portion of a Project as presently being conducted, (B) any material improvements located on a Project or any part thereof cannot be located thereon or operated with their intended use or (C) the operation of any Project or any part thereof is in violation in any material respect of any Environmental Statutes, Development Laws or other Legal Requirements or Space Leases or Property Agreements or (iii) which might (A) affect the validity or priority of any Loan Document or (B) have a Material Adverse Effect. Borrower is not aware of any facts or circumstances which may give rise to any actions, suits or proceedings described in the preceding sentence.

(k) Utilities. Each Project has all necessary legal access to water, gas and electrical supply, storm and sanitary sewerage facilities, other required public utilities (with respect to each of the aforementioned items, by means of either a direct connection to the source of such utilities or through connections available on publicly dedicated roadways directly abutting such Project or through permanent insurable easements benefiting such Project), fire and police protection, parking, and means of direct access between such Project and public highways over recognized curb cuts (or such access to public highways is through private roadways which may be used for ingress and egress pursuant to permanent insurable easements).

(l) Mechanics' Liens. Except as set forth in the title policies issued to Lender on the date hereof described in subsection (m) below, each Project is free and clear of any mechanics' liens or liens in the nature thereof, and no rights are outstanding that under law could give rise to any such liens, any of which liens are or may be prior to, or equal with, the lien of the applicable Mortgage, except those which are insured against by the title insurance policy insuring the lien of such Mortgage.

(m) Title Insurance. Lender has received lenders' title insurance policies insuring the Mortgages as first liens on the Projects, subject only to Permitted Encumbrances.

(n) Insurance. The Projects are insured in accordance with the requirements set forth in Article III hereof.

(o) Space Leases.

(i) Borrower has delivered a true, correct and complete schedule of all Space Leases as of the date hereof, which accurately and completely sets forth in all material respects, for each such Space Lease, the following (collectively, the "Rent Roll"): the name and address of the tenant; the lease expiration date, extension and renewal provisions; the base rent and percentage rent payable; all additional rent and pass through obligations; and the security deposit held thereunder and the location of such deposit.

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(ii) Each Space Lease constitutes the legal, valid and binding obligation of Borrower and, to the knowledge of Borrower, is enforceable against the tenant thereof. No default on the part of Borrower (and, to Borrower's knowledge, on the part of any tenant) exists, or with the passing of time or the giving of notice would exist, (A) under any Major Space Lease or (B) to the best knowledge of Borrower, under any other Space Leases which would, in the aggregate, have a Material Adverse Effect.

(iii) No tenant under any Space Lease has, as of the date hereof, paid Rent more than thirty (30) days in advance, and the Rents under such Space Leases have not been waived, released, or otherwise discharged or compromised.

(iv) Except as has been disclosed by Borrower in Exhibit H attached hereto, all work to be performed by Borrower under the Space Leases has been substantially performed, all contributions to be made by Borrower to the tenants thereunder have been made except for any held-back amounts, and all other conditions precedent to each such tenant's obligations thereunder have been satisfied, with the exception of such obligations, if any, which, either individually or collectively, are not material in nature.

(v) Each tenant under a Space Lease or such tenant's authorized subtenant is currently occupying the space demised by such Space Lease.

(vi) Borrower has delivered to Lender true, correct and complete copies of all Space Leases described in the Rent Roll.

(vii) Each Space Lease is in full force and effect and (except as disclosed on the Rent Roll) has not been assigned, modified, supplemented or amended in any way.

(viii) Each tenant under each Space Lease is free from bankruptcy, reorganization or arrangement proceedings or, to the actual knowledge of Borrower, a general assignment for the benefit of creditors.

(ix) No Space Lease provides any party with the right to obtain a lien or encumbrance upon a Project superior to the lien of the applicable Mortgage.

(x) The options permitting tenants under Space Leases demising less than 10,000 square feet to terminate their respective Space Leases will not, in the aggregate, have a Material Adverse Effect on any or all of the Projects.

(p) Property Agreements.

(i) Borrower has delivered to Lender true, correct and complete copies of all material Property Agreements.

(ii) No Property Agreement provides any party with the right to obtain a lien or encumbrance upon a Project superior to the lien of the applicable Mortgage.

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(iii) No default by Borrower (or, to Borrower's knowledge, by other parties thereto) exists or with the passing of time or the giving of notice or both would exist under any Property Agreement which would, individually or in the aggregate, have a Material Adverse Effect.

(iv) Borrower has not received or given any written communication which alleges that a default exists or, with the giving of notice or the lapse of time, or both, would exist under the provisions of any Property Agreement.

(v) No condition exists whereby Borrower or any future owner of a Project may be required to purchase any other parcel of land which is subject to any Property Agreement or which gives any Person a right to purchase, or right of first refusal with respect to, a Project.

(vi) To the best knowledge of Borrower, no offset or any right of offset exists respecting continued contributions to be made by any party to any Property Agreement except as expressly set forth therein. Except as previously disclosed to Lender in writing, no material exclusions or restrictions on the utilization, leasing or improvement of any Project (including non compete agreements) exist in any Property Agreement.

(vii) All "pre opening" requirements contained in all Property Agreements (including, but not limited to, all off site and on site construction requirements), if any, have been fulfilled, and, to the best of Borrower's knowledge, no condition now exists whereby any party to any such Property Agreement could refuse to honor its obligations thereunder.

(viii) All work, if any, to be performed by Borrower under each of the Property Agreements has been substantially performed, all contributions to be made by Borrower to any party to such Property Agreements have been made, and all other conditions to such party's obligations thereunder have been satisfied.

(q) Personal Property. Borrower owns no personal property that is material to the operation of the Projects.

(r) Leasing Brokerage and Management Fees. Except as previously disclosed to Lender in writing, there are no brokerage fees or commissions payable by Borrower with respect to the leasing of space at the Projects and there are no management fees payable by Borrower with respect to the management of the Projects.

(s) Security Deposits. All security deposits held by Borrower in the form of cash deposits with respect to the Projects on the date hereof have been transferred to the Security Deposit Account on the date hereof, if, pursuant to applicable Legal Requirements, such security deposits are required to be held in a segregated account. Borrower is in compliance with all Legal Requirements relating to such security deposits as to which failure to comply might, individually or in the aggregate, have a Material Adverse Effect.

(t) [Reserved.]

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(u) Representations Generally. The representations and warranties contained in this Agreement, and the review and inquiry made on behalf of Borrower therefor, have all been made by Persons having the requisite expertise and knowledge to provide such representations and warranties. No representation, warranty or statement of fact made by or on behalf of Borrower in this Agreement or in any certificate, document or schedule furnished to Lender pursuant hereto, contains any untrue statement of a material fact or omits to state any material fact necessary to make statements contained therein or herein not misleading (which may be to Borrower's best knowledge where so provided herein). There are no facts presently known to Borrower which have not been disclosed to Lender which would, individually or in the aggregate, have a Material Adverse Effect nor as far as Borrower can foresee might, individually or in the aggregate, have a Material Adverse Effect.

Section 2.06 Removal of Lien.

(a) Borrower shall, at its expense, maintain each Mortgage as a first lien on the Projects encumbered thereby and shall keep the Projects free and clear of all liens and encumbrances of any kind and nature other than the Permitted Encumbrances. Borrower shall, within thirty (30) days following the filing thereof, promptly discharge of record, by bond or otherwise, any such liens and, promptly upon request by Lender, shall deliver to Lender evidence reasonably satisfactory to Lender of the discharge thereof.

(b) Without limitation to the provisions of Section 2.06(a) hereof, Borrower shall (i) pay, from time to time when the same shall become due, all claims and demands of mechanics, materialmen, laborers, and others which, if unpaid, might result in, or permit the creation of, a lien on a Project or any part thereof, (ii) cause to be removed of record (by payment or posting of bond or settlement or otherwise) any mechanics', materialmen's, laborers' or other lien on a Project, or any part thereof, or on the revenues, rents, issues, income or profit arising therefrom, and (iii) in general, do or cause to be done, without expense to Lender, everything reasonably necessary to preserve in full the lien of the Mortgages. If Borrower fails to comply with the requirements of this Section 2.06(b), then, upon five (5) Business Days' prior notice to Borrower, Lender may, but shall not be obligated to, pay any such lien, and Borrower shall, within five (5) Business Days after Lender's demand therefor, reimburse Lender for all sums so expended, together with interest thereon at the Default Rate from the date advanced, all of which shall be deemed part of the Debt. Nothing contained herein shall be deemed a consent or request of Lender, express or implied, by inference or otherwise, to the performance of any alteration, repair or other work by any contractor, subcontractor or laborer or the furnishing of any materials by any materialmen in connection therewith.

(c) Notwithstanding the foregoing, Borrower may contest any lien (other than a lien relating to non-payment of Impositions, the contest of which shall be governed by Section 4.04 hereof) of the type set forth in subparagraph (b)(ii) of this Section 2.06 provided that, following prior notice to Lender (i) Borrower is

contesting the validity of such lien with due diligence and in good faith and by appropriate proceedings, without cost or expense to Lender or any of its agents, employees, officers, or directors, (ii) Borrower shall preclude the collection of, or other realization upon, any contested amount from the applicable Project or any revenues from or interest in such Project, (iii) neither the Project nor any part thereof nor interest therein, shall be in any danger of being sold, forfeited or lost by reason of such contest by Borrower, (iv) such

contest by Borrower shall not affect the ownership, use or occupancy of such Project, (v) such contest by Borrower shall not subject Lender or Borrower to the risk of civil or criminal liability (other than the civil liability of Borrower for the amount of the lien in question), (vi) such lien is subordinate to the lien of the related Mortgage(s), (vii) Borrower has not consented to such lien, (viii) Borrower has given Lender prompt notice of the filing of such lien and, upon request by Lender from time to time, notice of the status of such contest by Borrower and/or confirmation of the continuing satisfaction of the conditions set forth in this Section 2.06(c), (ix) Borrower shall promptly pay the obligation secured by such lien upon a final determination of Borrower's liability therefor, and (x) if requested by Lender, with respect to any Contract wherein the amount claimed is in excess of \$125,000.00, Borrower shall deliver to Lender cash, a bond or other security reasonably acceptable to Lender equal to 125% of the contested amount pursuant to collateral arrangements reasonably satisfactory to Lender.

Section 2.07 Cost of Defending and Upholding this Agreement and the Lien of the Mortgages If any action or proceeding is commenced to which Lender is made a party relating to the Loan Documents and/or the Projects or Lender's interest therein or in which it becomes necessary to defend or uphold the lien of the Mortgages or the terms of this Agreement or any other Loan Document, Borrower shall, promptly after demand, reimburse Lender for all reasonable out-of-pocket expenses (including, without limitation, reasonable attorneys' fees and disbursements) incurred by Lender in connection therewith, and such sum, together with interest thereon at the Default Rate from and after such demand until fully paid, shall constitute a part of the Debt.

Section 2.08 Use of the Projects. Borrower will use, or cause to be used, the Projects for such use as is permitted pursuant to applicable Legal Requirements including, without limitation, under the certificate of occupancy applicable to each such Project. Borrower shall not suffer or permit the Projects or any portion thereof to be used by the public, any tenant, or any Person not subject to a Lease, in a manner as is reasonably likely to impair Borrower's title to any of the Projects, or in such manner as may give rise to a claim or claims of adverse usage or adverse possession by the public, or of implied dedication of any of the Projects or any part thereof.

Section 2.09 Financial Reports.

(a) Borrower will keep and maintain or will cause to be kept and maintained on a Fiscal Year basis, in accordance with GAAP (or such other accounting basis reasonably acceptable to Lender) consistently applied, proper and accurate books, federal income tax returns (subject to Section 2.09(i) hereof), records and accounts reflecting (i) all of the financial affairs of Borrower and (ii) all items of income and expense in connection with the operation of the Projects or in connection with any services, equipment or furnishings provided in connection with the operation thereof, to the extent realized by Borrower. Lender shall have the right from time to time at all times during normal business hours upon not less than three (3) Business Days prior notice to examine such books, federal income tax returns (subject to Section 2.09(i) hereof), records and accounts at the office of Borrower or other Person maintaining such books, federal income tax returns (subject to Section 2.09(i) hereof), records and accounts and to make such copies or extracts thereof as Lender shall desire. After the occurrence of an Event of Default, Borrower shall pay any costs and expenses incurred by Lender to examine Borrower's

and Guarantor's accounting records with respect to the Projects, as Lender shall determine to be necessary or appropriate in the protection of Lender's interest.

(b) Borrower will furnish Lender (i) annually, within one hundred twenty (120) days following the end of each Fiscal Year of Borrower, (ii) quarterly, within forty-five (45) days following the end of each fiscal quarter of Borrower (other than the fourth quarter financial statements, which shall be delivered contemporaneously with or as a part of the annual financial statements) and (iii) on a monthly basis, within thirty five (35) days following the end of each calendar month, with a complete copy of Borrower's financial statement covering (i) all of the financial affairs of Borrower and (ii) the operation of the Projects for such Fiscal Year, fiscal quarters or calendar months, as applicable, containing a statement of revenues and expenses, a statement of assets and liabilities and a statement of Borrower's equity. Lender agrees and acknowledges that the form of the monthly statements to be provided hereunder shall be consistent with those produced by Borrower in the ordinary course of its business pursuant to its internal accounting procedures and shall not be required to be in compliance with GAAP. Borrower's obligation hereunder for the delivery of monthly financial statements shall commence with the statements for the month of July 2006. Together with the financial statements required to be furnished pursuant to this Section 2.09(b), Borrower shall furnish to Lender (A) an Officer's Certificate certifying as of the date thereof (1) that the financial statements accurately represent the results of operations and financial condition of Borrower and the Projects all (other than the monthly statements) in accordance with GAAP (or such other accounting basis reasonably acceptable to Lender) consistently applied, and (2) whether there exists a Default or Event of Default under the Note or any other Loan Document executed and delivered by Borrower, and if such event or circumstance exists, the nature thereof, the period of time it has existed and the action then being taken to remedy such event or circumstance and (B) together with the financial statements delivered pursuant to Section 2.09(b)(ii) above, a statement showing (1) Pro-Forma Net Operating Income for the subsequent twelve (12) month period adjusted to reflect the Adjusted Net Cash Flow (subject to verification by Lender in its reasonable discretion) and (2) the calculation of the Debt Service Coverage Ratio.

(c) Borrower will furnish Lender quarterly, within forty-five (45) days following the end of each quarter, with a true, complete and correct cash flow statement with respect to the Projects and the 75 Property (and, following an Event of Default and during the continuance thereof, monthly, within twenty (20) days following the end of each month, as to the 75 Property) in the form attached hereto as Exhibit J and made a part hereof, together with an Officer's Certificate with respect thereto, showing (i) all cash receipts of any kind whatsoever and all cash payments and disbursements, (ii) year-to-date summaries of such cash receipts, payments and disbursements, and (iii) a list of all litigation and proceedings affecting Borrower, Sole Member or the Projects in which the amount involved is \$250,000 or more, if not covered by insurance (or \$1,000,000 or more whether or not covered by insurance).

(d) Borrower will furnish Lender quarterly, within forty-five (45) days following the end of each quarter, with a certification of Manager stating that all Operating Expenses with respect to the Projects which had accrued as of the last day of the month preceding the delivery of the cash flow statement referred to in clause (c) above have been fully paid or otherwise reserved for by Manager (any such certification or any certification furnished by a Manager pursuant to clause (c) above, a "Manager Certification").

(e) Borrower will furnish Lender (i) annually, within thirty (30) days following the end of each year, (ii) quarterly, within twenty (20) days after Lender's request therefor, and (iii) within twenty (20) days following the end of each month, with a true, complete and correct rent roll for the Projects, including a list of which tenants are in default under their respective leases, dated as of the date of Lender's request, identifying each tenant, the monthly rent and additional rent, if any, payable by such tenant, the expiration date of such tenant's Lease, the security deposit, if any, held by Borrower under the Lease, the space covered by the Lease, each tenant that has filed a bankruptcy, insolvency, or reorganization proceeding since delivery of the last such rent roll, and the arrearages for such tenant, if any, and such rent roll shall be accompanied by an Officer's Certificate, dated as of the date of the delivery of such rent roll, certifying that such rent roll is true, correct and complete in all material respects as of its date.

(f) Borrower shall furnish to Lender, within thirty (30) days after Lender's request therefor, with such further detailed information with respect to the operation of the Projects and the financial affairs of Borrower as may be reasonably requested by Lender.

(g) Borrower shall cause Manager to furnish to Lender, within forty five (45) days following the end of each quarter (other than the fourth quarter, which shall be delivered with the annual financial statements), a schedule of tenant security deposits showing any activity in the Security Deposit Account, if any, for such quarter, together with a certification of Manager as to the balance in such Security Deposit Account, if any, and that such tenant security deposits are being held in accordance with all Legal Requirements.

(h) Borrower will furnish Lender annually, within ninety (90) days after the end of each Fiscal Year, with a report setting forth (i) the Net Operating Income for such Fiscal Year, (ii) the average occupancy rate of the Projects during such Fiscal Year, (iii) the capital repairs, replacements and improvements performed at the Projects during such Fiscal Year and the aggregate Recurring Replacement Expenditures made in connection therewith, and (iv) the balance contained in each of the Escrow Accounts as of the end of such Fiscal Year (which balance Lender shall provide upon Borrower's written request therefor).

(i) Unless Borrower is a disregarded entity for tax purposes and not required to file any tax returns, Borrower shall furnish to Lender annually, within thirty (30) days of filing its respective tax return, a copy of such tax return.

(j) Borrower shall submit to Lender for Lender's written approval an Annual Budget, with respect to each Fiscal Year during the term of the Loan, not later than January 31 of such Fiscal Year, in form reasonably satisfactory to Lender setting forth in reasonable detail budgeted monthly operating income and monthly operating capital and other expenses (including, without limitation, expected Capital Expenditures and Reletting Expenditures) for the Projects. Borrower has delivered to Lender a true, correct and complete copy of the Annual Budget for 2006. Each Annual Budget shall contain, among other things, limitations on management fees, third party service fees, and other expenses as Borrower may reasonably determine. Lender shall have the right to approve such Annual Budget which approval shall not be unreasonably withheld, and in the event that Lender objects to the proposed Annual Budget submitted by Borrower, Lender shall advise Borrower of such objections within fifteen (15) days

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after receipt thereof (and deliver to Borrower a reasonably detailed description of such objections) and Borrower shall, within five (5) Business Days after receipt of notice of any such objections, revise such Annual Budget and resubmit the same to Lender. Lender shall advise Borrower of any objections to such revised Annual Budget within ten (10) days after receipt thereof (and deliver to Borrower a reasonably detailed description of such objections) and Borrower shall revise the same in accordance with the process described herein until Lender approves an Annual Budget; provided, however, that if Lender shall not advise Borrower of its objections to any proposed Annual Budget within the applicable time period set forth in this Section, then such proposed Annual Budget shall be deemed approved by Lender. Until such time that Lender approves a proposed Annual Budget, the most recently Approved Annual Budget shall apply; provided that, such Approved Annual Budget shall be adjusted to reflect actual increases in Basic Carrying Costs and utilities expenses. In the event that Borrower must incur an Extraordinary Expense, then Borrower shall promptly deliver to Lender a reasonably detailed explanation of such proposed Extraordinary Expense for Lender's approval, which approval shall not be unreasonably withheld, conditioned or delayed, provided, however, Borrower shall be permitted to incur an Extraordinary Expense reasonably necessary to prevent or address imminent danger to Persons or property without the prior approval of Lender provided that Borrower promptly advises Lender of such Extraordinary Expense and the nature thereof.

(k) In the event that Borrower fails to deliver any of the financial statements, reports or other information required to be delivered to Lender pursuant to this Section 2.09 on or prior to their due dates, if any such failure shall continue for ten (10) days following notice thereof from Lender, Borrower shall pay to Lender on each Payment Date for each month or portion thereof that any such financial statement, report or other information remains undelivered, an administrative fee in the amount of Five Hundred Dollars (\$500) multiplied by the number of undelivered statements, reports or other items up to a maximum amount of Two Thousand Dollars (\$2,000) for any applicable reporting period. Borrower agrees that such administrative fee (i) is a fair and reasonable fee necessary to compensate Lender for its additional administrative costs and increased costs relating to Borrower's failure to deliver the aforementioned statements, reports or other items as and when required hereunder and (ii) is not a penalty.

Section 2.10 Litigation. Borrower will give prompt written notice to Lender of any litigation or governmental proceedings pending or threatened (in writing) against Borrower which might have a Material Adverse Effect.

Section 2.11 Updates of Representations. Borrower shall deliver to Lender within ten (10) Business Days after the request of Lender an Officer's Certificate updating all of the representations and warranties contained in this Agreement and the other Loan Documents and certifying that all of the representations and warranties contained in this Agreement and the other Loan Documents, as updated pursuant to such Officer's Certificate, are true, accurate and complete as of the date of such Officer's Certificate.

Section 2.12 Condominium Provisions. With respect to each Project that is comprised of condominium units (each such Project, a "Condominium"), Borrower hereby represents and warrants, and covenants and agrees, as follows:

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(a) To the Borrower's actual knowledge, the Condominium was created in accordance with all applicable laws (the "Condominium Act") by declaration of condominium recorded in the real estate records of the county in which such Project is located (the "Declaration"). A Board of Managers (the "Board of Managers") governs the Condominium pursuant to the By-Laws of the Condominium (the "By-Laws"), which have been duly recorded in said real estate records. All of the Condominium units are owned solely by the Borrower and no other Person has any interest in such units or the Condominium common areas.

(b) In the event of a conflict between the terms of this Agreement concerning the use of insurance proceeds in the event of damage to the Project or the terms of this Agreement concerning the use of awards from condemnation or taking of the Project and the terms of the Declaration or By-Laws regarding the same, the terms and provisions of the this Agreement will control. In the event of damage or destruction to, or condemnation or taking of, all or any part of the Condominium which requires a vote of the unit owners of the Condominium to repair and restore the Condominium, Borrower hereby assigns to Lender Borrower's full right and power to vote in such matters and hereby irrevocably appoints Lender as Borrower's attorney-in-fact coupled with an interest to cast Borrower's vote in such matters as Lender deems

appropriate in its sole judgment, consistent with the provisions of this Agreement with respect to repair and restoration of Projects generally.

(c) Borrower will fully and faithfully perform and comply in all material respects with the material terms, material conditions, and material provisions of the Declaration, By-Laws, rules and regulations of the Condominium and any other material documents creating or governing the Condominium.

(d) In addition to the Events of Default specified in Section 13.01 hereof, the principal sum secured by the Mortgages, together with the accrued and unpaid interest thereon, will immediately become due at the option of Lender if:

(1) Borrower fails within any applicable grace and notice periods to fully and faithfully perform and comply with the material terms, conditions and provisions of the Declaration, By-Laws, rules and regulations of the Condominium, or any other documents creating or governing the Condominium and such failure has or is reasonably likely to have a Material Adverse Effect;

(2) The Declaration, By-Laws, rules and regulations of the Condominium or any other document creating or governing the Condominium is changed in a manner which materially and adversely affects the lien or security of this Agreement, as determined by Lender in its reasonable discretion;

(3) (A) The Condominium is terminated or the Condominium is withdrawn from the provisions of the Condominium Act and, in either case, the lien of the applicable Mortgage is materially and adversely affected, or (B) the unit owners of the Condominium do not resolve to repair and restore the Condominium after damage to all or a substantial

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part of the Condominium or after condemnation or taking of any part of the Condominium, subject to the rights of Borrower to obtain a Release of the affected Project pursuant to Section 15.02 hereof;

(4) The Condominium Act or any part or provisions thereof is determined to be invalid or unenforceable and such determination materially adversely affects the lien of the related Mortgage or the rights of Lender hereunder, as reasonably determined by Lender; or

(5) There is a transfer, release, creation of liens, partition, subdivision, condemnation or taking of all or part of the common elements of the Condominium which materially and adversely affects the lien or security of the applicable Mortgage, as reasonably determined by Lender.

In the event that any of the foregoing shall occur and continue beyond any applicable grace and notice periods, Borrower may cure any such default by causing, in accordance with the terms and provisions of this Agreement and the other Loan Documents, the Release of the affected Project within 90 days thereafter. Notwithstanding the foregoing provisions of this Section 2.12, (i) for so long as all of the Condominium units are owned by the Borrower, Borrower shall not be required to comply with the provisions of subsection (c) above and (ii) Borrower shall be permitted to terminate the Condominium, provided that (A) the lien of the Mortgage on the subject Project is not adversely affected thereby, (B) Borrower provides to Lender evidence reasonably satisfactory to Lender that the title policy insuring the lien of Lender's mortgage on the subject Project remains in full force and effect notwithstanding such termination of the Condominium, (C) Borrower delivers to Lender not less than thirty (30) days' prior written notice of Borrower's intention to terminate such Condominium, (D) such termination of the Condominium shall not adversely affect or otherwise diminish Lender's rights under this Agreement or the other Loan Documents and (E) Borrower executes and delivers to Lender, promptly following request therefor, such documents as Lender shall reasonably require confirming the continued validity and effectiveness of this Agreement and the other Loan Documents.

(e) Lender may pay for the account and on behalf of Borrower any amount which Borrower is obligated to pay, including common charges and expenses or special assessments, to the Board of Managers or pursuant to the Declaration, By-Laws, rules and regulations of the Condominium or any other documents creating or governing the Condominium, upon default, beyond any applicable grace and notice periods, by Borrower in paying the same, and Lender may perform any action which Borrower may or is obligated to do pursuant to the Declaration, By-Laws, rules and regulations of the Condominium or any other document creating or governing the Condominium upon default, beyond any applicable grace and notice periods, by Borrower in doing the same. All reasonable sums paid by Lender for the expense of any such action or proceeding described in this Section 2.12 (including reasonable counsel fees and expenses) shall be paid by Borrower to Lender promptly on demand, together with interest thereon at the Default Rate after demand by Lender through the date actually paid by Borrower. Any such sum paid by Lender and the interest thereon shall be a lien on the Project prior to any claim, lien, right, title or interest in, to or on the Project attaching or accruing

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subsequent to the lien of the Mortgages, and shall be deemed to be evidenced and secured by the Mortgages.

(f) Upon default by Borrower in timely paying to Lender any sum required as provided above in Section 2.12(e), the whole of the Debt and all other sums and interest secured by this Agreement shall immediately become due and payable at the option of Lender. Nothing contained in Section 2.12(e) above shall obligate Lender to pay any sums or perform any acts on behalf of Borrower. Furthermore, if Lender pays such amounts or performs such acts on behalf of Borrower, the same shall not constitute a waiver or forgiveness by Lender of Borrower's default under this Agreement or any estoppel against Lender from declaring Borrower in default hereunder.

(g) Borrower hereby grants to Lender and its successors and assigns, a true and lawful power of attorney and proxy, with full power of substitution, for and in its name, to vote and otherwise act with respect to the Project at all annual, special, and other meetings of the condominium owners (the "Owners"), or by written consent in lieu thereof, and at any other time Borrower is required or permitted to vote or act as an Owner (i) at any time Borrower or the Owners vote or act to change an Owner's or the Owners' percentage of the undivided interest in the common elements, if such change could reasonably be expected to have an adverse effect upon Lender or the security for the Loan (ii) **[Reserved]**, (iii) at any time Borrower or the Owners vote or act to modify or amend the Declaration, if such change could reasonably be expected to have an adverse effect upon Lender or the security for the Loan, (iv) at any time Borrower or the Owners vote or act to modify or amend the By-Laws, if such change could reasonably be expected to have an adverse effect upon Lender or the security for the Loan, (v) at any time Borrower or the Owners vote to repair or not repair, as the case may be, the Common Elements and/or any Unit or Units (as such terms are defined in the Declaration) of the Condominium upon the occurrence of a fire, other casualty or condemnation or eminent domain, and (vi) upon the occurrence and during the continuance of an Event of Default under the Loan Documents, at any time Borrower or the Owners have the right to vote pursuant to the Declaration and/or By-Laws. From and after the occurrence of an Event of Default, Lender shall have the right to require that any members (or representatives) of the Board of Managers elected (or appointed) by Borrower tender their written resignation to the Board of Managers and replace such member or representative with a person elected or appointed by Lender. Lender has required that, with respect to all of the current members so appointed or elected by Borrower, which are Mitchell E. Hersh, Mark Yeager, Ronald Gentile and Joseph Adamo, Borrower tender written resignations from each of them as of the date hereof and Lender may submit such written resignations to the Board of Managers from and after the occurrence of an Event of Default. The grant of the power of attorney and proxy set forth above is intended to be fully effective without further action by Borrower and is intended to be relied upon by the Owners, the Board of Managers and the Condominium for all purposes. Notwithstanding the foregoing, upon request of Lender, Borrower will promptly execute and deliver to Lender and its successors and assigns, a separate power of attorney and proxy, in recordable form and otherwise in form and substance reasonably acceptable to Lender, confirming the foregoing grant to Lender.

ARTICLE III
INSURANCE AND CASUALTY RESTORATION

Section 3.01 Insurance Coverage. Borrower shall, at its expense, maintain the following insurance coverages with respect to the each Project during the term of this Agreement:

- (a) (i) Insurance against loss or damage by fire, casualty and other hazards included in an “all-risk” extended coverage endorsement or its equivalent, with such endorsements as Lender may from time to time reasonably require and which are customarily required by Institutional Lenders of similar properties similarly situated in an amount not less than the greater of (A) 100% of the insurable replacement value of such Project (exclusive of the land and footings and foundations) and (B) such other amount as is necessary to prevent any reduction in such policy by reason of and to prevent Borrower, Lender or any other insured thereunder from being deemed to be a co-insurer and if a Project constitutes a legal non-conforming use, an ordinance of law coverage endorsement which contains “Demolition Cost” (in an amount equal to 10% of the “all risk” extended insurance coverage), “Loss Due to Operation of Law” (in an amount equal to 100% of the “all risk” extended insurance coverage) and “Increased Cost of Construction” coverages (in an amount equal to 25% of the “all risk” insurance extended coverage), covering the Project. Not more frequently than once every three (3) years, Borrower, at its option, shall either (A) have the Appraisal updated or obtain a new appraisal of each of the Projects, (B) have a valuation of each of the Projects made by or for its insurance carrier conducted by an appraiser experienced in valuing properties of similar type to that of each of the Projects which are in the geographical area in which the applicable Projects are located or (C) provide such other evidence as will enable Lender to determine, in its reasonable discretion, whether there shall have been an increase in the insurable value of the Projects and Borrower shall deliver such updated Appraisal, new appraisal, insurance valuation or other evidence reasonably acceptable to Lender, as the case may be, and, if such updated Appraisal, new appraisal, insurance valuation, or other evidence reasonably acceptable to Lender reflects an increase in the insurable value of the Projects, the amount of insurance required hereunder shall be increased accordingly and Borrower shall deliver evidence reasonably satisfactory to Lender that such policy has been so increased.
- (ii) Commercial general liability insurance against claims for personal and bodily injury and/or death to one or more persons or property damage, occurring on, in or about the Projects in such amounts as Lender may from time to time reasonably require (but in no event shall Lender’s requirements be increased more frequently than once during each twelve (12) month period) and which are customarily required by Institutional Lenders for similar properties similarly situated, but not less than \$1,000,000 per occurrence and \$2,000,000 general aggregate on a per location basis and, in addition thereto, not less than \$75,000,000 excess and/or umbrella liability insurance shall be maintained for any and all claims.
- (iii) Business income or loss of rents or other similar insurance (A) with loss payable to Lender, (B) covering all risks required to be covered by the insurance provided for in Section 3.01(a)(i) hereof, (C) in an amount not less than 100%

of the projected fixed or base rent plus percentage rent for the succeeding eighteen (18) month period. The amount of such insurance shall be determined upon the execution of this Agreement, and not more frequently than once each calendar year thereafter based on Borrower’s reasonable estimate of projected fixed or base rent plus percentage rent, from the Projects for the next succeeding eighteen (18) months, (D) containing an unlimited indemnity period during the time that it takes to repair or rebuild the damaged property, and (E) containing an extended period of indemnity endorsement which provides that after the physical loss to the Property has been repaired, the continued loss of income will be insured until such income either returns to the same level it was at prior to the loss, or the expiration of twelve (12) months from the date that the Property is repaired or replaced and operations are resumed, whichever first occurs, and notwithstanding that the policy may expire prior to the end of such period. In the event that a Project shall be damaged or destroyed, Borrower shall and hereby does assign to Lender all payment of claims under the policies of such insurance, and all amounts payable thereunder, and all net amounts, shall be collected by Lender under such policies and shall be applied in accordance with this Agreement; provided, however, that nothing herein contained shall be deemed to relieve Borrower of its obligations to timely pay all amounts due under the Loan Documents.

- (iv) Intentionally Omitted.
- (v) Insurance against loss or damages from explosion of steam boilers, air conditioning equipment, pressure vessels or similar apparatus now or hereafter installed at the Projects, in such amounts as Lender may from time to time reasonably require and which are then customarily required by Institutional Lenders of similar properties similarly situated.
- (vi) If, as to any Project, the Improvements thereon or any part thereof is situated in an area designated by the Federal Emergency Management Agency (“FEMA”) as a special flood hazard area (Zone A or Zone V), flood insurance in an amount equal to the minimum amount required, under the terms of coverage, to compensate for any damage or loss on a replacement basis (or the unpaid balance of the indebtedness secured hereby if replacement cost coverage is not available for the type of building insured). In addition, at Lender’s discretion, regardless of whether a particular Project is located in a special flood hazard area, Borrower shall maintain flood insurance in amounts satisfactory to Lender, and in all cases, having a maximum permissible deductible of \$100,000.
- (vii) Worker’s compensation insurance or other similar insurance which may be required by Governmental Authorities or Legal Requirements.
- (viii) Insurance against loss resulting from mold, spores or fungus on or about the Projects.
- (ix) During any period of the term of the Loan that TRIA is in effect, if “acts of terrorism” or other similar acts or events are hereafter excluded from the insurance policies maintained pursuant to subsections (i), (ii) and (iii) above, Borrower

shall obtain an endorsement to such policy, or a separate policy insuring against terrorism and “fire following”, each in an amount equal to one hundred percent (100%) of the “Full Replacement Cost” for Certified Acts of Terrorism as defined by TRIA and in an amount satisfactory to Lender for Non-certified Acts of Terrorism which for purposes of this Agreement shall mean actual replacement value (exclusive of costs of excavations, foundations, underground utilities and footings) with a waiver of depreciation, but the amount shall in no event be less than the total outstanding principal balance of the Loan. The endorsement or policy shall be in form and substance reasonably satisfactory to Lender and shall meet Rating Agency criteria for securitized loans. During any period of the term of the Loan that TRIA is not in effect, Borrower shall maintain the insurance coverage described in the immediately preceding sentence but the total annual premium payable by Borrower for

such terrorism coverage shall not exceed an amount greater than two hundred percent (200%) of the total annual premium being paid by Borrower as of the Closing Date for such terrorism coverage.

(x) Such other insurance as may from time to time be required by Lender and which is then customarily required by Institutional Lenders for similar properties similarly situated, against other insurable hazards, including, but not limited to, malicious mischief, vandalism, sinkhole and mine subsidence, windstorm and/or earthquake, due regard to be given to the size and type of the related Project, Improvements, Fixtures and Equipment and their location, construction and use. Additionally, Borrower shall carry such insurance coverage as Lender may from time to time require if the failure to carry such insurance may result in a downgrade, qualification or withdrawal of any class of securities issued in connection with a Secondary Market Transaction or, if the Loan is not yet part of a Secondary Market Transaction, would result in an increase in the subordination levels of any class of securities anticipated to be issued in connection with a proposed Secondary Market Transaction.

(b) Borrower shall cause any Manager of the Projects to maintain fidelity insurance in an amount equal to the least of (i) the Operating Income of the applicable Projects for the six (6) month period immediately preceding the date on which the premium for such insurance is due and payable, (ii) \$500,000.00 and (iii) such lesser amount as Lender shall reasonably approve.

Section 3.02 Policy Terms.

(a) All insurance required by this Article III shall be in the form (other than with respect to Sections 3.01(a)(vi) and (vii) above when insurance in those two sub-sections is placed with a governmental agency or instrumentality on such agency's forms) and amount and with deductibles as, from time to time, shall be reasonably acceptable to Lender, under valid and enforceable policies issued by financially responsible insurers authorized to do business in the State where the Projects are located, with a general policyholder's service rating of not less than A and a financial rating of not less than A:X as rated in the most currently available Best's Insurance Reports (or the equivalent, if such rating system shall hereafter be altered or replaced) and shall have a claims paying ability rating and/or financial strength rating, as applicable, of not less than "A" (or its equivalent), or such lower claims paying ability rating and/or financial strength rating, as applicable, as Lender shall, in its sole and absolute discretion, consent to, from

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a Rating Agency (one of which after a Secondary Market Transaction in which Standard & Poor's rates any securities issued in connection with such Secondary Market Transaction, shall be Standard & Poor's), with an exception for Factory Mutual subject to it maintaining its S&P rating of BBB and AM Best rating of A+XV. If either rating for Factory Mutual is lowered, Borrower must replace Factory Mutual within 60 days with other insurers that meet the requirements set forth in this Agreement. Borrower's failure to effect such replacement timely shall constitute an Event of Default under this Agreement. Certified copies of all insurance policies or certificates (the form and substance of which must be reasonably satisfactory to Lender) evidencing such policies shall be promptly delivered to and held by Lender. All such policies (except policies for worker's compensation) shall name Lender, its successors and/or assigns as an additional named insured, shall provide for loss payable to Lender, its successors and/or assigns and shall contain (or have attached): (i) standard "non-contributory mortgagee" endorsement or its equivalent relating, inter alia, to recovery by Lender notwithstanding the negligent or willful acts or omissions of Borrower; (ii) a waiver of subrogation endorsement as to Lender; (iii) an endorsement indicating that neither Lender nor Borrower shall be or be deemed to be a co-insurer with respect to any casualty risk insured by such policies and shall provide for a deductible per loss of an amount not more than the lesser of (x) that which is customarily maintained by owners of similar properties similarly situated and (y) five percent (5%) of the Actual Net Cash Flow, and (iv) a provision that such policies shall not be canceled, terminated, denied renewal or amended, including, without limitation, any amendment reducing the scope or limits of coverage, without at least thirty (30) days' prior written notice to Lender in each instance. Notwithstanding the foregoing provisions of clause (iii) above, Lender agrees that, in lieu of a deductible under its general liability insurance policy, Borrower may include in such policy a self-insured retention in an amount not to exceed \$150,000.00 per occurrence, with an aggregate cap of \$2,000,000.00 per policy period. Not less than ten (10) days prior to the expiration dates of the insurance policies obtained pursuant to this Agreement, originals or certified copies of renewals of such policies (or certificates evidencing such renewals) bearing notations evidencing the payment of premiums or accompanied by other reasonable evidence of such payment (which premiums shall not be paid by Borrower through or by any financing arrangement which would entitle an insurer to terminate a policy) shall be delivered by Borrower to Lender. Borrower shall not carry separate insurance, concurrent in kind or form or contributing in the event of loss, with any insurance required under this Article III.

(b) If Borrower fails to maintain and deliver to Lender the certified copies of the policies or certificates of insurance required by this Agreement, or if there are insufficient funds in the Basic Carrying Costs Escrow Account to pay the premiums for same, Lender may, at its option, procure such insurance, and Borrower shall pay, or as the case may be, reimburse Lender for, all premiums thereon promptly, upon demand by Lender, with interest thereon at the Default Rate from the date paid by Lender to the date of repayment and such sum shall constitute a part of the Debt.

(c) Borrower shall notify Lender of the renewal premium of each insurance policy and Lender shall be entitled to pay such amount on behalf of Borrower from the Basic Carrying Costs Escrow Account. With respect to insurance policies which require periodic payments (i.e., monthly or quarterly) of premiums, Lender shall be entitled to pay such amounts fifteen (15) days (or such lesser number of days as Lender shall determine) prior to the respective due dates of such installments.

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(d) The insurance required by this Agreement may, at the option of Borrower, be effected by blanket and/or umbrella policies issued to Borrower covering the Projects provided that, in each case, the policies otherwise comply with the provisions of this Agreement and allocate to the Projects, from time to time (but in no event less than once a year), the coverage specified by this Agreement, without possibility of reduction or coinsurance by reason of, or damage to, any other property (real or personal) named therein. If the insurance required by this Agreement shall be effected by any such blanket or umbrella policies, Borrower shall furnish to Lender (i) certified copies of the policies or certificates of insurance together with reasonable access to the original of such policy to review such policy's coverage of the Projects, with schedules attached thereto showing the amount of the insurance provided under such policies applicable to the Projects and (ii) an Officer's Certificate setting forth (A) the number of properties covered by such policy, (B) the location by city (if available, otherwise, county) and state of the properties, (C) the average square footage of the properties, (D) a brief description of the typical construction type included in the blanket policy and (E) such other information as Lender may reasonably request.

Section 3.03 Assignment of Policies.

(a) Borrower hereby assigns to Lender the proceeds of all insurance (other than worker's compensation and liability insurance) obtained pursuant to this Agreement, all of which proceeds shall be payable to Lender as collateral and further security for the payment of the Debt and the performance of Borrower's obligations hereunder and under the other Loan Documents, and Borrower hereby authorizes and directs the issuer of any such insurance to make payment of such proceeds directly to Lender, except as provided in Section 3.04(a)(ii) below. Except as otherwise expressly provided in Section 3.04 or elsewhere in this Article III, Lender shall have the option, in its discretion, and without regard to the adequacy of its security, to apply all or any part of the proceeds it may receive pursuant to this Article in such manner as Lender may elect to any one or more of the following: (i) the payment of the Debt, whether or not then due, in any proportion or priority as Lender, in its discretion, may elect, (ii) the repair or restoration of the affected Project, (iii) the cure of any Event of Default or (iv) the reimbursement of the costs and expenses of Lender incurred pursuant to the

terms hereof in connection with the recovery of the Insurance Proceeds. Nothing herein contained shall be deemed to excuse Borrower from repairing or maintaining the Projects as provided in this Agreement or restoring all damage or destruction to the Projects, regardless of the sufficiency of the Insurance Proceeds, and the application or release by Lender of any Insurance Proceeds shall not cure or waive any Default or notice of Default.

(b) In the event of the foreclosure of a Mortgage or any other transfer of title or assignment of all or any part of the Projects in extinguishment, in whole or in part, of the Debt, all right, title and interest of Borrower in and to all policies of insurance required by this Agreement shall inure to the benefit of the successor in interest to Borrower or the purchaser of the Projects. If, prior to the receipt by Lender of any proceeds, the Projects or any portion thereof shall have been sold on foreclosure of any or all of the Mortgages or by deed in lieu thereof or otherwise, or any claim under such insurance policy arising during the term of this Agreement is not paid until after the extinguishment of the Debt, and Lender shall not have received the entire amount of the Debt outstanding at the time of such extinguishment, whether or not a deficiency judgment on this Agreement shall have been sought or recovered or denied,

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then, the proceeds of any such insurance to the extent of the amount of the Debt not so received, shall be paid to and be the property of Lender, together with interest thereon at the Default Rate, and the reasonable attorney's fees, costs and disbursements incurred by Lender in connection with the collection of the proceeds which shall be paid to Lender and Borrower hereby assigns, transfers and sets over to Lender all of Borrower's right, title and interest in and to such proceeds. Notwithstanding any provisions of this Agreement to the contrary, Lender shall not be deemed to be a trustee or other fiduciary with respect to its receipt of any such proceeds, which may be commingled with any other monies of Lender; provided, however, that Lender shall use such proceeds for the purposes and in the manner permitted by this Agreement. Any proceeds deposited with Lender shall be held by Lender in an interest-bearing account, but Lender makes no representation or warranty as to the rate or amount of interest, if any, which may accrue on such deposit and shall have no liability in connection therewith. Interest accrued, if any, on the proceeds shall be deemed to constitute a part of the proceeds for purposes of this Agreement. The provisions of this Section 3.03(b) shall survive foreclosure, deed in lieu thereof or other termination of any of the Mortgages or the exercise of the rights and remedies of Lender under this Agreement or the other Loan Documents after a Default.

Section 3.04 Casualty Restoration.

(a) (i) In the event of any material damage to or destruction of a Project (or any part thereof), Borrower shall give prompt written notice to Lender (which notice shall set forth Borrower's good faith estimate of the cost of repairing or restoring such damage or destruction, or if Borrower cannot reasonably estimate the anticipated cost of restoration, Borrower shall nonetheless give Lender prompt notice of the occurrence of such damage or destruction, and will diligently proceed to obtain estimates to enable Borrower to quantify the anticipated cost and time required for such restoration, whereupon Borrower shall promptly notify Lender of such good faith estimate) and, provided that restoration does not violate any Legal Requirements, Borrower shall promptly commence and diligently prosecute to completion the repair, restoration or rebuilding of the Project so damaged or destroyed to a condition such that the Project shall be at least equal in value to that immediately prior to the damage to the extent practicable, in full compliance with all Legal Requirements and the provisions of all Leases, and in accordance with Section 3.04(b) below. Such repair, restoration or rebuilding of the affected Project are sometimes hereinafter collectively referred to as the "Work".

(ii) Borrower shall not adjust, compromise or settle any claim for Insurance Proceeds without the prior written consent of Lender, which shall not be unreasonably withheld or delayed; provided, however, that, except during the continuance of an Event of Default, Lender's consent shall not be required with respect to the adjustment, compromising or settlement of any claim for Insurance Proceeds in an amount no more than the lesser of (i) five percent (5%) of the Allocated Loan Amount for the applicable Project, and (ii) \$1,000,000.00. In addition, if damage to a Property covered by any of the policies required to be maintained under this Agreement occurs where the loss does not exceed \$500,000.00, provided no Default or Event of Default has occurred and is continuing, Borrower is hereby authorized to collect and receipt for the Insurance Proceeds and agrees to utilize the same for repair and restoration as required under this Agreement.

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(iii) Subject to Section 3.04(a)(iv), Lender shall apply any Insurance Proceeds which it may receive towards the Work in accordance with Section 3.04(b) and the other applicable sections of this Article III.

(iv) If (A) an Event of Default shall exist, (B) Lender is not reasonably satisfied that the Debt Service Coverage Ratio, after substantial completion of the Work and a reasonable amount of time to effect the leasing up of the Project, will be at least equal to the greater of (x) the Debt Service Coverage Ratio as of the day immediately prior to the occurrence of such casualty and (y) the Debt Service Coverage Ratio as of the date hereof, (C) more than thirty percent (30%) of the reasonably estimated fair market value of the affected Project is damaged or destroyed, (D) one or more Major Leases constituting in excess of twenty-five percent (25%) of the leaseable square footage of the Project that is physically affected by such destruction shall not continue in full force and effect or are not reasonably likely (as reasonably determined by Lender) to be replaced within six (6) months following completion of the Work with Space Lease(s) acceptable to Lender, (E) Lender is not reasonably satisfied that the Work can be substantially completed (subject only to minor punchlist items) six (6) months prior to Maturity or (F) Lender shall be satisfied that any operating deficits, including all scheduled payments of principal and interest under the Note, which will be incurred with respect to the Project as a result of the occurrence of any such casualty or condemnation, whichever the case may be, will be covered out of the insurance coverage referred to in Section 3.01(a)(iii) above (each, a "Substantial Casualty"), Lender shall have the option, in its sole discretion to apply the applicable Insurance Proceeds it may receive pursuant to this Agreement (less any out-of-pocket cost to Lender of recovering and paying out such proceeds incurred pursuant to the terms hereof and not otherwise reimbursed to Lender, including, without limitation, reasonable attorneys' fees and expenses) to the payment of the Debt, without any prepayment fee or charge of any kind, or to allow such proceeds to be used for the Work pursuant to the terms and subject to the conditions of Section 3.04(b) hereof and the other applicable sections of this Article III. In the event that Lender shall elect to apply such proceeds to the Debt, (i) the Allocated Loan Amount of the affected Project shall be reduced on a dollar for dollar basis with the amount of proceeds so applied, (ii) Borrower shall have the right, notwithstanding whether the Lockout Date has or has not occurred, to cause a Release of such Project, and (iii) in connection with such Release, (A) the Release Amount shall be the Allocated Loan Amount of such Project as so reduced and (B) Borrower shall not be required to satisfy the other conditions to a Release with respect to the Project, except those set forth in Section 15.02(b), (c), (f), (h) and (i).

(v) In the event that Lender elects or is obligated hereunder to allow Insurance Proceeds to be used for the Work, any excess proceeds remaining after completion of such Work shall be applied to the payment of the Debt without any prepayment fee or charge of any kind.

(b) If any Condemnation Proceeds in accordance with Section 6.01(a), or any Insurance Proceeds in accordance with Section 3.04(a), are to be applied to the repair, restoration or rebuilding of a Project, then such proceeds shall be deposited into a segregated interest-bearing bank account at the Bank, which shall be an Eligible Account, held by Lender and shall

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be paid out from time to time to Borrower as the Work progresses (less any out-of-pocket cost to Lender of recovering and paying out such proceeds, including, without limitation, reasonable attorneys' fees and costs allocable to inspecting the Work and the plans and specifications therefor) subject to Section 5.13 hereof and to all of the following conditions:

(i) An Independent architect or engineer selected by Borrower and reasonably acceptable to Lender (an "Architect" or "Engineer") or a Person otherwise reasonably acceptable to Lender, shall have delivered to Lender a certificate estimating the cost of completing the Work, and, if the amount set forth therein is more than the sum of the amount of Insurance Proceeds then being held by Lender in connection with a casualty and amounts agreed to be paid as part of a final settlement under the insurance policy upon or before completion of the Work, Borrower shall have delivered to Lender (A) cash collateral in an amount equal to such excess, (B) an unconditional, irrevocable, clean sight draft letter of credit, in form, substance and issued by a bank reasonably acceptable to Lender, in the amount of such excess and draws on such letter of credit shall be made by Lender to make payments pursuant to this Article III following exhaustion of the Insurance Proceeds therefore, (C) a completion bond in form, substance and issued by a surety company reasonably acceptable to Lender, or (D) such other collateral as shall be reasonably acceptable to Lender.

(ii) If the cost of the Work is reasonably estimated by an Architect or Engineer in a certification reasonably acceptable to Lender to be equal to or exceed five percent (5%) of the Loan Amount, such Work shall be performed under the supervision of an Architect or Engineer, it being understood that the plans and specifications with respect thereto shall provide for Work so that, upon completion thereof, the Project shall be at least equal in replacement value and general utility to the Project prior to the damage or destruction.

(iii) Each request for payment shall be made on not less than ten (10) days' prior notice to Lender and shall be accompanied by a certificate of an Architect or Engineer, or, if the Work is not required to be supervised by an Architect or Engineer, by an Officer's Certificate stating (A) that payment is for Work completed in compliance with the plans and specifications, if required under clause (ii) above, (B) that the sum requested is required to reimburse Borrower for payments by Borrower to date, or is due to the contractors, subcontractors, materialmen, laborers, engineers, architects or other Persons rendering services or materials for the Work (giving a brief description of such services and materials), and that when added to all sums previously paid out by Lender does not exceed the value of the Work done to the date of such certificate, (C) if the sum requested is to cover payment relating to repair and restoration of personal property required or relating to the Project, that title to the personal property items covered by the request for payment is vested in Borrower (unless Borrower is lessee of such personal property), and (D) that the Insurance Proceeds and other amounts deposited by Borrower held by Lender after such payment is not less than the estimated remaining cost to complete such Work; provided, however, that if such certificate is given by an Architect or Engineer, such Architect or Engineer shall certify as to clause (A) above, and such Officer's Certificate shall certify as to the remaining clauses above, and provided, further, that Lender shall not be obligated to disburse such funds if Lender determines, in

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Lender's reasonable discretion, that Borrower is not be in compliance with this Section 3.04(b). Additionally, each request for payment shall contain a statement signed by Borrower stating that the requested payment is for Work satisfactorily done to date.

(iv) Each request for payment shall be accompanied by bills and invoices covering that part of the Work for which payment or reimbursement is being requested and, if required by Lender, waivers of lien (which may be conditioned upon payment), in customary form and substance, a search prepared by a title company or licensed abstractor, or by other evidence reasonably satisfactory to Lender that there has not been filed with respect to the Project any mechanic's or other lien or instrument for retention of title relating to any part of the Work not discharged of record. Additionally, as to any personal property covered by the request for payment, Lender shall be furnished with evidence of having incurred a payment obligation therefor and such further evidence reasonably satisfactory to assure Lender that UCC filings therefor provide a valid first lien on the personal property.

(v) Lender shall have the right to inspect the Work at all reasonable times upon reasonable prior notice and may condition any disbursement of Insurance Proceeds upon satisfactory compliance by Borrower with the provisions hereof. Neither the approval by Lender of any required plans and specifications for the Work nor the inspection by Lender of the Work shall make Lender responsible for the preparation of such plans and specifications, or the compliance of such plans and specifications of the Work, with any applicable law, regulation, ordinance, covenant or agreement.

(vi) Insurance Proceeds shall not be disbursed more frequently than once every thirty (30) days.

(vii) Until such time as the Work has been substantially completed, Lender shall not be obligated to disburse up to ten percent (10%) of the cost of the Work (the "Retention Amount") to Borrower. Upon substantial completion of the Work, Borrower shall send notice thereof to Lender and, subject to the conditions of Section 3.04(b)(i)-(iv), Lender shall disburse one-half of the Retention Amount to Borrower; provided, however, that the remaining one-half of the Retention Amount shall be disbursed to Borrower when Lender shall have received copies of any and all final certificates of occupancy or other certificates, licenses and permits required for the ownership, occupancy and operation of the Project in accordance with all Legal Requirements. Borrower hereby covenants to diligently seek to obtain any such certificates, licenses and permits; provided, however, that Lender will release the portion of the Retention Amount being held with respect to any contractor, subcontractor or materialman engaged in the Work as of the date upon which the Architect or Engineer certifies to Lender that the contractor, subcontractor or materialman has satisfactorily completed all Work and has supplied all materials in accordance with the provisions of the contractor's, subcontractor's or materialman's contract, the contractor, subcontractor or materialman delivers the lien waivers and evidence of payment in full of all sums due to the contractor, subcontractor or materialman as may be reasonably requested by Lender or by the title company issuing the title insurance policy, and Lender receives an endorsement to the applicable title insurance policy insuring the continued priority of the

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lien of the applicable Mortgage and evidence of payment of any premium payable for such endorsement.

(viii) Upon failure on the part of Borrower promptly to commence the Work or to proceed diligently and continuously (subject only to force majeure) to completion of the Work, which failure shall continue after notice for thirty (30) days (but in no event more than ninety (90) days in the case of force majeure), Lender may apply any Insurance Proceeds or Condemnation Proceeds it then or thereafter holds to the payment of the Debt in accordance with the provisions of the Note; provided, however, that Lender shall be entitled to apply at any time all or any portion of the Insurance Proceeds or Condemnation Proceeds it then holds to the extent necessary to cure any Event of Default under this Agreement, the Note or any other Loan Document.

(c) If Borrower (i) within ninety (90) days after the occurrence of any damage to any Project or any portion thereof (or such shorter period as may be required under any Major Space Lease) shall fail to submit to Lender for approval plans and specifications (if required pursuant to Section 3.04(b)(ii) hereof) for the Work (approved by the Architect and by all Governmental Authorities whose approval is required), (ii) after any such plans and specifications are approved by all Governmental Authorities, the Architect and Lender, shall fail to promptly commence such Work or (iii) shall fail to diligently prosecute such Work to completion, then, in addition to all

other rights available hereunder, at law or in equity, Lender, or any receiver of any Project or any portion thereof, upon five (5) Business Days prior notice to Borrower (except in the event of emergency in which case no notice shall be required), may (but shall have no obligation to) perform or cause to be performed such Work, and may take such other steps as it reasonably deems advisable. Borrower hereby waives, for Borrower, any claim, other than for gross negligence or willful misconduct, against Lender and any receiver arising out of any act or omission of Lender or such receiver pursuant to this paragraph (c), and Lender may apply all or any portion of the Insurance Proceeds (without the need to fulfill any other requirements of this Section 3.04) to reimburse Lender and such receiver, for all costs not reimbursed to Lender or such receiver upon demand together with interest thereon at the Default Rate from the date such amounts are advanced until the same are paid to Lender or the receiver.

(d) Except as provided in Section 3.04(a)(ii) above, Borrower hereby irrevocably appoints Lender as its attorney-in-fact, coupled with an interest, to collect and receive any Insurance Proceeds paid with respect to any portion of the Projects or the insurance policies required to be maintained hereunder, and to endorse any checks, drafts or other instruments representing any Insurance Proceeds whether payable by reason of loss thereunder or otherwise.

Section 3.05 Compliance with Insurance Requirements. Borrower promptly shall comply with, and shall cause the Projects to comply with, all Insurance Requirements, even if such compliance requires structural changes or improvements or would result in interference with the use or enjoyment of any of the Projects or any portion thereof provided a Borrower shall have a right to contest in good faith and with diligence such Insurance Requirements provided (a) no Event of Default shall exist during such contest and such contest shall not subject any of the Projects or any portion thereof to any lien or affect the priority of the lien of the related Mortgage, (b) failure to comply with such Insurance Requirements will not subject Lender or

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any of its agents, employees, officers or directors to any civil or criminal liability, (c) such contest will not cause any reduction in insurance coverage, (d) such contest shall not affect the ownership, use or occupancy of any of the Projects, (e) none of the Projects or any part thereof or any interest therein shall not be in any danger of being sold, forfeited or lost by reason of such contest by Borrower, (f) Borrower has given Lender prompt notice of such contest and, upon request by Lender from time to time, notice of the status of such contest by Borrower and/or information of the continuing satisfaction of the conditions set forth in clauses (a) through (e) of this Section 3.05, (g) upon a final determination of such contest, Borrower shall promptly comply with the requirements thereof, and (h) prior to and during such contest, Borrower shall furnish to Lender security satisfactory to Lender, in its reasonable discretion, against loss or injury by reason of such contest or the non-compliance with such Insurance Requirement (and if such security is cash, Lender shall deposit the same in an interest-bearing account and interest accrued thereon, if any, shall be deemed to constitute a part of such security for purposes of this Agreement and the Mortgages, but Lender (i) makes no representation or warranty as to the rate or amount of interest, if any, which may accrue thereon and shall have no liability in connection therewith and (ii) shall not be deemed to be a trustee or fiduciary with respect to its receipt of any such security and any such security may be commingled with other monies of Lender). If Borrower shall use any of the Projects or any portion thereof in any manner which could permit the insurer to cancel any insurance required to be provided hereunder, Borrower immediately shall obtain a substitute policy which shall satisfy the requirements of this Agreement and which shall be effective on or prior to the date on which any such other insurance policy shall be canceled. Borrower shall not by any action or omission invalidate any insurance policy required to be carried hereunder unless such policy is replaced as aforesaid, or materially increase the premiums on any such policy above the normal premium charged for such policy. Borrower shall cooperate with Lender in obtaining for Lender the benefits of any insurance proceeds lawfully or equitably payable to Lender in connection with the transaction contemplated hereby.

Section 3.06 Event of Default During Restoration. Notwithstanding anything to the contrary contained in this Agreement including, without limitation, the provisions of this Article 3, if an Event of Default exists (a) at the time of any casualty affecting a Project or any part thereof, or (b) at any time during any Work, or (c) at any time that Lender is holding or is entitled to receive any Insurance Proceeds pursuant to this Agreement, then Lender shall have no obligation to make such proceeds available for Work and Lender shall have the right and option, to be exercised in its sole and absolute discretion and election, with respect to the Insurance Proceeds, either to retain and apply such proceeds in reimbursement for the actual costs, fees and expenses incurred by Lender in accordance with the terms hereof in connection with the adjustment of the loss and any balance toward payment of the Debt in such priority and proportions as Lender, in its sole discretion, shall deem proper, or towards the Work, upon such terms and conditions as Lender shall determine, or to cure such Event of Default, or to any one or more of the foregoing as Lender, in its sole and absolute discretion, may determine. If Lender shall receive and retain such Insurance Proceeds, the lien of the Mortgages shall be reduced only by the amount thereof received, after reimbursement to Lender of expenses of collection, and actually applied by Lender in reduction of the principal sum payable under the Note in accordance with the Note.

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Section 3.07 Application of Proceeds to Debt Reduction

(a) No damage to any Project, or any part thereof, by fire or other casualty whatsoever, whether such damage be partial or total, shall relieve Borrower from its liability to pay in full the Debt and to perform its obligations under this Agreement and the other Loan Documents.

(b) If any Insurance Proceeds are applied to reduce the Debt, Lender shall apply the same in accordance with the provisions of the Note.

ARTICLE IV

IMPOSITIONS

Section 4.01 Payment of Impositions, Utilities and Taxes, etc.

(a) Borrower shall pay or cause to be paid all Impositions at least five (5) Business Days prior to the date upon which any fine, penalty, interest or cost for nonpayment is imposed, and furnish to Lender, upon request, receipted bills of the appropriate taxing authority or other documentation reasonably satisfactory to Lender evidencing the payment thereof. If Borrower shall fail to pay any Imposition in accordance with this Section and is not contesting or causing a contesting of such Imposition in accordance with Section 4.04 hereof, or if there are insufficient funds in the Basic Carrying Costs Escrow Account to pay any Imposition, Lender shall have the right, but shall not be obligated, to pay that Imposition, and Borrower shall repay to Lender, on demand, any amount paid by Lender, with interest thereon at the Default Rate from the date of the advance thereof to the date of repayment, and such amount shall constitute a portion of the Debt secured by the Mortgages.

(b) Borrower shall, prior to the date upon which any fine, penalty, interest or cost for the nonpayment is imposed, pay or cause to be paid all charges payable by Borrower for electricity, power, gas, water and other services and utilities in connection with the Projects, and shall, upon request, which request shall not be made more than twice during any 12-month period, unless a Default shall have occurred and be continuing, deliver to Lender receipts or other documentation reasonably satisfactory to Lender evidencing payment thereof. If Borrower shall fail to pay any amount required to be paid by Borrower pursuant to this Section 4.01 and is not contesting such charges in accordance with Section 4.04 hereof, Lender shall have the right, but shall not be obligated, to pay that amount, and Borrower will repay to Lender, promptly after demand, any amount paid by Lender with interest thereon at the Default Rate from the date of the advance thereof to the date of repayment, and such amount shall constitute a portion of the Debt secured by the Mortgages.

(c) Borrower shall pay all taxes, charges, filing, registration and recording fees, excises and levies imposed upon Lender by reason of or in connection with its ownership of any Loan Document or any other instrument related thereto, or resulting from the execution, delivery and recording of, or the lien created by, or the obligation evidenced by, any of them, other than income, franchise and other similar taxes imposed on Lender and shall pay all corporate stamp taxes, if any, and other taxes, required to be paid on the Loan Documents. If

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Borrower shall fail to make any such payment within ten (10) Business Days after written notice thereof from Lender, Lender shall have the right, but shall not be obligated, to pay the amount due, and Borrower shall reimburse Lender therefor, on demand, with interest thereon at the Default Rate from the date of the advance thereof to the date of repayment, and such amount shall constitute a portion of the Debt secured by the Mortgages.

Section 4.02 Deduction from Value. In the event of the passage after the date of this Agreement of any Legal Requirement deducting from the value of the Projects for the purpose of taxation, any lien thereon or changing in any way the Legal Requirements now in force for the taxation of this Agreement and/or the Debt for federal, state or local purposes, or the manner of the operation of any such taxes so as to adversely affect the interest of Lender, or impose any tax or other charge on any Loan Document, then Borrower will pay such tax, with interest and penalties thereon, if any, within the statutory period. In the event the payment of such tax or interest and penalties by Borrower would be unlawful, or taxable to Lender or unenforceable or provide the basis for a defense of usury, then in any such event, Lender shall have the option, by written notice of not less than one hundred twenty (120) days, to declare the Debt immediately due and payable, with no prepayment fee or charge of any kind.

Section 4.03 No Joint Assessment. Borrower shall not consent to or initiate the joint assessment of any Project (a) with any other real property constituting a separate tax lot and Borrower represents and covenants that each Project is and shall remain one or more separate tax lots or (b) with any portion of such Project which may be deemed to constitute personal property, or any other procedure whereby the lien of any taxes which may be levied against such personal property shall be assessed or levied or charge to such Project as a single lien.

Section 4.04 Right to Contest. Borrower shall have the right, after prior notice to Lender, at its sole expense, to contest by appropriate legal proceedings diligently conducted in good faith, without cost or expense to Lender or any of its agents, employees, officers or directors, the validity, amount or application of any Imposition or any charge described in Section 4.01(b), provided that (a) no Event of Default shall exist during such proceedings and such contest shall not (unless Borrower shall comply with clause (d) of this Section 4.04) subject any of the Projects or any portion thereof to any lien or affect the priority of the lien of any Mortgage, (b) failure to pay such Imposition or charge will not subject Lender or any of its agents, employees, officers or directors to any civil or criminal liability, (c) the contest suspends enforcement of the Imposition or charge (unless Borrower first pays the Imposition or charge), (d) prior to and during such contest, Borrower shall furnish to Lender security satisfactory to Lender, in its reasonable discretion, against loss or injury by reason of such contest or the non-payment of such Imposition or charge (and if such security is cash, Lender may deposit the same in an interest-bearing account and interest accrued thereon, if any, shall be deemed to constitute a part of such security for purposes of this Agreement and the Mortgages, but Lender (i) makes no representation or warranty as to the rate or amount of interest, if any, which may accrue thereon and shall have no liability in connection therewith and (ii) shall not be deemed to be a trustee or fiduciary with respect to its receipt of any such security and any such security may be commingled with other monies of Lender), (e) such contest shall not materially and adversely affect the ownership, use or occupancy of any of the Projects, (f) none of the Projects or any part thereof or any interest therein shall not be in any danger of being sold, forfeited or lost by reason of such contest by Borrower, (g) Borrower has given Lender notice of the commencement of

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such contest and upon request by Lender, from time to time, notice of the status of such contest by Borrower and/or confirmation of the continuing satisfaction of clauses (a) through (f) of this Section 4.04, and (h) upon a final determination of such contest, Borrower shall promptly comply with the requirements thereof. Upon completion of any contest, Borrower shall immediately pay the amount due, if any, and deliver to Lender proof of the completion of the contest and payment of the amount due, if any, following which Lender shall return the security, if any, deposited with Lender pursuant to clause (d) of this Section 4.04. Borrower shall not pay any Imposition in installments unless permitted by applicable Legal Requirements, and shall, upon the request of Lender, deliver copies of all notices and bills relating to any Imposition or other charge covered by this Article IV to Lender.

Section 4.05 No Credits on Account of the Debt. Borrower will not claim or demand or be entitled to any credit or credits on account of the Debt for any part of the Impositions assessed against any of the Projects or any part thereof and no deduction shall otherwise be made or claimed from the taxable value of any of the Projects, or any part thereof, by reason of this Agreement or the Debt. In the event such claim, credit or deduction shall be required by Legal Requirements, Lender shall have the option, by written notice of not less than thirty (30) days, to declare the Debt immediately due and payable, and Borrower hereby agrees to pay such amounts not later than one hundred twenty (120) days after such notice.

Section 4.06 Documentary Stamps. If, at any time, the United States of America, any State or Commonwealth thereof or any subdivision of any such State shall require revenue or other stamps to be affixed to the Note, any of the Mortgages, this Agreement or any other Loan Document, or impose any other tax or charges on the same, Borrower will pay the same, with interest and penalties thereon, if any.

ARTICLE V

CENTRAL CASH MANAGEMENT

Section 5.01 Cash Flow. Borrower hereby acknowledges and agrees that (a) the Rents (which for the purposes of this Section 5.01 shall not include security deposits from tenants under Leases held by Borrower and not applied towards Rent) derived from the Projects, (b) Loss Proceeds and (c) all proceeds of the Rate Cap Agreement shall be utilized (i) to fund the Basic Carrying Costs Sub-Account, (ii) to pay all amounts to become due and payable under the Note by funding the Debt Service Payment Sub-Account, (iii) to fund the Recurring Replacement Reserve Sub-Account and (iv) to fund the Reletting Reserve Sub-Account. Borrower shall cause Manager to collect all security deposits from tenants under valid Leases, which shall be held by Manager, as agent for Borrower, in accordance with applicable law and, if in cash, and required by Legal Requirements to be maintained in a segregated account, in a segregated demand deposit bank account at Signature Bank, or such other commercial or savings bank or banks as may be selected by Borrower and reasonably satisfactory to Lender (the "Security Deposit Account"). Borrower shall notify Lender of any security deposits held as letters of credit and, upon Lender's request, such letters of credit shall be promptly delivered to Lender. Borrower shall have no right to withdraw funds from the Security Deposit Account; provided that, except during the continuance of an Event of Default, Borrower may withdraw funds from the Security Deposit Account to refund or apply security deposits as required or

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permitted by the Leases or by applicable Legal Requirements. During the continuance of an Event of Default, all withdrawals from the Security Deposit Account must be approved by Lender, which approval shall not be withheld (and shall be granted promptly) if a refund or application of such security deposits is required by the Leases or by the applicable Legal Requirements. Borrower shall cause all Rent which is due and payable to Borrower pursuant to the terms of the Leases (other than security deposits under valid Leases which are held in the Security Deposit Account) to be paid through automated clearing house funds (“ACH”), by Federal wire or by check directly to the Clearing Account. Pursuant to the Clearing Account Agreement, Borrower shall cause the Clearing Account Bank to transfer on each Business Day all available funds on deposit in the Clearing Account to the Central Account. Borrower shall give each tenant under a Lease an irrevocable direction in the form of Exhibit E attached hereto and made a part hereof to deliver all rent payments made by tenants and other payments constituting Rent directly to the Clearing Account and shall deliver copies of such letters to Lender, together with an Officer’s Certificate certifying that such letters were mailed to each tenant under the Leases promptly after the Closing Date. If, notwithstanding the foregoing, any Rent is received by Borrower or Manager, then (a) such amounts shall be held in trust for the benefit, and as the property, of Lender, (b) such amounts shall not be commingled with any other funds or property of Borrower or Manager and (c) Borrower or Manager shall deposit such amounts in the Clearing Account within three (3) Business Days of receipt. Upon execution of any Space Lease after the Closing Date, Borrower shall deliver to Lender a copy of the irrevocable direction letter referred to above, the receipt of which has been acknowledged by the tenant under such Space Lease. Lender may elect for Cause to change the financial institution in which the Clearing Account and Central Account shall be maintained; however, Lender shall give Borrower not fewer than five (5) Business Days’ prior notice of such change. All fees and charges of the bank(s) in which the Clearing Account and Central Account is located shall be paid by Borrower. For purposes of this Section 5.01, “Cause” shall mean (i) any financial institution which maintains the Clearing Account or the Central Account shall be in default of the Clearing Account Agreement or any other agreement relating to the Clearing Account and/or the Central Account, (ii) Lender reasonably determines that the financial condition of such financial institution has deteriorated materially, or (iii) an Event of Default shall have occurred and be continuing.

Section 5.02 Establishment of Accounts. Lender has established the Escrow Accounts (except the Lease Termination Payment Escrow Account which, to the extent of the payment by any tenant of any Lease Termination Payments, will be established by Lender) and the Central Account in the name of Lender as secured party. The Escrow Accounts, the Central Account and the Clearing Account shall be under the sole dominion and control of Lender and funds held therein shall not constitute trust funds. Borrower hereby irrevocably directs and authorizes Lender to withdraw funds from the Central Account, Clearing Account and the Escrow Accounts, all in accordance with the terms and conditions of this Agreement. Borrower shall have no right of withdrawal in respect of the Clearing Account, Central Account or the Escrow Accounts. Each transfer of funds to be made hereunder shall be made only to the extent that funds are on deposit in the Central Account or the affected Sub-Account or Escrow Account, and Lender shall have no responsibility to make additional funds available in the event that funds on deposit are insufficient. The Central Account shall contain the Basic Carrying Costs Sub-Account, the Debt Service Payment Sub-Account, the Recurring Replacement Reserve Sub-Account, the Reletting Reserve Sub-Account and the Bank Fees Sub-Account, each of which

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accounts shall be Eligible Accounts or book-entry sub-accounts of an Eligible Account (each a “Sub-Account” and collectively, the “Sub-Accounts”) to which certain funds shall be allocated and from which disbursements shall be made pursuant to the terms of this Agreement. Sums held in the Escrow Accounts may be commingled with other monies held by Lender.

Section 5.03 Permitted Investments. All sums deposited into the Liquidity Reserve Escrow Account, the Recurring Replacement Reserve Escrow Account, the Reletting Reserve Escrow Account, the Engineering Escrow Account and the Accrued Lease Liability Escrow Account may be invested in Permitted Investments; however, Borrower acknowledges that Lender makes no representation or warranty as to the rate of return earned thereon. Lender shall not have any liability for any loss in investments of funds in such Escrow Accounts and no such loss shall affect Borrower’s obligation to fund, or liability for funding, the Central Account and each Sub-Account and Escrow Account, as the case may be. Borrower agrees that Lender shall include all such earnings on the aforesaid Escrow Accounts as income of Borrower (and, if Borrower is a partnership, limited liability company or other pass-through entity, the partners, members or beneficiaries of Borrower, as the case may be) for federal and applicable state and local tax purposes. All interest paid or other earnings on funds deposited into the Escrow Accounts made hereunder shall be deposited into the Central Account and shall be allocated to the Liquidity Reserve Escrow Account, the Recurring Replacement Reserve Escrow Account, the Reletting Reserve Escrow Account or the Accrued Lease Liability Escrow Account, as applicable. Borrower shall pay all costs, fees and expenses incurred in connection with the establishment and maintenance of, or the disbursement from any of the foregoing Escrow Accounts, which sums shall be due and payable by Borrower upon demand and may be deducted by Lender from amounts on deposit in the Central Account or the Escrow Accounts.

Section 5.04 Servicing Fees. At the option of Lender, the Loan may be serviced by Lender or by a servicer (the “Servicer”) selected by Lender and Lender may delegate all or any portion of its responsibilities under this Agreement to the Servicer. Borrower shall pay all servicing fees of Servicer pursuant to the Servicer’s then standard conditions and rates or of Lender, if Lender is servicing the Loan on its own behalf, in any case, not to exceed two basis points (i.e., 0.02%) per annum paid on the aggregate balance of the Principal Amount computed on the basis of the actual number of days elapsed in a 360 day year.

Section 5.05 Monthly Funding of Sub-Accounts and Escrow Accounts.

(a) On or before each Payment Date during the term of the Loan, commencing on the first (1st) Payment Date occurring after the month in which the Loan is initially funded, Borrower shall pay, or cause to be paid to the Central Account the following: the Basic Carrying Costs Monthly Installment, the Required Debt Service Payment, the Recurring Replacement Reserve Monthly Installment and the Reletting Reserve Monthly Installment, pursuant to clauses (i) through (v) of this Section 5.05(a) and all funds transferred or deposited into the Central Account shall be allocated among the Sub-Accounts as follows and in the following priority:

(i) first, to the Basic Carrying Costs Sub-Account, until an amount equal to the Basic Carrying Costs Monthly Installment for such Current Month has been allocated to the Basic Carrying Costs Sub-Account;

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(ii) second, to the Bank Fees Sub-Account, until an amount equal to the monthly portion of the fees charged by the Bank in accordance with the Deposit Account Agreement has been allocated to the Bank Fees Sub-Account;

(iii) third, to the Debt Service Payment Sub-Account, until an amount equal to the Required Debt Service Payment for the Payment Date occurring in such Current Month has been allocated to the Debt Service Payment Sub-Account;

(iv) fourth, to the Recurring Replacement Reserve Sub-Account, until an amount equal to the Recurring Replacement Reserve Monthly Installment for such Current Month has been allocated to the Recurring Replacement Reserve Sub-Account;

(v) fifth, to the Reletting Reserve Sub-Account, until an amount equal to the Reletting Reserve Monthly Installment for such Current Month has been allocated to the Reletting Reserve Sub-Account; and

(vi) sixth, all Default Interest, Late Charges and any other amounts, if any, payable pursuant to the Loan Documents after the payment of the Required Debt Service Payment has been allocated to the Debt Service Payment Sub-Account.

Provided that (I) no Event of Default has occurred and (II) Lender has received the Manager's Certification referred to in Section 2.09(d) hereof for the most recent period for which the same is due, Lender agrees that in each Current Month any amounts deposited into or remaining in the Central Account after the Sub-Accounts have been funded in accordance with clauses (i) through (vi) above with respect to the Current Month and any periods prior thereto, shall be disbursed by Lender on the Payment Date in such Current Month to Borrower. In addition, on the date (the "Supplemental Disbursement Date") that is two (2) weeks after each Payment Date, provided that no Event of Default has occurred, Lender agrees that any amounts deposited in the Central Account since such preceding Payment Date, which amounts exceed the amounts required to be funded into the Sub-Accounts in accordance with clauses (i) through (vi) above with respect to the succeeding month (i.e., the month following the Current Month), shall be disbursed by Lender to Borrower on the Supplemental Disbursement Date. During the existence of an Event of Default, no funds held in the Central Account shall be distributed to Borrower, and Lender shall have the right to apply all or any portion of the funds held in the Central Account or any Sub-Account or any Escrow Account to the Debt in Lender's sole discretion.

(b) On each Payment Date, provided that no Event of Default exists, amounts held in the Sub-Accounts will be transferred or disbursed, as applicable, as follows: (i) sums held in the Basic Carrying Costs Sub-Account shall be transferred to the Basic Carrying Costs Escrow Account; (ii) sums held in the Debt Service Payment Sub-Account, together with any amounts deposited into the Central Account that are either (y) Loss Proceeds that Lender has elected to apply to reduce the Debt in accordance with the terms of Article III hereof or (z) excess Loss Proceeds remaining after the completion of any restoration required hereunder, shall be transferred to Lender to be applied towards the Required Debt Service Payment, with any excess (1) being applied to the Principal Amount, or (2) being paid to the applicable Borrower, as determined by Lender in its sole and absolute discretion; (iii) sums held in the Recurring Replacement Reserve Sub-Account shall be transferred to the Recurring Replacement Escrow

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Account and (iv) sums held in the Reletting Reserve Sub-Account shall be transferred to the Reletting Reserve Escrow Account.

Section 5.06 Payment of Basic Carrying Costs. Subject to the following provisions of this Section 5.06, Borrower hereby agrees to pay all Basic Carrying Costs (without regard to the amount of money in the Basic Carrying Costs Sub-Account or the Basic Carrying Costs Escrow Account). Provided that no Event of Default has occurred, Lender shall make payment of the Basic Carrying Costs out of the Basic Carrying Costs Escrow Account before same shall be delinquent, provided, however, that if there are not sufficient funds available in the Basic Carrying Costs Escrow Account, Lender shall not be obligated to release funds to pay any Basic Carrying Costs, unless Borrower demonstrates to Lender's reasonable satisfaction that Borrower has paid or will pay any such deficiency. Upon Lender's request, Borrower shall furnish Lender with bills and all other documents necessary, as reasonably determined by Lender, for the payment of the Basic Carrying Costs which are then due and payable. Borrower's obligation to pay (or cause Lender to pay) Basic Carrying Costs pursuant to this Agreement shall include, to the extent permitted by applicable law, Impositions resulting from future changes in law which impose upon Lender an obligation to pay any property taxes or other Impositions. Notwithstanding the foregoing provisions of this Section 5.06, Lender acknowledges that Borrower has advised Lender that Borrower maintains a blanket insurance policy to cover the Projects and pays the premiums for such policy in advance. Upon presentation to Lender of evidence reasonably satisfactory to Lender of the payment of such premiums, provided that no Event of Default has occurred, Lender agrees to release to Borrower from the Basic Carrying Costs Escrow Account (to the extent of funds on deposit therein) funds in an amount required to reimburse Borrower for the premiums so paid.

Provided that no Event of Default shall exist, all funds deposited into the Basic Carrying Costs Escrow Account shall be held by Lender pursuant to the provisions of this Agreement and shall be applied in payment of Basic Carrying Costs in accordance with the terms hereof. Should an Event of Default exist, the sums on deposit in the Basic Carrying Costs Sub-Account and the Basic Carrying Costs Escrow Account may be applied by Lender in payment of any Basic Carrying Costs or may be applied to the payment of the Debt or any other charges affecting all or any portion of any of the Projects as Lender in its sole discretion may determine; provided, however, that no such application shall be deemed to have been made by operation of law or otherwise until actually made by Lender as herein provided.

Section 5.07 Reletting Reserve Escrow Account. Borrower hereby agrees to pay all Reletting Expenditures (without regard to the amount of money then available in the Reletting Reserve Escrow Account or the Reletting Reserve Sub-Account). Upon the execution of any Space Lease with respect to which Borrower is obligated to undertake or pay for any Reletting Expenditures, Borrower shall submit to Lender (a) a budget (a "Budget") outlining in reasonable detail all of the material expenses relating to said Reletting Expenditures, (b) with respect to a Lease other than a Major Space Lease, a copy of the signed Lease to which said Reletting Expenditures relate which is otherwise in compliance with the provisions of this Agreement, (c) a copy of the plans and specifications for the proposed Reletting Expenditures (to the extent applicable), and (d) an Officer's Certificate with respect to the items referred to in clauses (a) through (c) and, as applicable, setting forth an anticipated completion date for the Reletting Expenditures (other than leasing commissions). Thereafter, provided that no Event of

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Default shall exist and that Lender has received a written request from Borrower for payment or reimbursement of any costs incurred in connection with any Reletting Expenditures or a portion thereof, together with (i) copies of bills for such Reletting Expenditures and, if requested by Lender with respect to any single line item costing in excess of \$10,000.00, unconditional lien waivers (other than conditioned upon payment of the amount requested), (ii) a statement from an Architect or Engineer, indicating that the Reletting Expenditures or portion thereof in question have been completed in compliance with all Legal Requirements, and (iii) such other documentation as may be reasonably requested by Lender to establish that the Reletting Expenditures (other than leasing commissions) or portion thereof which are the subject of such request have been completed, all of which are reasonably acceptable in form and substance to Lender, Lender shall disburse within five (5) Business Days after such request to Borrower the amount requested in connection with such Reletting Expenditures. Borrower may make a request for disbursement of sums from the Reletting Reserve Escrow Account no more than twice during any month and any request shall be in a minimum amount of \$25,000 (except for the final disbursement, which may be less than \$25,000). With respect to any Reletting Expenditures that constitute brokerage commissions, upon the receipt of (x) copies of bills for such Reletting Expenditures and (y) with respect to each Lease other than a Major Space Lease, a copy of the signed Lease to which said Reletting Expenditures relate which Lease is in compliance with the provisions of this Agreement, Lender shall disburse to Borrower the amount requested to pay for such Reletting Expenditures out of the Reletting Reserve Escrow Account. Lender shall not be required to make any disbursements out of the Reletting Reserve Escrow Account if an Event of Default shall exist, if more than two such requests are made in any month or if sufficient funds are not available in the Reletting Reserve Sub-Account. Provided that no Event of Default shall exist, all funds deposited into the Reletting Reserve Escrow Account shall be held by Lender pursuant to the provisions of this Agreement and shall be applied in payment of Reletting Expenditures. Should an Event of Default exist, the sums on deposit in the Reletting Reserve Escrow Account may be applied by Lender in payment of any Reletting Expenditures or may be applied to the payment of the Debt or any other charges affecting all or any portion of the Projects, as Lender, in its sole discretion, may determine; provided, however, that no such application shall be deemed to have been made by operation of law or otherwise until actually made by Lender as herein provided.

In addition to the amount set forth on Exhibit B hereto as the initial deposit to the Reletting Reserve Escrow Account and the Reletting Monthly Installment, Borrower shall pay to Lender for deposit in the Reletting Reserve Escrow Account all funds received by Borrower from tenants in connection with the cancellation of any Leases, including, but not limited to, any cancellation fees, penalties, tenant improvements, leasing commissions or other charges (together "Lease Termination Payments").

Provided that no Default or Event of Default then exists, Lender agrees to hold such Lease Termination Payments in the Lease Termination Payment Escrow Account for disbursement pursuant to Section 5.15 hereof.

Section 5.08 Recurring Replacement Reserve Escrow Account. Borrower hereby agrees to pay all Recurring Replacement Expenditures with respect to each of the Projects (without regard to the amount of money then available in the Recurring Replacement Reserve Sub-Account or the Recurring Replacement Reserve Escrow Account). Provided that Lender has received written notice from Borrower at least five (5) Business Days prior to the due date of any payment relating to Recurring Replacement Expenditures and not more frequently than once

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each month, and further provided that no Event of Default exists, that there are sufficient funds available in the Recurring Replacement Reserve Escrow Account and Borrower shall have theretofore furnished Lender with copies of bills, invoices and other documentation as may be reasonably required by Lender to establish that the Recurring Replacement Expenditures which are the subject of such request represent amounts due for completed or partially completed capital work and improvements performed at the Projects, Lender shall promptly make such payments out of the Recurring Replacement Reserve Escrow Account.

Provided that no Event of Default shall exist, all funds deposited into the Recurring Replacement Reserve Escrow Account shall be held by Lender pursuant to the provisions of this Agreement and shall be applied in payment of Recurring Replacement Expenditures. Should an Event of Default exist, the sums on deposit in the Recurring Replacement Reserve Sub-Account and the Recurring Replacement Reserve Escrow Account may be applied by Lender in payment of any Recurring Replacement Expenditures or may be applied to the payment of the Debt or any other charges affecting all or any portion of the Projects, as Lender in its sole discretion may determine; provided, however, that no such application shall be deemed to have been made by operation of law or otherwise until actually made by Lender as herein provided.

Section 5.09 Liquidity Reserve Escrow Account

(a) On the Closing Date, Borrower shall deposit \$2,000,000.00 with Lender as a deposit to the Liquidity Reserve Escrow Account. All funds on deposit in the Liquidity Reserve Escrow Account shall be held by Lender pursuant to the provisions of this Agreement. Amounts in the Liquidity Reserve Escrow Account are to be used solely for the purpose of paying (i) Cash Expenses, (ii) Debt Service and (iii) any other costs and expenses of owning and operating the Projects that have been approved by Lender, which approval shall not be unreasonably withheld, conditioned or delayed (collectively, the "Liquidity Reserve Expenses"), provided, however, that under no circumstances shall amounts on deposit in the Liquidity Reserve Escrow Account be used to pay Capital Expenditures.

(b) So long as no Event of Default exists, and Lender shall have received (i) a Manager Certification with respect to all preceding Interest Accrual Periods and (ii) bills and any other documents reasonably requested by Lender evidencing the Liquidity Reserve Expenses the payment of which is being requested by Borrower, Lender shall disburse on each Payment Date from the balance on deposit in the Liquidity Reserve Escrow Account the amount necessary for Borrower to pay, in full, the Liquidity Reserve Expenses payable during the month ending on the day preceding the Payment Date in question, to the extent that the revenues generated by the Projects remaining after the payments required under clauses (i) — (vi) of Section 5.05(a) hereof (to the extent that funds generated are sufficient for the payment thereof) are insufficient to pay the Liquidity Reserve Expenses due on such Payment Date (each such shortfall, the "Monthly Shortfall"). Borrower acknowledges that Lender has no obligation to disburse more than (y) the remaining balance of the Liquidity Reserve Escrow Account if such amount is less than the full payment due or (z) the amount of the Monthly Shortfall in question, whichever is less. Notwithstanding the foregoing, neither the insufficiency of the undisbursed balance of, nor the unavailability of, the Liquidity Reserve Escrow Account is intended to, and shall therefore not, constitute a limitation on Borrower's obligation to pay all Liquidity Reserve Expenses, any other

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Operating Expenses and all other costs and expenses relating to the Mortgaged Property as and when the same become due and payable, it being understood and agreed that if, on any Payment Date, there shall have occurred and be continuing any Event of Default or the undisbursed balance of the Liquidity Reserve Escrow Account shall be insufficient to make any portion of such payment, Borrower shall nevertheless be obligated to make each such payment in full as and when due.

(c) Should an Event of Default exist, the sums on deposit in the Liquidity Reserve Escrow Account may be applied by Lender in payment of any Operating Expenses for any of the Projects or may be applied to the payment of the Debt or any other charges affecting all or any portion of any of the Projects as Lender, in its sole discretion, may determine; provided, however, that no such application shall be deemed to have been made by operation of law or otherwise until actually made by Lender as herein provided.

Section 5.10 Rate Cap Agreement. Borrower shall maintain the Rate Cap Agreement at all times during the term of the Loan and pay all fees, charges and expenses incurred in connection therewith. Borrower shall comply with all of its obligations under the terms of the Rate Cap Agreement. All amounts paid by the issuer of the Rate Cap Agreement (the "Counterparty") to Borrower or Lender shall be deposited immediately into the Central Account. Borrower shall take all actions reasonably requested by Lender to enforce Lender's rights under the Rate Cap Agreement in the event of a default by the Counterparty. In the event that (a) the long-term unsecured debt obligations of the Counterparty are downgraded by the Rating Agency below "A" or its equivalent or (b) the Counterparty shall default in any of its obligations under the Rate Cap Agreement, Borrower shall, at the request of Lender, promptly but in all events within five (5) Business Days, replace the Rate Cap Agreement with an agreement having identical payment terms and maturity as the Rate Cap Agreement and which is otherwise in form and substance substantially similar to the Rate Cap Agreement and otherwise reasonably acceptable to Lender with a cap provider, the long-term unsecured debt of which is rated at least "A" (or its equivalent) by each Rating Agency, or such lower rating approved by the Rating Agencies which will allow each Rating Agency to reaffirm their then current ratings of all rated certificates issued in connection with the Secondary Market Transaction. In the event that Borrower fails to maintain the Rate Cap Agreement as provided in this Section 5.10, Lender may purchase the Rate Cap Agreement and the cost incurred by Lender in connection therewith shall be paid by Borrower to Lender with interest thereon at the Default Rate from the date such cost is incurred until such cost is paid by Borrower to Lender. In the event the term of the Rate Cap Agreement then in place does not extend through the Maturity Date or the end of the applicable Extension Period, as applicable, no later than three (3) Business Days prior to the expiration of the then existing Rate Cap, Borrower shall deliver to Lender a replacement Rate Cap Agreement with a term expiring not earlier than the then current Maturity Date and otherwise in form and substance reasonably acceptable to Lender which is issued by a Counterparty having a long-term unsecured debt rating of "A" (or its equivalent) or better from the Rating Agency (the "Replacement Rate Cap Agreement").

Section 5.11 [Reserved].

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Section 5.12 Performance of Engineering Work.

(a) Borrower shall promptly commence and diligently thereafter pursue to completion (without regard to the amount of money then available in the Engineering Escrow Account) the Required Engineering Work prior to the six (6) month anniversary of the Closing Date. After Borrower completes an item of Required Engineering Work, Borrower may submit to Lender an invoice therefor with, if requested by Lender, lien waivers (which may be conditioned upon payment) and a statement from the Engineer, reasonably acceptable to Lender, indicating that the portion of the Required Engineering Work in question has been completed in compliance with all Legal Requirements, and Lender shall, within twenty (20) days thereafter, although in no event more frequently than once each month, pay (or reimburse) such amount to Borrower from the Engineering Escrow Account; provided, however, that Borrower shall not be paid (or reimbursed) more than the amount set forth on Exhibit C hereto as the amount allocated to the portion of the Required Engineering Work for which reimbursement is sought.

(b) From and after the date all of the Required Engineering Work is completed, Borrower may submit a written request, which request shall be delivered together with final lien waivers (which may be conditioned upon payment from the requested disbursement) and a statement from the Engineer, as the case may be, reasonably acceptable to Lender, indicating that all of the Required Engineering Work has been completed in compliance with all Legal Requirements, and Lender shall, within twenty (20) days thereafter, disburse any balance of the Engineering Escrow Account to Borrower. Should an Event of Default exist, the sums on deposit in the Engineering Escrow Account may be applied by Lender in payment of any Required Engineering Work or may be applied to the payment of the Debt or any other charges affecting all or any portion of the Projects, as Lender in its sole discretion may determine; provided, however, that no such application shall be deemed to have been made by operation of law or otherwise until actually made by Lender as herein provided.

Section 5.13 Loss Proceeds. In the event of a casualty to any Project, unless Lender elects, or is required pursuant to Article III hereof to make all of the Insurance Proceeds available to Borrower for restoration, Lender and Borrower shall cause all such Insurance Proceeds to be paid by the insurer directly to the Central Account, whereupon Lender shall, after deducting Lender's reasonable costs of recovering and paying out such Insurance Proceeds, including without limitation, reasonable attorneys' fees, apply same to reduce the Debt in accordance with the terms of the Note; provided, however, that if Lender elects, is required to elect or is deemed to have elected, to make the Insurance Proceeds available for restoration, all Insurance Proceeds in respect of rent loss, business interruption or similar coverage shall be maintained in the Central Account, to be applied by Lender in the same manner as Rent received with respect to the operation of the Projects; provided, further, however, that in the event that the Insurance Proceeds with respect to such rent loss, business interruption or similar insurance policy are paid in one or more lump sums in advance, Lender shall hold such Insurance Proceeds in a segregated interest-bearing escrow account, which shall be an Eligible Account, shall estimate, in Lender's reasonable discretion, the number of months required for Borrower to restore the damage caused by the casualty, shall divide the aggregate rent loss, business interruption or similar Insurance Proceeds by such number of months, and shall disburse from such bank account into the Central Account each month during the performance of such restoration such monthly installment of said Insurance Proceeds. In the event that Insurance

Proceeds are to be applied toward restoration, Lender shall hold such funds in a segregated bank interest-bearing account at the Bank, which shall be an Eligible Account, and shall disburse same in accordance with the provisions of Section 3.04 hereof. Unless Lender elects, or is required pursuant to Section 6.01 hereof to make all of the Condemnation Proceeds available to Borrower for restoration, Lender and Borrower shall cause all such Condemnation Proceeds to be paid to the Central Account, whereupon Lender shall, after deducting Lender's reasonable costs of recovering and paying out such Condemnation Proceeds, including without limitation, reasonable attorneys' fees, apply same to reduce the Debt in accordance with the terms of the Note; provided, however, that any Condemnation Proceeds received in connection with a temporary Taking shall be maintained in the Central Account, to be applied by Lender in the same manner as Rent received with respect to the operation of the Projects; provided, further, however, that in the event that the Condemnation Proceeds of any such temporary Taking are paid in a lump sum in advance, Lender shall hold such Condemnation Proceeds in a segregated interest-bearing bank account, which shall be an Eligible Account, shall estimate, in Lender's reasonable discretion, the number of months that the Project shall be affected by such temporary Taking, shall divide the aggregate Condemnation Proceeds in connection with such temporary Taking by such number of months, and shall disburse from such bank account into the Central Account each month during the pendency of such temporary Taking such monthly installment of said Condemnation Proceeds. In the event that Condemnation Proceeds are to be applied toward restoration, Lender shall hold such funds in a segregated interest-bearing bank account at the Bank, which shall be an Eligible Account, and shall disburse same in accordance with the provisions of Section 3.04 hereof. If any Loss Proceeds are received by Borrower, such Loss Proceeds shall be received in trust for Lender, shall be segregated from other funds of Borrower, and shall be forthwith paid into the Central Account, or paid to Lender to hold in a segregated interest-bearing bank account at the Bank, in each case to be applied or disbursed in accordance with the foregoing. Any Loss Proceeds (other than proceeds of business interruption, loss of rents or a temporary taking) made available to Borrower for restoration in accordance herewith, to the extent not used by Borrower in connection with, or to the extent they exceed the cost of, such restoration, shall be deposited into the Central Account, whereupon Lender shall apply the same to reduce the Debt in accordance with the terms of the Note.

Section 5.14 Accrued Lease Liability Escrow Account. Borrower has deposited in the Accrued Lease Liability Escrow Account, on the date hereof, the amount set forth on Exhibit B hereto for payment of Accrued Lease Liability Expenses. Provided that no Event of Default shall exist, Lender shall, from time to time after the written request of Borrower, but not more than once in any month, disburse to the Borrower or, at Lender's option with respect to any single payment to a tenant or other payee in excess of \$100,000.00, directly to the appropriate tenant or other payee, the amount of the Accrued Lease Liability Expenses due and payable to such tenant or other payee pursuant to the express terms of such tenant's Lease or the agreement with such other payee, as the case may be. Any such request by Borrower for disbursement of funds held in the Accrued Lease Liability Escrow Account shall be accompanied by an Officer's Certificate stating that such requested amount is then due and payable under the applicable tenant's Lease. From and after the date upon which all of the obligations under the Leases with respect to which the Accrued Lease Liability Escrow Account has been established have been fully performed, Borrower may submit a written request, which request shall be delivered with an Officer's Certification reasonably satisfactory to Lender confirming that all such obligations under all such Leases have been so fully performed, and Lender shall, within ten (10) days

thereafter, disburse any balance of the Accrued Lease Liability Escrow Account to Borrower. Should an Event of Default exist, the sums on deposit in the Accrued Lease Liability Escrow Account may be applied by Lender in payment of any Accrued Lease Liability Expenses or may be applied to the payment of the Debt or any other charges affecting all or any portion of the Property, as Lender, in its sole discretion, shall determine; provided, however, that no such application shall be deemed to have been made by operation of law or otherwise until actually made by Lender as herein provided.

Section 5.15 Lease Termination Payment Escrow Account. Borrower may request a disbursement from the Lease Termination Payment Escrow Account no more than one (1) time per calendar month for one or more of the following uses: (i) for the payment of Reletting Expenditures (in which event such funds shall be distributed in accordance with Section 5.07 hereof); (ii) for the payment of Debt Service on the Note to the extent that Lender has reasonably determined on any Payment Date that there are insufficient funds in the Debt Service Payment Sub-Account to pay the then owing Required Debt Service Payment; or (iii) for the payment of Cash Expenses to the extent that Lender has reasonably determined on any Payment Date that there are insufficient funds in the Central Account, after the Sub-Accounts have been

funded in accordance with clauses (i) through (vi) of Section 5.05 hereof, to pay for the Cash Expenses for the Current Month pursuant to the related Approved Annual Budget. Should an Event of Default exist, the sums on deposit in the Lease Termination Payment Escrow Account may be applied by Lender in payment of any Operating Expenses for any of the Projects or may be applied to the payment of the Debt or any other charges affecting all or any portion of any of the Projects as Lender, in its sole discretion, may determine; provided, however, that no such application shall be deemed to have been made by operation of law or otherwise until actually made by Lender as herein provided.

Section 5.16 REIT Limitations on Investment of Sums in Escrow Accounts

(a) Notwithstanding anything herein to the contrary, Lender hereby acknowledges the status of each of MCC and SLG as a real estate investment trust ("REIT") and Lender agrees that it shall only invest amounts held in the Escrow Accounts in a manner that is not inconsistent with the status of each of MCC and SLG as a REIT and which will not cause MCC and SLG to fail: (a) the annual gross income tests set forth in Section 856(c)(2) and (3) of the Code; and (b) the quarterly assets tests set forth in Section 856(c)(4) of the Code and which minimizes federal, state and local income and excise taxes incurred by MCC or SLG or any of their respective Affiliates, including taxes under Section 857(b), 860(c) and 4981 of the Code.

(b) Lender may invest the sums held in the Escrow Accounts in Permitted Investments. Notwithstanding anything herein to the contrary, the Lender shall not invest the sums held in the Escrow Accounts, except as set forth in this Section 5.16, without the prior written approval of the Manager, which consent shall not be unreasonably withheld, conditioned or delayed.

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ARTICLE VI
CONDEMNATION

Section 6.01 Condemnation.

(a) Borrower shall notify Lender promptly of the commencement or threat of any Taking of all or any portion of a Project. Lender is hereby irrevocably appointed as Borrower's attorney-in-fact, coupled with an interest, with exclusive power to collect, receive and retain the proceeds of any such Taking in accordance with the terms of this Agreement, Borrower shall not make any compromise or settlement in connection with such proceedings without the prior written consent of Lender, which consent shall not be unreasonably withheld or delayed (except during the existence of an Event of Default, in which event Borrower's approval shall not be required), provided, however, that Borrower may, without Lender's consent, compromise or settle any such proceeding with respect to Condemnation Proceeds in an amount less than five percent (5%) of the Allocated Loan Amount of the affected Project. Borrower shall execute and deliver to Lender any and all instruments reasonably required in connection with any such proceeding promptly after request therefor by Lender. All Condemnation Proceeds are hereby assigned to and shall be paid to Lender. If any Condemnation shall result in the actual constructive loss of fifteen percent (15%) or more of the fair market value of any Project, Lender shall have the option, in Lender's sole discretion, to apply such Condemnation Proceeds (less any cost to Lender of recovering and paying out such proceeds, including, without limitation, reasonable attorneys' fees and disbursements and costs allocable to inspecting any repair, restoration or rebuilding work and the plans and specifications therefor), toward the payment of the Debt or to allow such proceeds to be used for the Work; provided, however, with respect to any other Condemnation, Lender shall make such proceeds available to Borrower for restoration in accordance with Section 3.04(b). In the event Lender elects or is required to make Condemnation Proceeds available to be used toward the restoration or rebuilding of the affected Project to a usable whole, such Condemnation Proceeds shall be disbursed in the manner and subject to the conditions set forth in Section 3.04(b) hereof. Any excess proceeds remaining after completion of such restoration or rebuilding shall be applied to the repayment of the Debt. If the Condemnation Proceeds are used to reduce the Debt, they shall be applied in accordance with the provisions of the Note with no prepayment fee or charge of any kind. In addition, in the event that Lender shall elect to apply such Condemnation Proceeds to reduce the Debt, (i) the Allocated Loan Amount of the affected Project shall be reduced on a dollar for dollar basis with the amount of proceeds so applied, (ii) Borrower shall have the right, notwithstanding whether the Lockout Date has or has not occurred, to cause a Release of such Project and (iii) in connection with such Release, the Release Amount shall be the Allocated Loan Amount of such Project as so reduced. Borrower shall promptly execute and deliver all instruments requested by Lender for the purpose of confirming the assignment of the Condemnation Proceeds to Lender.

(b) Application of all or any part of the Condemnation Proceeds to the Debt shall be made in accordance with the provisions of Sections 3.06 and 3.07 hereof. No application of the Condemnation Proceeds to the reduction of the Debt shall have the effect of releasing the lien of any Mortgage until the remainder of the Debt has been paid in full; provided, however, (i) the Allocated Loan Amount of such Project shall be reduced on a dollar for dollar basis with the amount of such Condemnation Proceeds, (ii) notwithstanding the

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Lockout Date, Borrower may cause a Release of such Project in accordance with the terms and provisions of this Agreement and the other Loan Documents, and (iii) the Release Amount of such Project shall equal its remaining Allocated Loan Amount. In the case of any Taking, Lender, to the extent that Lender has not been reimbursed by Borrower, shall be entitled, as a first priority out of any Condemnation Proceeds, to reimbursement for all costs, fees and expenses reasonably incurred in the determination and collection of any Condemnation Proceeds. All Condemnation Proceeds deposited with Lender pursuant to this Section, until expended or applied as provided herein, shall be held in accordance with Section 3.04(b) hereof and shall constitute additional security for the payment of the Debt and the payment and performance of Borrower's obligations, but Lender shall not be deemed a trustee or other fiduciary with respect to its receipt of such Condemnation Proceeds or any part thereof. All awards so deposited with Lender shall be held by Lender in a segregated interest-bearing Eligible Account but Lender makes no representation or warranty as to the rate or amount of interest, if any, which may accrue on any such deposit and shall have no liability in connection therewith. For purposes hereof, any reference to the award shall be deemed to include interest, if any, which has accrued thereon.

ARTICLE VII
LEASING AND MANAGEMENT

Section 7.01 Leases.

(a) Borrower shall deliver copies of all Space Leases, and amendments, modifications and renewals thereof entered into after the date hereof, to Lender. All new Space Leases shall provide for rental rates comparable to then existing local market rates and terms and conditions which constitute good and prudent business practice and are consistent with prevailing market terms and conditions, and, except for Space Leases with the Manager not in excess of 4,000 square feet with respect to any Project, shall be arms-length transactions. Borrower has delivered to Lender, and Lender has approved, standard forms of Space Lease for the Projects, which provide that they are subordinate to the Loan and that the lessees thereunder will attorn to Lender.

(b) Borrower shall not enter into a proposed Major Space Lease or a proposed renewal, extension or modification (affecting monetary terms and/or

other terms that are material in nature) of an existing Major Space Lease without the prior written consent of Lender which consent shall not, so long as no Event of Default exists, be unreasonably withheld or delayed (it being agreed and acknowledged by Borrower that Lender may consider, in connection with a request for its consent under this subsection (b), inter alia, Borrower's ability to pay the anticipated tenant improvement costs and leasing commissions); provided, however, that with respect to any existing Major Space Lease, the foregoing shall not be deemed to limit the right of any tenant to extend or renew its lease pursuant to any such right or option in favor of any such tenant expressly set forth in its Lease. Any request by Borrower for Lender's approval of a proposed Major Space Lease shall be in writing and shall be accompanied by a copy of such proposed Major Space Lease, together with a summary of the material terms thereof (including, but not limited to, the proposed tenant improvement costs and leasing commissions) and a copy of such proposed lease as blacklined to show changes from the Standard Lease Form approved

by Lender. Lender shall approve or disapprove each proposed Major Space Lease or proposed renewal, extension or modification of an existing Major Space Lease for which Lender's approval is required under this Agreement within ten (10) Business Days after the submission by Borrower to Lender of such written request for such approval, after which such proposed Major Space Lease shall be deemed to have been approved by Lender. If requested by Borrower, within five (5) Business Days after request therefor, Lender will grant conditional approval of proposed Major Space Leases or proposed renewals, extensions or modifications of existing Major Space Leases based upon the initial summary of material terms, provided that Lender shall retain the right to disapprove any such proposed Major Space Lease or proposed renewal, extension or modification of an existing Major Space Lease, if subsequent to any preliminary approval material changes are made to the terms previously approved by Lender, or additional material terms are added that had not previously been considered and approved by Lender in connection with such proposed Major Space Lease or proposed renewal, extension or modification of an existing Major Space Lease or if the form of proposed Major Space Lease reflects material revisions to the Standard Lease Form that are not either (y) required to reflect the approved terms and conditions of the proposed Major Space Lease or (z) consistent with changes then being made generally to lease documents in the then current leasing market for comparable space in similar buildings in the locale of the Project in question. If requested by Borrower with respect to a tenant (i) under a proposed Major Space Lease, and/or (ii) that is a "national" or "credit" tenant, Lender agrees to enter into its standard form of Subordination, Non-disturbance and Attornment agreement with such tenant, with such revisions to such form as are requested by the proposed tenant and are reasonably acceptable to Lender.

(c) Any new Space Lease or renewal, amendment and modification of any existing Space Lease that does not constitute a Major Space Lease shall not be subject to the prior approval of Lender; provided that (i) No Event of Default exists; (ii) the proposed Space Lease shall be written substantially in accordance with the standard form of Space Lease approved by Lender with respect to the applicable Project, subject to arms-length negotiated terms in accordance with reasonable commercial practices, (iii) the proposed Space Lease provide for rental rates comparable to then existing local market rates and terms and conditions which constitute good and prudent business practice and are consistent with prevailing market terms and conditions and (iv) shall have a term (together with all renewal options) of not greater than fifteen years.

(d) Borrower (i) shall observe and perform all of its material obligations under the Leases pursuant to applicable Legal Requirements and shall not do or permit to be done anything to impair the value of the Space Leases as security for the Debt; (ii) shall promptly send copies to Lender of all material notices of default which Borrower shall receive under the Space Leases; (iii) shall, consistent with the Approved Manager Standard, enforce the material terms, covenants and conditions contained in the Space Leases to be observed or performed; (iv) shall not collect any of the Rents under the Space Leases more than one (1) month in advance (except that Borrower may collect in advance such security deposits as are permitted pursuant to applicable Legal Requirements and are commercially reasonable in the prevailing market); (v) shall not execute any other assignment of lessor's interest in the Space Leases or the Rents except as otherwise expressly permitted pursuant to this Agreement; (vi) shall not cancel or terminate any of the Space Leases or accept a surrender thereof in any manner inconsistent with the Approved Manager Standard; (vii) shall not convey, transfer or suffer or permit a conveyance

or transfer of all or any part of the Projects or the Improvements or of any interest therein so as to effect a merger of the estates and rights of, or a termination or diminution of the obligations of, lessees thereunder; (viii) shall not, without Lender's prior written approval (not to be unreasonably withheld, conditioned or delayed) alter, modify or change the material terms of any guaranty of any Major Space Lease or cancel or terminate any such guaranty; (ix) shall, in accordance with the Approved Manager Standard, make all reasonable efforts to seek lessees for space as it becomes vacant and enter into Space Leases in accordance with the terms hereof; (x) shall not, without Lender's prior written approval (not to be unreasonably withheld, conditioned or delayed) materially modify, alter or amend any Major Space Lease or Property Agreement; and (xi) shall, without limitation to any other provision hereof, execute and deliver at the request of Lender all such further assurances, confirmations and assignments in connection with the Projects as are required herein and as Lender shall from time to time reasonably require.

(e) All security deposits of lessees, whether held in cash or any other form, shall be treated by Borrower as trust funds, but shall not be commingled with any other funds of Borrower and, if cash, shall be deposited by Borrower in the Security Deposit Account. Any bond or other instrument which Borrower is permitted to hold in lieu of cash security deposits under applicable Legal Requirements shall be maintained in full force and effect unless replaced by cash deposits as hereinabove described, shall be issued by a Person reasonably satisfactory to Lender, shall, if permitted pursuant to Legal Requirements, at Lender's option, name Lender as payee or mortgagee thereunder or be fully assignable to Lender and shall, in all respects, comply with applicable Legal Requirements and otherwise be reasonably satisfactory to Lender. Borrower shall, upon request, provide Lender with evidence reasonably satisfactory to Lender of Borrower's compliance with the foregoing. Following the occurrence and during the continuance of any Event of Default, Borrower shall, upon Lender's request, if permitted by applicable Legal Requirements, turn over the security deposits (and any interest thereon) to Lender to be held by Lender in accordance with the terms of this Agreement, the Leases and all Legal Requirements.

Section 7.02 Management of Projects.

(a) Borrower shall manage the Projects or cause the Projects to be managed in accordance with the Approved Manager Standard.

(b) Borrower covenants and agrees with Lender that (i) each Project will be managed by Manager pursuant to the management agreements in effect, as of the date hereof, which are hereby approved by Lender (collectively, the "Initial Management Agreement"), until such time as the Initial Management Agreement is replaced, as more particularly described in subsection (c) below, (ii) after Borrower has knowledge of a fifty percent (50%) or more change in the ultimate beneficial control of the ownership of Manager, Borrower will promptly give Lender notice thereof (a "Manager Control Notice") and (iii) the Management Agreement may be terminated by Lender at any time (A) for cause (including, but not limited to, Manager's gross negligence, misappropriation of funds, willful misconduct or fraud), or (B) during the existence of an Event of Default, or (C) following the receipt of a Manager Control Notice, or (D) that the Manager has defaulted in its obligations beyond any applicable notice and cure period as set forth in the Management Agreement, or (E) after the Manager takes an action or becomes the subject of an action taken as to it that is described in Section 13.01(h) or (i) hereof, but without

giving effect to the qualifying proviso in Section 13.01(i), and a substitute managing agent satisfying the Approved Manager Standard shall be appointed by Borrower. Borrower may from time to time appoint a successor manager to manage the Projects, provided that any such successor manager shall be a reputable management company which meets the Approved Manager Standard or is an Affiliate of Borrower. Borrower further covenants and agrees that Borrower shall require Manager (or any successor managers) to maintain at all times during the term of the Loan worker's compensation insurance as required by Governmental Authorities.

(c) Borrower covenants and agrees that, within sixty (60) days after the date hereof, Borrower will (i) enter into replacement management agreements for the Projects with Manager, which replacement management agreements will be in form and substance reasonably acceptable to Lender and shall be submitted to Lender for its reasonable approval not less than five (5) Business Days prior to the date of execution (such replacement management agreements, together with the Initial Management Agreement, collectively, the "Management Agreement"), and (ii) enter into and cause Manager to enter into, for the benefit of Lender, a consent and subordination agreement in the form executed and delivered by Manager and Borrower to Lender on the date hereof.

ARTICLE VIII

MAINTENANCE AND REPAIR

Section 8.01 Maintenance and Repair of the Projects; Alterations; Replacement of Equipment Borrower hereby covenants and agrees:

(a) Borrower shall not (i) desert or abandon any Project, (ii) change the use of any Project or cause or permit the use or occupancy of any part of any Project to be discontinued if such discontinuance or use change would violate any zoning or other law, ordinance or regulation; (iii) consent to or seek any lowering of the zoning classification, or greater zoning restriction affecting any Project; or (iv) take any steps whatsoever to convert any Project, or any portion thereof, to a condominium or cooperative form of ownership.

(b) Borrower shall, at its expense, (i) take good care of all of the Projects including grounds generally, and utility systems and sidewalks, roads, alleys, and curbs therein, and shall keep the same in good, safe and insurable condition and in all material respects in compliance with all applicable Legal Requirements, (ii) promptly make all repairs to the Projects, above grade and below grade, interior and exterior, structural and nonstructural, ordinary and extraordinary, unforeseen and foreseen, and maintain the Projects in a manner appropriate for the facility and (iii) not commit or suffer to be committed any waste of the Projects or do or suffer to be done anything which will increase the risk of fire or other hazard to any of the Projects or impair the value thereof. Borrower shall keep the sidewalks, vaults, gutters and curbs comprising, or adjacent to, each of the Projects, clean and free from dirt, snow, ice, rubbish and obstructions. All repairs made by Borrower shall be made with first-class materials, in a good and workmanlike manner, shall be equal or better in quality to the original work and shall comply with all applicable Legal Requirements and Insurance Requirements. To the extent any of the above obligations are obligations of tenants under Space Leases or other Persons under Property Agreements, Borrower may fulfill its obligations hereunder by causing

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such tenants or other Persons, as the case may be, to perform their obligations thereunder. As used herein, the terms "repair" and "repairs" shall be deemed to include all necessary replacements.

(c) Borrower shall not demolish, remove, construct, or, except as otherwise expressly provided herein, restore, or alter any of the Projects or any portion thereof; nor consent to or permit any such demolition, removal, construction, restoration, addition or alteration which would diminish the value of the Projects. Borrower may, without Lender's consent, perform alterations to the Improvements and Equipment which (i) do not constitute a Material Alteration (as hereinafter defined), (ii) could not reasonably be expected to have a Material Adverse Effect on the applicable Project or to Borrower and (iii) are in the ordinary course of Borrower's business. Borrower shall not perform any Material Alteration without Lender's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed; provided, however, Lender reserves the right to condition its consent to any Material Alteration on the following: (i) such conditions as would be required by a prudent interim construction lender, including, but not limited to, the prior approval by Lender of plans and specifications, construction budgets and the furnishing to Lender of evidence regarding funds, permits and insurance, in form and substance reasonably satisfactory to Lender; and (iii) Mortgagor's agreement to pay all fees, costs and expenses reasonably incurred by Mortgagee in granting such consent, including, without limitation, reasonable attorneys' fees and expenses. As used herein, "Material Alteration" shall mean any alteration affecting structural elements of the applicable Project the cost of which exceeds \$500,000; provided, however, that in no event shall (i) any Required Engineering Work, (ii) any Recurring Replacement Expenditures, (iii) any Reletting Expenditures or (iv) alterations performed as part of a restoration after a Casualty or Condemnation, constitute a Material Alteration.

(d) Borrower represents and warrants to Lender that (i) there are no fixtures, machinery, apparatus, tools, equipment or articles of personal property attached or appurtenant to, or located on, or used by Borrower in connection with the management, operation or maintenance of the Projects, except for the Equipment and Fixtures and equipment leased by Borrower for the management, operation or maintenance of the Projects in accordance with the Loan Documents; (ii) the Equipment, Fixtures and the leased equipment constitute all of the fixtures, machinery, apparatus, tools, equipment and articles of personal property necessary to the proper operation and maintenance of the Projects; and (iii) all of the Equipment and Fixtures are free and clear of all liens, except for the lien of the Mortgage(s) and the Permitted Encumbrances, and except for such indebtedness as is permitted pursuant to Section 2.02(g) (viii) hereof. All right, title and interest of Borrower in and to all extensions, improvements, betterments, renewals and appurtenances to the Projects hereafter acquired by, or released to, Borrower or constructed, assembled or placed by Borrower in the Projects, and all changes and substitutions of the security constituted thereby, shall be and, in each such case, without any further mortgage, encumbrance, conveyance, assignment or other act by Lender or Borrower, shall become subject to the lien and security interest of this Agreement as fully and completely, and with the same effect, as though now owned by Borrower and specifically described in this Agreement, but at any and all times Borrower shall execute and deliver to Lender any documents Lender may reasonably deem necessary or appropriate for the purpose of specifically subjecting the same to the lien and security interest of this Agreement.

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(e) Notwithstanding the provisions of this Agreement to the contrary, Borrower shall have the right, at any time and from time to time, to remove and dispose of Equipment which may have become obsolete or unfit for use or which is no longer useful in the management, operation or maintenance of the Projects. Borrower shall promptly replace any such Equipment so disposed of or removed with other Equipment of equal value and utility, free of any security interest or superior title, liens or

claims (except for such purchase money security interests granted by Borrower, provided the same are permitted pursuant to Section 2.02(g)(viii) hereof); except that, if by reason of technological or other developments, replacement of the Equipment so removed or disposed of is not necessary or desirable for the proper management, operation or maintenance of the Projects, Borrower shall not be required to replace the same. All such replacements or additional equipment shall be deemed to constitute "Equipment" and shall be covered by the security interest herein granted.

ARTICLE IX

TRANSFER OR ENCUMBRANCE OF THE PROJECTS

Section 9.01 Other Encumbrances. Borrower shall not further encumber or permit the further encumbrance in any manner (whether by grant of a pledge, security interest or otherwise) of the Projects or any part thereof or interest therein, including, without limitation, of the Rents therefrom. In addition, Borrower shall not further encumber and shall not permit the further encumbrance in any manner (whether by grant of a pledge, security interest or otherwise) of Borrower or any direct or indirect interest in Borrower, except for the Permitted MCRLP Financing, if any, and as expressly permitted pursuant to this Agreement.

Section 9.02 No Transfer. Borrower acknowledges that Lender has examined and relied on the expertise of Borrower, MCC and SLG, in owning and operating properties such as the Projects in agreeing to make the Loan and will continue to rely on Borrower's ownership of the Projects as a means of maintaining the value of the Projects as security for repayment of the Debt and Borrower acknowledges that Lender has a valid interest in maintaining the value of the Projects. Borrower shall not Transfer, nor permit any Transfer, other than a Permitted Transfer, without the prior written consent of Lender, which consent Lender may withhold in its sole and absolute discretion. Lender shall not be required to demonstrate any actual impairment of its security or any increased risk of default hereunder in order to declare the Debt immediately due and payable upon a Transfer, other than a Permitted Transfer, without Lender's consent. This provision shall apply to every Transfer other than a Permitted Transfer, regardless of whether voluntary or not, or whether or not Lender has consented to any previous Transfer.

Section 9.03 Due on Sale. Lender may declare the Debt immediately due and payable upon any Transfer, other than a Permitted Transfer, without Lender's consent without regard to whether any impairment of its security or any increased risk of default hereunder can be demonstrated. This provision shall apply to every Transfer, other than a Permitted Transfer, of the Projects or any part thereof or interest in the Projects or in Borrower or Sole Member regardless of whether voluntary or not, or whether or not Lender has consented to any previous Transfer of the Projects or interest in Borrower or Sole Member.

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Section 9.04 Transfer of Projects: Loan Assumption. Notwithstanding the foregoing set forth in Sections 9.02 and 9.03, neither Lender's consent nor a Rating Comfort Letter shall be required for, and Borrower shall have the one-time right to effect, a sale or transfer of (a) fee title to all of the Projects or (b) 100% of the direct and/or indirect ownership interests in the Borrower, in either case in a single transaction ("Special Transfer") to a Qualified Transferee, provided that Borrower satisfies the following conditions:

- (i) no Event of Default or event which with the giving of notice or the passage of time would constitute an Event of Default shall have occurred and remain uncured;
- (ii) Lender shall have received from Borrower not less than thirty (30) days' prior written notice of the proposed sale or transfer;
- (iii) Lender shall have received information satisfactory to it regarding such Qualified Transferee's compliance with the Patriot Act;
- (iv) such Qualified Transferee and its property manager shall have sufficient experience in the ownership and management of properties similar to the Projects, and Lender shall be provided with reasonable evidence thereof (and Lender reserves the right to reasonably withhold approval of the substitution of the property manager);
- (v) such Qualified Transferee shall have executed and delivered to Lender an assumption agreement in form and substance acceptable to Lender, evidencing such Qualified Transferee's agreement to abide and be bound by the terms of the Note, the Mortgage and the other Loan Documents, together with such legal opinions and title insurance endorsements as may be reasonably requested by Lender;
- (vi) Lender shall have received evidence satisfactory to it (which shall include a legal non-consolidation opinion reasonably acceptable to (A) prior to a Secondary Market Transaction, Lender or (B) after a Secondary Market Transaction, the Rating Agency) that the single-purpose nature and bankruptcy remoteness of Borrower and its shareholders, partners or members, as the case may be, following such transfers are in accordance with the standards of the Rating Agency;
- (vii) Lender shall have received on or prior to the date of the sale or transfer (A) an application fee in the amount of \$5,000.00 and (B) the payment of all actual out-of-pocket costs and expenses incurred by Lender and, if applicable, the Rating Agency, in connection with such assumption (including reasonable attorneys' fees and costs);
- (viii) such Qualified Transferee is a Single Purpose Entity that complies with the representations and covenants set forth in Section 2.02(g), Section 2.02(t) and Section 2.02(w) hereof;

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- (ix) Borrower and the Qualified Transferee execute and cause to be filed in such public records as Lender deems appropriate, without any cost or expense to Lender, new financing statements or financing statement amendments and any additional documents reasonably requested by Lender to grant, reaffirm or continue the liens and security interests held by Lender under the Loan Documents;
- (x) Borrower causes to be delivered to Lender, without any cost or expense to Lender, such property and liability insurance endorsements or certificates and other similar materials as Lender may reasonably deem necessary at the time of the Special Transfer, all in form and substance reasonably satisfactory to Lender;
- (xi) Borrower executes and delivers to Lender, without any cost or expense to Lender, a release of Lender, its officers, directors, employees and agents, from all claims and liability relating to the transactions evidenced by the Loan Documents through and including the date of the closing of the Special Transfer, which agreement shall be in form and substance reasonably satisfactory to Lender and shall be binding upon the Qualified Transferee;
- (xii) Subject to the provisions of Section 18.32 hereof, such Special Transfer is not construed so as to relieve Borrower of any personal liability under the Note or any of the other Loan Documents for any acts or events occurring or obligations arising prior to or simultaneously with the closing of such Special Transfer and Borrower executes, without any cost or expense to Lender, such documents and agreements as Lender shall reasonably require to evidence and effectuate the ratification of said personal liability. Borrower shall be released from and relieved of any personal liability under the Note or any of the other Loan Documents for any acts or events occurring or obligations arising after the closing of such Special Transfer which are not caused by or arising out of any acts or events occurring or obligations arising prior to or simultaneously with the closing of such Special Transfer;
- (xiii) An Acceptable Substitute Guarantor shall have assumed the Guaranty or shall have executed a replacement guaranty substantially similar to the Guaranty and such successor Guarantor executes such documents as may be reasonably required by Lender to evidence such assumption. The original Guarantor shall be released from and relieved of any of its obligations under any indemnity or guaranty executed in connection with the Loan for any acts or events occurring or obligations arising after the closing of such Special Transfer which are not caused by or arising out of any acts or events occurring or obligations arising prior to or simultaneously with the closing of such Special Transfer;

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- (xiv) the Qualified Transferee shall assume the obligations of Borrower under any management agreements pertaining to the Projects, or shall cause the new manager and management agreement to satisfy the requirements of Section 7.02 hereof, as applicable;
 - (xv) the Qualified Transferee shall furnish an opinion of counsel reasonably satisfactory to Lender that the acquisition of the Projects and the assumption of the Loan and the Loan Documents by Qualified Transferee and, to the extent applicable, successor Guarantor, were validly authorized, and duly executed and delivered, and constitute the legal, valid and binding obligations of Qualified Transferee and such successor Guarantor, enforceable against each of them in accordance with their respective terms, and with respect to such other matters as Lender may reasonably require;
 - (xvi) the Qualified Transferee shall provide Lender with fully executed copies of (A) deeds covering the Projects, (B) bills of sale covering the personal property with respect to each Project and (C) assignments and assumption agreements (in respect of the Leases) in form and substance reasonably satisfactory to Lender; and
 - (xvii) Buyer shall provide Lender a Rate Cap Agreement reasonably satisfactory to Lender and satisfying the provisions of Section 5.10 hereof (in which case Lender shall release the Borrower's then-existing Rate Cap Agreement to Borrower), which requirement may also be satisfied by the assumption by Buyer of the Rate Cap Agreement in place on the date hereof or any extension or replacement thereof delivered pursuant to Section 5.10 hereof.

ARTICLE X

CERTIFICATES

Section 10.01 Estoppel Certificates.

(a) After request by Lender, Borrower, within fifteen (15) days and at its expense, will furnish Lender with a statement, duly acknowledged and certified, setting forth (i) the amount of the original principal amount of the Note, and the unpaid principal amount of the Note, (ii) the rate of interest of the Note, (iii) the date payments of interest and/or principal were last paid, (iv) any offsets or defenses to the payment of the Debt, and if any are alleged, the nature thereof, (v) that the Note and this Agreement have not been modified or if modified, giving particulars of such modification and (vi) no Default by Borrower exists or if such Default by Borrower exists, the nature thereof, the period of time it has existed, and the action being taken to remedy such Default.

(b) Within fifteen (15) days after written request by Borrower, Lender shall furnish to Borrower a written statement confirming (i) the amount of the Debt, (ii) the maturity

date of the Note, (iii) the date to which interest has been paid, and (iv) whether, to Lender's knowledge, there exist any uncured Events of Default for which Lender has provided written notice. Lender agrees to provide such statement regardless of whether any notice of an uncured Event of Default has been delivered to Borrower.

(c) Borrower shall use all commercially reasonable efforts to obtain estoppel certificates from tenants in form and substance reasonably acceptable to Lender or as required under a tenant's Space Lease, upon the reasonable request of Lender, provided, that, Borrower shall not be required to request such estoppel certificates from tenants more than twice in the calendar year that the Lender anticipates including the Loan in a Secondary Market Transaction or once per year in any other calendar year.

ARTICLE XI

NOTICES

Section 11.01 Notices. Any notice, demand, statement, request or consent made hereunder shall be in writing and delivered personally or sent to the party to whom the notice, demand or request is being made by Federal Express or other nationally recognized overnight delivery service, as follows and shall be deemed given when delivered personally or one (1) Business Day after being deposited with Federal Express or such other nationally recognized delivery service:

If to Lender: To Lender, at the address first written above,

with a copy to:

Solomon and Weinberg LLP
900 Third Avenue
New York, New York 10022
Attention: Gary S. Kleinman, Esq.

If to Borrower: To Borrower, at the address first written above,

with a copy to:

Greenbaum Rowe Smith & Davis LLP
99 Wood Avenue South
Iselin, New Jersey 08830
Attention: Martin Dollinger, Esq.

with a further copy to :

Greenberg Traurig LLP
200 Park Avenue
New York, New York 10166
Attention: Joseph Kishel, Esq.

or such other address as either Borrower or Lender shall hereafter specify by not less than ten (10) days prior written notice as provided herein: provided, however, that notwithstanding any provision of this Article to the contrary, such notice of change of address shall be deemed given only upon actual receipt thereof. Rejection or other refusal to accept or the inability to deliver because of changed addresses of which no notice was given as herein required shall be deemed to be receipt of the notice, demand, statement, request or consent.

ARTICLE XII

INDEMNIFICATION

Section 12.01 Indemnification Covering Projects. In addition, and without limitation of any other provision of this Agreement or any other Loan Document, Borrower shall protect, indemnify and save harmless Lender and its successors and assigns, and each of their agents, employees, officers, directors, stockholders, partners and members (collectively, "Indemnified Parties") for, from and against any claims, demands, penalties, fines, liabilities, settlements, losses damages, fees, costs and expenses of whatever kind or nature, known or unknown, contingent or otherwise, whether incurred or imposed within or outside the judicial process, including, without limitation, reasonable attorneys' fees and disbursements imposed upon or incurred by or asserted against any of the Indemnified Parties (collectively, "Liabilities") by reason of (a) ownership of this Agreement, the Assignment, the Projects or any part thereof or any interest therein or receipt of any Rents; (b) any accident, injury to or death of any person or loss of or damage to property occurring in, on or about the Projects or any part thereof or on the adjoining sidewalks, curbs, parking areas, streets or ways; (c) any use, nonuse or condition in, on or about, or possession, alteration, repair, operation, maintenance or management of, the Projects or any part thereof or on the adjoining sidewalks, curbs, parking areas, streets or ways; (d) any failure on the part of Borrower to perform or comply with any of the terms of this Agreement or the Assignment; (e) performance of any labor or services or the furnishing of any materials or other property in respect of the Projects or any part thereof; (f) any claim by brokers, finders or similar Persons claiming to be entitled to a commission in connection with any Lease or other transaction involving the Projects or any part thereof; (g) any Imposition including, without limitation, any Imposition attributable to the execution, delivery, filing, or recording of any Loan Document, Lease or memorandum thereof; (h) any lien or claim arising on or against the Projects or any part thereof under any Legal Requirement or any liability asserted against any of the Indemnified Parties with respect thereto; (i) any claim arising out of or in any way relating to any tax or other imposition on the making and/or recording of this Agreement, the Note or any of the other Loan Documents; (j) a Default under Sections 2.02(f) or 2.02(g) hereof, (k) the failure of any Person to file timely with the Internal Revenue Service an accurate Form 1099-B, Statement for Recipients of Proceeds from Real Estate, Broker and Barter Exchange Transactions, which may be required in connection with the Loan, or to supply a copy thereof in a timely fashion to the recipient of the proceeds of the Loan; or (l) the claims of any lessee or any Person acting through or under any lessee or otherwise arising under or as a consequence of any Lease. Notwithstanding the foregoing provisions of this Section 12.01 to the contrary, Borrower shall have no obligation to indemnify the Indemnified Parties pursuant to this Section 12.01 for liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses relative to the foregoing which

or gross negligence. Any amounts payable to Lender by reason of the application of this Section 12.01 shall constitute a part of the Debt secured by this Agreement and the other Loan Documents and shall become immediately due and payable and shall bear interest at the Default Rate from the date the liability, obligation, claim, cost or expense is sustained by Lender, as applicable, until paid. The provisions of this Section 12.01 shall survive the termination of this Agreement whether by repayment of the Debt, foreclosure or delivery of a deed in lieu thereof, assignment or otherwise. In case any action, suit or proceeding is brought against any of the Indemnified Parties by reason of any occurrence of the type set forth in (a) through (l) above, Borrower shall, at Borrower's expense, resist and defend such action, suit or proceeding or will cause the same to be resisted and defended by counsel at Borrower's expense for the insurer of the liability or by counsel designated by Borrower (unless reasonably disapproved by Lender promptly after Lender has been notified of such counsel); provided, however, that nothing herein shall compromise the right of Lender (or any other Indemnified Party) to appoint its own counsel at Borrower's expense for its defense with respect to any action which, in the reasonable opinion of Lender or such other Indemnified Party, as applicable, presents a conflict or potential conflict between Lender or such other Indemnified Party that would make such separate representation advisable. Any Indemnified Party will give Borrower prompt notice after such Indemnified Party obtains actual knowledge of any potential claim by such Indemnified Party for indemnification hereunder. The Indemnified Parties shall not settle or compromise any action, proceeding or claim as to which it is indemnified hereunder without notice to Borrower.

ARTICLE XIII

DEFAULTS

Section 13.01 Events of Default. The Debt shall become immediately due at the option of Lender upon any one or more of the following events (Event of Default):

- (a) if the final payment due under the Note shall not be paid on Maturity or earlier prepayment of the Loan, as the case may be;
- (b) if any monthly payment of interest and/or principal due under the Note (other than the sums described in (a) above) shall not be fully paid on the date upon which the same is due and payable thereunder;
- (c) if payment of any sum (other than the sums described in (a) above or (b) above) required to be paid pursuant to the Note, this Agreement or any other Loan Document shall not be paid within five (5) Business Days after Lender delivers written notice to Borrower that payment of same was not made timely thereunder or hereunder;
- (d) if Borrower, Sole Member or Guarantor shall institute or cause to be instituted any proceeding for the termination or dissolution of Borrower or Sole Member;
- (e) if the insurance policies required hereunder are not kept in full force and effect, or if the insurance policies or certificates evidencing such insurance policies (in form and substance reasonably satisfactory to Lender) are not assigned and delivered to Lender as herein required for five (5) Business Days after notice from Lender;

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- (f) if Borrower attempts to assign its rights under this Agreement or any other Loan Document or any interest herein or therein, or if any Transfer occurs other than a Permitted Transfer or other Transfer permitted in accordance with the provisions hereof;
 - (g) if any representation or warranty of Borrower or Guarantor made herein or in any other Loan Document or in any certificate, report, financial statement or other instrument or agreement furnished to Lender shall prove false or misleading in any material and adverse respect;
 - (h) if Borrower or Sole Member shall make an assignment for the benefit of creditors or shall admit in writing its inability to pay its debts generally as they become due;
 - (i) if a receiver, liquidator or trustee of Borrower or Sole Member shall be appointed or if Borrower or Sole Member shall be adjudicated bankrupt or insolvent, or if any petition for bankruptcy, reorganization or arrangement pursuant to federal bankruptcy law, or any similar federal or state law, shall be filed by or against, consented to, or acquiesced in by, Borrower or Sole Member or if any proceeding for the dissolution or liquidation of Borrower or Sole Member shall be instituted; however, if such appointment, adjudication, petition or proceeding was involuntary and not consented to by Borrower or Sole Member, as applicable, upon the same not being discharged, stayed or dismissed within ninety (90) days or if Borrower or Sole Member shall generally not be paying its debts as they become due.
 - (j) if Borrower shall be in default beyond any notice or grace period, if any, under any mortgage or deed of trust or security agreement covering any part of the Projects other than the Mortgages (and other than the first mortgage on the Livingston Project), without regard to its priority relative to the Mortgages; provided, however, this provision shall not be deemed a waiver of the provisions of Article IX prohibiting further encumbrances affecting the Projects or any other provision of this Agreement;
 - (k) if a Project becomes subject (i) to any lien which is superior to the lien of the applicable Mortgage, other than a lien for real estate taxes and assessments not due and payable, or (ii) to any mechanic's, materialman's or other lien which is or is asserted to be superior to the lien of such Mortgage, and such lien shall remain undischarged (by payment, bonding, or otherwise) for thirty (30) days unless contested in accordance with the terms hereof;
 - (l) if Borrower abandons a Project;
 - (m) except as permitted in this Agreement, Borrower undertakes any Material Alteration of any of the Improvements without the prior consent of Lender;
 - (n) if Borrower consummates a transaction which would cause this Agreement or Lender's rights under this Agreement, the Note or any other Loan Document to constitute a non-exempt prohibited transaction under ERISA or result in a violation of a state statute regulating government plans subjecting Lender to liability

for a violation of ERISA or a state statute;

- (o) if Borrower shall be in default under Section 2.12(d) hereof, beyond all applicable notice, grace and cure periods therein contained;

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(p) if Borrower or Sole Member shall fail to be in compliance with Section 2.02(g) hereof; provided, however, that a breach of any covenant contained in Section 2.02(g) hereof shall not constitute an Event of Default if (i) such breach was inadvertent, immaterial and non-recurring, (ii) such breach is curable and Borrower shall promptly cure such breach within fifteen (15) Business Days of notice from Lender and (iii) within fifteen (15) Business Days of the request by Lender, Borrower causes counsel to deliver to Lender a revised or updated substantive legal non-consolidation opinion to the effect that such breach shall not in any material manner impair, negate or amend the opinions rendered in the non-consolidation opinion delivered in connection with the closing of the Loan, which opinion and counsel shall be acceptable to Lender in its reasonable discretion;

(q) if at any time a Rate Cap Agreement fails to be obtained or maintained in accordance with the terms hereof and Borrower has not cured such failure within seven (7) Business Days after notice from Lender; or

(r) if a default shall occur under any of the other terms, covenants or conditions of the Note, this Agreement or any other Loan Document, other than as set forth in (a) through (q) above, for ten (10) days after notice from Lender in the case of any default which can be cured by the payment of a sum of money, or for thirty (30) days after notice from Lender in the case of any other default or an additional one hundred fifty (150) days if Borrower is diligently and continuously effectuating a cure of a curable non-monetary default, other than as set forth in (a) through (q) above.

Section 13.02 Remedies.

(a) Upon the occurrence and during the continuance of any Event of Default, Lender may, in addition to any other rights or remedies available to it hereunder or under any other Loan Document, at law or in equity, take such action, without notice or demand, as it reasonably deems advisable to protect and enforce its rights against Borrower and in and to the Projects including, but not limited to, the following actions, each of which may be pursued singly, concurrently or otherwise, at such time and in such order as Lender may determine, in its sole discretion, without impairing or otherwise affecting any other rights and remedies of Lender hereunder, at law or in equity to declare all or any portion of the unpaid Debt to be immediately due and payable; provided, however, that upon the occurrence of any of the events specified in Section 13.01(i), the entire Debt will be immediately due and payable without notice or demand or any other declaration of the amounts due and payable. Without limiting the generality of the foregoing, Borrower agrees that if an Event of Default is continuing, (i) to the extent permitted by applicable law, Lender is not, and shall not be, subject to any "one action" or "election of remedies" law or rule, and (ii) all Liens and other rights, remedies or privileges provided to Lender shall remain in full force and effect until Lender has exhausted all of its remedies against all of the Projects, the Mortgages have been foreclosed, all of the Projects have been sold and/or otherwise realized upon in satisfaction of the Debt or the Debt has been paid in full. To the extent permitted by applicable law, nothing contained in any Loan Document shall be construed as requiring Lender to resort to any portion of the Projects for the satisfaction of any of the Debt in preference or priority to any other portion, and Lender may seek satisfaction out of any Project or all Projects, in its discretion.

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(b) During the existence of an Event of Default (but without limitation to any of Lender's rights under Section 17.08), Lender shall have the right from time to time to sever the Note and the other Loan Documents into one or more separate notes, mortgages and other security documents (and, in connection therewith, to bifurcate or otherwise modify the nature of the collateral that secures such notes) in such denominations and priorities of payment and liens as Lender shall determine in its discretion for purposes of evidencing and enforcing its rights and remedies. Borrower shall execute and deliver to Lender from time to time, promptly after the request of Lender, a severance agreement and such other documents as Lender shall request in order to effect the severance described in the preceding sentence, all in form and substance reasonably satisfactory to Lender. Borrower hereby absolutely and irrevocably appoints Lender as its true and lawful attorney, coupled with an interest, in its name and stead to make and execute all documents necessary or desirable to effect such severance in accordance with the foregoing, Borrower ratifying all that such attorney shall do by virtue thereof.

(c) No delay or omission to exercise any remedy, right or power accruing during the existence of an Event of Default, or the granting of any indulgence or compromise by Lender shall impair any such remedy, right or power hereunder or be construed as a waiver thereof, but any such remedy, right or power may be exercised from time to time and as often as may be deemed expedient. A waiver of one Default or Event of Default shall not be construed to be a waiver of any subsequent Default or Event of Default or to impair any remedy, right or power consequent thereon. Notwithstanding any other provision of this Agreement, Lender reserves the right to seek a deficiency judgment or preserve a deficiency claim in connection with the foreclosure of the Mortgages to the extent necessary to foreclose on all or any portion of the Projects, the Rents, the Sub-Accounts, the Escrow Accounts or any other collateral.

(d) If Borrower fails to perform any covenant or obligation contained herein and such failure shall continue beyond any notice and cure period, without in any way limiting Lender's right to exercise any of its rights, powers or remedies as provided hereunder, or under any of the other Loan Documents, Lender may, but shall have no obligation to, perform, or cause performance of, such covenant or obligation, and all costs, expenses, liabilities, penalties and fines of Lender incurred or paid in connection therewith shall be payable by Borrower to Lender upon demand and if not paid shall be added to the Debt (and to the extent permitted under applicable laws, secured by the Mortgage and other Loan Documents) and shall bear interest thereafter at the Default Rate. Notwithstanding the foregoing, Lender shall have no obligation to send notice to Borrower of any such failure.

Section 13.03 Payment of Debt After Default If, following the occurrence of any Event of Default, Borrower shall tender payment of an amount sufficient to satisfy the Debt in whole or in part at any time prior to a foreclosure sale of the Projects, and if at the time of such tender prepayment of the principal balance of the Note is not permitted by the Note or this Agreement (i.e., such payment is tendered prior to the Lockout Date), Borrower shall, in addition to the entire Debt, also pay to Lender a sum equal to interest which would have accrued on the principal balance of the Note at an interest rate equal to the LIBOR Margin for the Note from the date of such tender to the Maturity Date (such sum, the "Yield Maintenance Premium"). If at the time of such tender, prepayment of the principal balance of the Note is permitted (i.e., on or after the Lockout Date), such tender by Borrower shall be deemed to be a voluntary prepayment of the principal balance of the Note.

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Section 13.04 Possession of the Projects. Upon the occurrence of any Event of Default hereunder and the acceleration of the Debt or any portion thereof, Borrower, if an occupant of any Project or any part thereof, upon demand of Lender, shall immediately surrender possession of such Project(s) (or the portion thereof so occupied) to Lender, and if Borrower is permitted to remain in possession, the possession shall be as a month to month tenant of Lender and, on demand, Borrower shall pay to Lender monthly, in advance, a reasonable rental for the space so occupied and in default thereof Borrower may be dispossessed. The covenants herein contained may be enforced by a receiver of the Projects or any part thereof. Nothing in this Section 13.04 shall be deemed to be a waiver of the provisions of this Agreement making the Transfer of the Projects or any part thereof without Lender's prior written consent an Event of Default.

Section 13.05 Interest After Default. If any amount due under the Note, this Agreement or any of the other Loan Documents is not paid within any applicable notice and grace period after same is due, whether such date is the stated due date, any accelerated due date or any other date or at any other time specified under any of the terms hereof or thereof, then, in such event, Borrower shall pay interest on the amount not so paid from and after the date on which such amount first becomes due at the Default Rate; and such interest shall be due and payable at such rate until the earlier of the cure of all Events of Default or the payment of the entire amount due to Lender, whether or not any action shall have been taken or proceeding commenced to recover the same or to foreclose this Agreement. All unpaid and accrued interest shall be secured by this Agreement as part of the Debt. Nothing in this Section 13.05 or in any other provision of this Agreement shall constitute an extension of the time for payment of the Debt.

Section 13.06 Borrower's Actions After Default. After the happening of any Event of Default and immediately upon the commencement of any action, suit or other legal proceedings by Lender to obtain judgment for the Debt, or of any other nature in aid of the enforcement of the Loan Documents, Borrower will (a) after receipt of notice of the institution of any such action, waive the issuance and service of process and enter its voluntary appearance in such action, suit or proceeding, and (b) if required by Lender, consent to the appointment of a receiver or receivers of the Projects or any part thereof and of all the earnings, revenues, rents, issues, profits and income thereof.

Section 13.07 Control by Lender After Default. Notwithstanding the appointment of any custodian, receiver, liquidator or trustee of Borrower, or of any of its property, or of the Projects or any part thereof, to the extent permitted by Legal Requirements, Lender shall be entitled to obtain possession and control of all property now and hereafter covered by this Agreement and the Assignment in accordance with the terms hereof.

Section 13.08 Right to Cure Defaults.

(a) During the existence of any Event of Default, Lender or its agents may, but without any obligation to do so and without notice to or demand on Borrower and without releasing Borrower from any obligation hereunder, make or do the same in such manner and to such extent as Lender may deem necessary to protect the security hereof. Lender and its agents are authorized to enter upon the Projects or any part thereof for such purposes, or appear in,

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defend, or bring any action or proceedings to protect Lender's interest in the Projects or any part thereof or to foreclose this Agreement or collect the Debt, and the cost and expense thereof (including reasonable attorneys' fees to the extent permitted by law), with interest as provided in this Section 13.08, shall constitute a portion of the Debt and shall be immediately due and payable to Lender upon demand. All such costs and expenses incurred by Lender or its agents in remedying such Event of Default or in appearing in, defending, or bringing any such action or proceeding shall bear interest at the Default Rate, for the period from the date so demanded to the date of payment to Lender. All such costs and expenses incurred by Lender or its agents together with interest thereon calculated at the above rate shall be deemed to constitute a portion of the Debt and be secured by this Agreement.

(b) If Lender makes any payment or advance that Lender is authorized by this Agreement to make in the place and stead of Borrower (i) relating to the Impositions or tax liens asserted against the Projects, Lender may do so according to any bill, statement or estimate procured from the appropriate public office without inquiry into the accuracy of the bill, statement or estimate or into the validity of any of the Impositions or the tax liens or claims thereof; (ii) relating to any apparent or threatened adverse title, lien, claim of lien, encumbrance, claim or charge, Lender will be the sole judge of the legality or validity of same; or (iii) relating to any other purpose authorized by this Agreement but not enumerated in this Section 13.08, Lender may do so whenever, in its judgment and discretion, the payment or advance seems necessary or desirable to protect the Projects and the full security interest intended to be created by this Agreement. In connection with any payment or advance made pursuant to this Section 13.08, Lender has the option and is authorized, but in no event shall be obligated, to obtain a continuation report of title prepared by a title insurance company. The payments and the advances made by Lender pursuant to this Section 13.08 and the cost and expenses of said title report will be due and payable by Borrower on demand, together with interest at the Default Rate, and will be secured by this Agreement.

Section 13.09 Late Payment Charge. If any portion of the Debt is not paid in full on or before the day on which it is due and payable hereunder, Borrower shall pay to Lender an amount equal to three percent (3%) of such unpaid portion of the Debt ("Late Charge") to defray the expense incurred by Lender in handling and processing such delinquent payment, and such amount shall constitute a part of the Debt. The Late Charge shall not apply to the payment of the Principal Amount at Maturity.

Section 13.10 Recovery of Sums Required to Be Paid. Lender shall have the right from time to time to take action to recover any sum or sums which constitute a part of the Debt as the same become due and payable hereunder (after the expiration of any grace period or the giving of any notice herein provided, if any), without regard to whether or not the balance of the Debt shall be due, and without prejudice to the right of Lender thereafter to bring an action of foreclosure, or any other action, for a default or defaults by Borrower existing at the time such earlier action was commenced.

Section 13.11 Marshalling and Other Matters. Borrower hereby waives, to the fullest extent permitted by law, the benefit of all appraisal, valuation, stay, extension, reinstatement, redemption (both equitable and statutory) and homestead laws now or hereafter in force and all rights of marshalling in the event of any sale hereunder of the Projects or any part

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thereof or any interest therein. Further, Borrower hereby expressly waives any and all rights of redemption from sale under any order or decree of foreclosure of any or all of the Mortgages on behalf of Borrower, whether equitable or statutory and on behalf of each and every Person acquiring any interest in or title to the Projects or any part thereof subsequent to the date of this Agreement and on behalf of all Persons to the fullest extent permitted by applicable law.

Section 13.12 Tax Reduction Proceedings. After an Event of Default, Borrower shall be deemed to have appointed Lender as its attorney-in-fact to seek a reduction or reductions in the assessed valuation of the Projects for real property tax purposes or for any other purpose and to prosecute any action or proceeding in connection therewith. This power, being coupled with an interest, shall be irrevocable for so long as any part of the Debt remains unpaid and any Event of Default shall exist.

Section 13.13 General Provisions Regarding Remedies

(a) Right to Terminate Proceedings. Lender may terminate or rescind any proceeding or other action brought in connection with its exercise of the remedies provided in Section 13.02 at any time before the conclusion thereof, as determined in Lender's sole discretion and without prejudice to Lender.

(b) No Waiver or Release. The failure of Lender to exercise any right, remedy or option provided in the Loan Documents shall not be deemed a waiver of such right, remedy or option or of any covenant or obligation contained in the Loan Documents. No acceptance by Lender of any payment after the occurrence of an Event of Default and no payment by Lender of any payment or obligation for which Borrower is liable hereunder shall be deemed to waive or cure any Event of Default. No sale of all or any portion of the Projects, no forbearance on the part of Lender, and no extension of time for the payment of the whole or any portion of the Debt or any other indulgence given by Lender to Borrower or any other Person, shall operate to release or in any manner affect the interest of Lender in the Projects or the liability of Borrower to pay the Debt. No waiver by Lender shall be effective unless it is in writing and then only to the extent specifically stated.

(c) No Impairment; No Releases. The interests and rights of Lender under the Loan Documents shall not be impaired by any indulgence, including (i) any renewal, extension or modification which Lender may grant with respect to any of the Debt; (ii) any surrender, compromise, release, renewal, extension, exchange or substitution which Lender may grant with respect to the Projects or any portion thereof; or (iii) any release or indulgence granted to any maker, endorser, guarantor or surety of any of the Debt.

ARTICLE XIV

COMPLIANCE WITH REQUIREMENTS

Section 14.01 Compliance with Legal Requirements.

(a) Borrower shall promptly comply in all material respects with all present and future Legal Requirements, foreseen and unforeseen, ordinary and extraordinary, whether

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requiring structural or nonstructural repairs or alterations including, without limitation, all zoning, subdivision, building, safety and environmental protection, land use and development Legal Requirements, all Legal Requirements which may be applicable to the curbs adjoining the Projects or to the use or manner of use thereof, and all rent control, rent stabilization and all other similar Legal Requirements relating to rents charged and/or collected in connection with the Leases. Borrower represents and warrants that each Project is in compliance in all material respects with all Legal Requirements as of the date hereof, no notes or notices of any uncured material violations of any Legal Requirements have been entered or received by Borrower and to Borrower's knowledge, there is no basis for the entering of such note or notices.

(b) Borrower shall have the right to contest by appropriate legal proceedings diligently conducted in good faith, without cost or expense to Lender, the validity or application of any Legal Requirement and to suspend compliance therewith if permitted under applicable Legal Requirements, provided (i) failure to comply therewith may not subject Lender to any civil or criminal liability, (ii) prior to and during such contest, Borrower shall furnish to Lender security reasonably satisfactory to Lender, in its discretion, against loss or injury by reason of such contest or non compliance with such Legal Requirement, (iii) no monetary Default or Event of Default shall exist during such proceedings and such contest shall not otherwise violate any of the provisions of any of the Loan Documents, (iv) such contest shall not (unless Borrower shall comply with the provisions of clause (ii) of this Section 14.01(b)) subject the Project to any lien or encumbrance the enforcement of which is not suspended or otherwise affect the priority of the lien of the related Mortgage(s); (v) such contest shall not adversely affect the ownership, use or occupancy of the Project, other than in a *de minimis* manner; (vi) the Project or any part thereof or any interest therein shall not be in any danger of being sold, forfeited or lost by reason of such contest by Borrower; (vii) Borrower shall give Lender prompt notice of the commencement of such proceedings and, upon request by Lender, notice of the status of such proceedings and/or confirmation of the continuing satisfaction of the conditions set forth in clauses (i) - (vi) of this Section 14.01(b); and (viii) upon a final determination of such proceeding, Borrower shall take all steps necessary to comply with any requirements arising therefrom.

Section 14.02 Compliance with Recorded Documents; No Future Grants. Borrower shall promptly perform and observe or cause to be performed and observed, all of the material terms, covenants and conditions of all material Property Agreements and all things necessary to preserve intact and unimpaired any and all material appurtenances or other interests or rights affecting the Projects.

ARTICLE XV

PREPAYMENT

Section 15.01 Prepayment.

(a) Except as set forth in Section 15.01(b) hereof, no prepayment of the Debt may be made in whole or in part.

(b) Borrower may prepay the Loan, in whole or in part, as of the last day of an Interest Accrual Period only in accordance with the following provisions:

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(i) No portion of the Debt may be prepaid prior to the Lockout Date;

(ii) Lender shall have received from Borrower, not less than twenty (20) days', nor more than ninety (90) days', prior written notice specifying the date proposed for such prepayment, and the amount which is to be prepaid and whether a Release is requested in connection therewith;

(iii) Borrower shall pay to Lender all interest due through and including the last day of the Interest Accrual Period in which such prepayment is being made, together with any and all other amounts due and owing pursuant to the terms of the Note, this Agreement or the other Loan Documents;

(iv) Any partial prepayment, other than in connection with a Release, shall be in a minimum amount not less than \$1,000,000.00 and shall be in whole multiples of \$1,000 in excess thereof;

(v) Any prepayment of the Debt shall be accompanied by the Exit Fee payable with respect to the Principal Amount or portion thereof being prepaid;

(vi) Any partial prepayment of the Principal Amount other than in connection with a Release, including, without limitation, Unscheduled Payments, shall not release or relieve Borrower from the obligation to pay the regularly scheduled installments of interest becoming due under the Note;

(vii) With respect to any prepayment occurring on or after the Lockout Date, Borrower shall not be required to pay to Lender the Yield Maintenance Premium; provided, however, that any prepayment tendered prior to the Lockout Date (other than a permitted prepayment in connection with a casualty or condemnation affecting a Project) shall be deemed to constitute an express intention and attempt to evade the prohibition against prepayment prior to the Lockout Date and any such prepayment, if accepted by Lender (it being agreed and acknowledged that Lender shall have no obligation to accept any such prepayment), shall be accompanied by payment of the Yield Maintenance Premium; and

(viii) If following an Event of Default that occurs prior to the Lockout Date, payment of all or any part of the Debt is tendered by Borrower or otherwise recovered by Lender (including, without limitation, through application of any funds in any of the Escrow Accounts), such tender or recovery shall be (y) made on the next occurring Payment Date and (z) deemed a voluntary prepayment by Borrower in violation of the prohibition against prepayment set forth in Section 15.01(a) and Borrower shall pay, in addition to the Debt, the Yield Maintenance Premium.

Section 15.02 Release of Project. Borrower may obtain the release of one or more of the Projects from the lien of the applicable Mortgage and related Loan Documents (each a "Release," and "Released" shall have the meaning correlative thereto) in connection with a prepayment permitted under, and made in accordance with, Section 15.01(b), provided that such Release may not occur until after the Lockout Date; provided, further, that, in each instance, each of the following conditions shall be satisfied:

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(a) The Release shall be in connection with a sale of a Project or a Release that is permitted pursuant to this Agreement to be effected in connection with a casualty or condemnation affecting a Project;

(b) Borrower shall pay to Lender (i) all accrued and unpaid interest on the portion of the Principal Amount being prepaid pursuant to clause (ii) of this clause (b) (including, if such payment is not made on a Payment Date, interest through the end of the current Interest Accrual Period) and (ii) on account of the Principal Amount, an amount equal to the Release Amount and (iii) the Exit Fee computed by reference to the Release Amount;

(c) both immediately before such Release and immediately thereafter, no Event of Default shall exist;

(d) after giving effect to such Release and the prepayment resulting therefrom, the Debt Service Coverage Ratio shall not be less than the lesser of (i) the Debt Service Coverage Ratio immediately prior to such Release and (ii) 1.25:1.00;

(e) Reserved;

(f) the representations and warranties made in this Agreement and the other Loan Documents shall be true and correct in all material respects on and as of the date of such Release (and after giving effect to such Release);

(g) Borrower shall have accompanied its notice to Lender under Section 15.01(b)(ii) with (i) a detailed calculation of evidence of satisfaction of the condition set forth in clause (d) above, such calculations being subject to Lender's confirmation, which shall not be arbitrarily withheld (Lender hereby agreeing to notify Borrower promptly of its decision following its receipt of all items and information necessary for it to perform its review); and (ii) a copy of the applicable contract of sale (if any, and whether executed or not executed) and any related documents, and, not less than ten (10) days prior to closing of such sale, shall deliver to Lender drafts of any documents necessary to effectuate such Release (which shall be subject to Lender's approval, which shall not be unreasonably withheld);

(h) Borrower shall have paid to Lender all out-of-pocket costs and expenses (including reasonable attorneys' fees and disbursements) reasonably incurred by Lender in connection with such Release; and

(i) Borrower and Guarantor shall have executed and delivered such documents as Lender may reasonably request to confirm the continued validity of the Loan Documents and the liens thereof.

ARTICLE XVI

ENVIRONMENTAL COMPLIANCE

Section 16.01 Covenants, Representations and Warranties. (a) As to each Project, Borrower hereby represents and warrants to Lender that, as of the date hereof: (i) except as may

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be disclosed in the Environmental Report, to the best of Borrower's knowledge, information and belief, the Project is not in direct or indirect violation of any Environmental Statute; (ii) except as may be disclosed in the Environmental Report, to the best of Borrower's knowledge, information and belief, no Hazardous Materials are located on or have been handled, generated, stored, processed or disposed of on or released or discharged from the Project (including underground contamination) except for those

Hazardous Materials used by Borrower or any Tenants in the ordinary course of its business and in material compliance with all Environmental Statutes; (iii) to the best of Borrower's knowledge, information and belief, the Project is not subject to any private or governmental lien or judicial or administrative notice or action relating to Hazardous Materials; (iv) to the best of Borrower's knowledge, except as may be disclosed in the Environmental Report, there are no existing or closed underground storage tanks or other underground storage receptacles for Hazardous Materials on the Project; (v) Borrower has received no written notice of, and to the best of Borrower's knowledge and belief, there exists no investigation, action, proceeding or claim by any agency, authority or unit of government or by any third party which would result in any liability, penalty, sanction or judgment under any Environmental Statutes with respect to any condition, use or operation of the Project nor does Borrower know of any basis for such a claim; and (vi) Borrower has received no written notice of and, to the best of Borrower's knowledge and belief, there has been no claim by any party that any use, operation or condition of the Project has caused any nuisance or any other liability or adverse condition on any other property nor does Borrower know of any basis for such a claim.

(b) Borrower shall keep or cause the Project to be kept free from Hazardous Materials (except those substances used by Borrower or Tenants in the ordinary course of their respective business and in material compliance with all Environmental Statutes) and in material compliance with all Environmental Statutes, shall not install or use any underground storage tanks, shall expressly prohibit the use, generation, handling, storage, production, processing and disposal of Hazardous Materials by all Tenants (except those Hazardous Materials used in the ordinary course of such Tenant's respective business and in compliance with all Environmental Statutes), and, without limiting the generality of the foregoing, during the term of this Agreement, shall not install in the Improvements or permit to be installed in the Improvements asbestos or any substance containing asbestos.

(c) Borrower shall promptly notify Lender if Borrower shall become aware of the possible existence of any Hazardous Materials on a Project in violation of Environmental Statutes or this Agreement or if Borrower shall become aware that the Project is or may be in direct or indirect violation, in any material respect, of any Environmental Statutes. Further, promptly (but in any event within five (5) Business Days) after receipt of the same, Borrower shall deliver to Lender copies of any and all orders, notices, permits, applications, reports, and other communications, documents and instruments pertaining to the actual, alleged or potential presence or existence of any Hazardous Materials at, on, about, under, within or in connection with the Project in violation of this Agreement or any Environmental Statutes. Borrower shall, promptly and when and as required pursuant to Environmental Statutes or as reasonably required by Lender, at Borrower's sole cost and expense, take all actions as shall be reasonably necessary or advisable for the clean up of any and all portions of the Project or other affected property to which Hazardous Materials emanating from the Project have migrated (unless arising (y) directly from the gross negligence or willful misconduct of Lender or any agents, contractors or invitees of Lender or (z) from Hazardous Substances which are initially placed in, on or under (or

introduced in, on or under) the Property, by any parties other than Borrower, its Affiliates and/or their respective agents or contractors after the foreclosure, deed-in-lieu or other taking of title by Lender, its successors or assigns), including, without limitation, all investigative, monitoring, removal, containment and remedial actions in accordance with all applicable Environmental Statutes (and in all events in a manner reasonably satisfactory to Lender), and shall further pay or cause to be paid, at no expense to Lender, all clean up, administrative and enforcement costs of applicable governmental agencies which may be asserted against the Project. In the event Borrower fails to do so or commence doing same after thirty (30) days notice of such necessary clean-up and to diligently prosecute same to completion, Lender may, but shall not be obligated to, cause the Project or other affected property to which Hazardous Materials emanating from the Project have migrated to be cleaned up from any such Hazardous Materials or otherwise brought into conformance with Environmental Statutes and any and all reasonable costs and expenses incurred by Lender in connection therewith, together with Default Rate Interest thereon from the date incurred by Lender until actually paid by Borrower, shall be immediately paid by Borrower on demand and shall be secured by this Agreement and by all of the other Loan Documents securing all or any part of the indebtedness evidenced by the Note. Borrower hereby grants to Lender and its agents and employees access to the Project and a license to remove any items Lender has reasonable grounds to believe to be Hazardous Materials in violation of any Environmental Statutes or this Agreement and to do all things Lender shall deem reasonably necessary to bring the Project in conformance with Environmental Statutes. Borrower covenants and agrees, at Borrower's sole cost and expense, to indemnify, defend (at trial and appellate levels, and with attorneys, consultants and experts reasonably acceptable to Lender), and hold Lender harmless from and against any and all liens, damages, losses, liabilities, obligations, settlement payments, penalties, assessments, citations, directives, claims, litigation, demands, defenses, judgments, suits, proceedings, costs, disbursements or expenses of any kind or of any nature whatsoever (including, without limitation, reasonable attorneys', consultants' and experts' fees and disbursements actually incurred in investigating, defending, settling or prosecuting any claim, litigation or proceeding) which may at any time be imposed upon, incurred by or asserted or awarded against Lender or the Project (if and to the extent any costs imposed against the Project result in a loss to Lender), and arising directly or indirectly from or out of: (i) the presence, release or threat of release of any Hazardous Materials in violation of any Environmental Statutes or this Agreement on, in, under or affecting all or any portion of the Project or any surrounding areas to which Hazardous Materials emanating from the Project have migrated, regardless of whether or not caused by or within the control of Borrower; (ii) the violation of any Environmental Statutes relating to or affecting the Project, whether or not caused by or within the control of Borrower; (iii) the failure by Borrower to comply in all material respects with the terms and conditions of this Section 16.01; (iv) the breach of any representation or warranty contained in this Section 16.01; or (v) the enforcement of this Section 16.01, including, without limitation, the cost of assessment, containment and/or removal of any and all Hazardous Materials in violation of any Environmental Statutes or this Agreement from all or any portion of the Project or any surrounding areas to which Hazardous Materials emanating from the Project have migrated, the cost of any actions taken in response to the presence, release or threat of release of any Hazardous Materials on, in, under or affecting any portion of the Project or any surrounding areas to which Hazardous Materials emanating from the Project have migrated to prevent or minimize such release or threat of release in accordance with all Environmental Statutes, so that it does not migrate or otherwise cause or threaten danger

to present or future public health, safety, welfare or the environment, and costs incurred to comply with the Environmental Statutes in connection with all or any portion of the Project or any such surrounding areas. The indemnity set forth in this Section 16.01(c) shall also include any diminution in the value of the security afforded by the Project or any future reduction in the sales price of the Project by reason of any matter set forth in this Section 16.01(c), to the extent that a loss is actually suffered or incurred by Lender. Lender's rights under this Section shall survive payment in full of the indebtedness secured hereby and shall be in addition to all other rights of Lender under this Agreement, the Mortgage, the Note and the other Loan Documents. The foregoing indemnity in this Section 16.01(c) shall not include any costs which arise directly from (x) the gross negligence or willful misconduct of Lender or any agents, contractors or invitees of Lender, or (y) Hazardous Materials which are initially placed in, on or under the Project after the foreclosure, deed-in-lieu or other taking of title by Lender, its successors and assigns.

(d) Upon Lender's request, at any time after the occurrence and during the continuance of an Event of Default hereunder or at such other time as Lender has reasonable grounds to believe that Hazardous Materials are or have been released, stored or disposed of on or around the Project in violation of any Environmental Statutes or this Agreement or that the Project may otherwise be in violation of the Environmental Statutes, Borrower shall provide to Lender, at Borrower's sole cost and expense, an inspection or audit of the Project prepared by a hydrogeologist or environmental engineer or other appropriate consultant reasonably approved by Lender indicating the presence or absence of Hazardous Materials on the Project in violation of any Environmental Statutes or this Agreement or an inspection or audit of the Improvements prepared by an engineering or consulting firm reasonably approved by Lender indicating the presence or absence of friable asbestos or substances containing asbestos on the Project. If Borrower fails to provide such inspection or audit within forty-five (45) days after such request, Lender may, upon notice to Borrower, order the same, and Borrower hereby grants to Lender and its employees and agents access to the Project and a license to undertake such inspection or audit. The cost of such inspection or audit, together with Default Rate Interest thereon from the date incurred by Lender until actually paid by Borrower, shall be immediately due and payable to Lender by Borrower on demand and shall be secured hereby and by all of the other Loan Documents securing all or any part of the indebtedness evidenced by the Note.

(e) In the event of a conflict or inconsistency between any provision of this Agreement and any provision of the Hazardous Substances Indemnity Agreement, the provision that affords to Lender the greatest protection and/or broadest rights and remedies shall be controlling.

(f) If, at any time hereafter, Borrower or Lender acquires knowledge or reasonably suspects that lead based paint is present on the Project, Borrower agrees, at its sole cost and expense and within thirty (30) days thereafter, to cause to be prepared a lead based paint report prepared by an expert, and in form, scope and substance, reasonably acceptable to Lender.

(g) Borrower agrees that if it has been, or if at any time hereafter it is, determined that the Project contains lead based paint, on or before thirty (30) days following (i) the date hereof, if such determination was made prior to the date hereof or (ii) such determination, if such determination is hereafter made, as applicable, Borrower shall, at its sole

cost and expenses, develop and implement, and thereafter diligently and continuously carry out (or cause to be developed and implemented and thereafter diligently and continually to be carried out), an operations, abatement and maintenance plan for the lead based paint on the Project, which plan shall be prepared by an expert, and be in form, scope and substance, reasonably acceptable to Lender (together with any Lead Based Paint Report, the “O&M Plan”). (If an O&M Plan has been prepared prior to the date hereof, Borrower agrees to diligently and continually carry out (or cause to be carried out) the provisions thereof). Compliance with the O&M Plan shall require or be deemed to require, without limitation, the proper preparation and maintenance of all records, papers and forms required under the Environmental Statutes.

(h) With respect to any Project, the Environmental Report for which states that such Project contains asbestos containing materials (“ACM’s”), Borrower covenants and agrees to institute, within thirty (30) days after the date hereof, an operations and maintenance program (the “Maintenance Program”) designed by an environmental consultant, reasonably satisfactory to the Lender, consistent with “Guidelines for Controlling Asbestos-Containing Materials in Buildings” (USEPA, 1985) and other relevant guidelines, and such Maintenance Program will hereafter continuously remain in effect until the indebtedness secured hereby is repaid in full. In furtherance of the foregoing, Borrower shall inspect and maintain all ACM’s on a regular basis and ensure that all ACM’s shall be maintained in a condition that prevents exposure of occupants to ACM’s at all times. Without limiting the generality of the preceding sentence, Lender may reasonably require (i) periodic notices or reports to Lender in form, substance and at such intervals as Lender may specify, (ii) an amendment to such Maintenance Program to address changing circumstances, laws or other matters, (iii) at Borrower’s sole expense, supplemental examination of the Project by consultants specified by Lender, and (iv) variation of the Maintenance Program in response to the reports provided by any such consultants.

ARTICLE XVII

COOPERATION; SECONDARY MARKET TRANSACTION

Section 17.01 Cooperation. Borrower shall, at the request of Lender, in connection with one or more sales or assignments of the Note or participations therein or securitizations of rated single or multi-class securities (the “Securities”) secured by or evidencing ownership interests in the Note and the Mortgages (each such sale, assignment, participation and/or securitization, a “Secondary Market Transaction”): (a) (i) provide such financial and other information with respect to the Projects, Borrower and its Affiliates, Manager and, to the extent in Borrower’s possession, any tenants of the Projects, (ii) provide business plans and budgets relating to the Projects and (iii) perform or permit or cause to be performed or permitted such site inspection, appraisals, surveys, market studies, environmental reviews and reports, engineering reports and other due diligence investigations of the Projects, as may be reasonably requested from time to time by Lender or the Rating Agencies in connection with a Secondary Market Transaction or Exchange Act requirements (the items provided to Lender pursuant to this paragraph (a) being called the “Provided Information”), together, if customary, with appropriate verification of and/or consents to the Provided Information through letters of auditors or opinions of counsel of independent attorneys acceptable to Lender and the Rating Agencies; (b) cause

counsel to render opinions as to non-consolidation and any other opinion customary in securitization transactions with respect to the Projects, Borrower and its Affiliates, which counsel and opinions shall be reasonably satisfactory to Lender and the Rating Agencies; (c) make such representations and warranties as of the closing date of any Secondary Market Transaction with respect to the Projects, Borrower and the Loan Documents as are customarily provided in such transactions and as may be reasonably requested by Lender or the Rating Agencies and consistent with the facts covered by such representations and warranties as they exist on the date thereof, including the representations and warranties made in the Loan Documents; (d) provide current certificates of good standing and qualification with respect to Borrower, its Affiliates and/or Guarantor from appropriate Governmental Authorities; and (e) execute such amendments to the Loan Documents and Borrower’s organizational documents, as may be requested by Lender or the Rating Agencies or otherwise to effect a Secondary Market Transaction, provided that nothing contained in this subsection (e) shall (i) result in a material economic change in the transaction (ii) change the Maturity Date or the LIBOR Margin, except in connection with a bifurcation of the Loan which may result in varying LIBOR Margins, but which LIBOR Margins shall have a weighted average that equals the LIBOR Margin of the original Loan (which initial weighted average shall not change), except in the event of the application of Net Proceeds to the prepayment of the Loan, (iii) modify or amend any other material economic terms of the Loan, (iv) increase, in more than a de minimis manner, Borrower’s obligations and liabilities or decrease in more than a de minimis manner, Borrower’s rights under the Loan Documents, or (v) increase, in more than a de minimis manner, Lender’s rights under the Loan Documents. Lender shall pay its own costs and expenses in connection with the foregoing and shall reimburse Borrower for any reasonable out-of-pocket costs and expenses incurred by Borrower in connection with actions taken by Borrower at Lender’s request pursuant to this Section 17.01, other than Borrower’s legal fees and expenses in connection with a Secondary Market Transaction (other than those attendant to a restructuring of the Loan, which reasonable fees and disbursements shall be reimbursed by Lender). Borrower’s cooperation obligations set forth herein shall continue until the Loan has been paid in full.

Section 17.02 Use of Information. Borrower understands that all or any portion of the Provided Information and the Required Records may be included in disclosure documents in connection with a Secondary Market Transaction, including a prospectus or private placement memorandum (each, a “Disclosure Document”) and may also be included in filings with the Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended (the “Securities Act”), or the Securities and Exchange Act of 1934, as amended (the “Exchange Act”), or provided or made available to investors or prospective investors in the Securities, the Rating Agencies, and service providers or other parties relating to the Secondary Market Transaction. Lender shall provide Borrower a reasonable opportunity to review and comment on all Provided Information. If the Disclosure Document is required to be revised, Borrower shall cooperate with Lender in updating the Provided Information or Required Records for inclusion or summary in the Disclosure Document or for other use reasonably required in connection with a Secondary Market Transaction by providing all current information pertaining to Borrower, Manager and the Projects necessary to keep the Disclosure Document accurate and complete in all material respects with respect to such matters.

Section 17.03 Borrower Obligations Regarding Disclosure Documents. In connection with a Disclosure Document, Borrower shall: (a) if requested by Lender, certify in

writing that Borrower has carefully examined those portions of such Disclosure Document, pertaining to Borrower, the Projects, Manager and the Loan which have been identified by Lender in writing as requiring Borrower's review (the "Applicable Portions"), and that such portions, to Borrower's knowledge, do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; and (b) indemnify (in a separate instrument of indemnity, if so requested by Lender) (i) any underwriter, syndicate member or placement agent (collectively, the "Underwriters") retained by Lender or its issuing company affiliate (the "Issuer") in connection with a Secondary Market Transaction, (ii) Lender and (iii) the Issuer that is named in the Disclosure Document or registration statement relating to a Secondary Market Transaction (the "Registration Statement"), and each of the Issuer's directors, each of its officers who have signed the Registration Statement and each person or entity who controls the Issuer or the Lender within the meaning of Section 15 of the Securities Act or Section 30 of the Exchange Act (collectively within (iii), the "Issuer Group"), and each of its directors and each person who controls each of the Underwriters, within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act (collectively, the "Underwriter Group") for any Liabilities to which Lender, the Issuer Group or the Underwriter Group may become subject (including reimbursing all of them for any reasonable legal or other expenses actually incurred in connection with investigating or defending the Liabilities) insofar as the Liabilities arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in any of the Provided Information or in any of the Applicable Portions applicable to Borrower, Manager, the Projects or the Loan, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated in the Applicable Portions or necessary in order to make the statements in the Applicable Portions of such sections in light of the circumstances under which they were made, not misleading, provided, however, notwithstanding anything in this Article XVII to the contrary, that Borrower shall not be required to indemnify Lender, the Issuer Group or the Underwriter Group for any Liabilities relating to (i) untrue statements or omissions which Borrower identified to Lender in writing at the time of Borrower's examination of such Disclosure Document, or (ii) information contained in Provided Information reviewed but not prepared by Borrower, Guarantor or any of their respective Affiliates and not known by Borrower to be untrue or incorrect in any material respect.

Section 17.04 Borrower Indemnity Regarding Filings. In connection with filings under the Exchange Act, Borrower shall (i) indemnify Lender, the Issuer Group and the Underwriter Group for any Liabilities to which Lender, the Issuer Group or the Underwriter Group may become subject insofar as the Liabilities arise out of or are based upon the omission or alleged omission to state in the Provided Information a material fact required to be stated in the Provided Information in order to make the statements in the Provided Information, in light of the circumstances under which they were made not misleading and (ii) reimburse Lender, the Issuer Group or the Underwriter Group for any legal or other expenses actually incurred by Lender, Issuer Group or the Underwriter Group in connection with defending or investigating the Liabilities, provided, however, notwithstanding anything in this Article XVII to the contrary, that Borrower shall not be required to indemnify Lender, the Issuer Group or the Underwriter Group for any Liabilities relating to (i) untrue statements or omissions which Borrower identified to Lender in writing at the time of Borrower's examination of such Disclosure Document, or (ii) information contained in Provided Information reviewed but not prepared by Borrower,

Guarantor or any of their respective Affiliates and not known by Borrower to be untrue or incorrect in any material respect.

Section 17.05 Indemnification Procedure. Promptly after receipt by an indemnified party under Section 17.03 or 17.04 of notice of the commencement of any action for which a claim for indemnification is to be made against Borrower, such indemnified party shall notify Borrower in writing of such commencement, but the omission to so notify Borrower will not relieve Borrower from any liability that it may have to any indemnified party hereunder except to the extent that failure to notify causes prejudice to Borrower. If any action is brought against any indemnified party, and it notifies Borrower of the commencement thereof, Borrower will be entitled, jointly with any other indemnifying party, to participate therein and, to the extent that it (or they) may elect by written notice delivered to the indemnified party promptly after receiving the aforesaid notice of commencement, to assume the defense thereof with counsel satisfactory to such indemnified party in its reasonable discretion. After notice from Borrower to such indemnified party under this Section 17.05, Borrower shall not be responsible for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation; provided, however, if the defendants in any such action include both Borrower and an indemnified party, and any indemnified party shall have reasonably concluded that there are any legal defenses available to it and/or other indemnified parties that are different from or additional to those available to Borrower, then the indemnified party or parties shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on behalf of such indemnified party or parties. Borrower shall not be liable for the expenses of more than one separate counsel unless there are legal defenses available to it that are different from or additional to those available to another indemnified party.

Section 17.06 Contribution. In order to provide for just and equitable contribution in circumstances in which the indemnity agreement provided for in Section 17.03 or 17.04 is for any reason held to be unenforceable by an indemnified party in respect of any Liabilities (or action in respect thereof) referred to therein which would otherwise be indemnifiable under Section 17.03 or 17.04, Borrower shall contribute to the amount paid or payable by the indemnified party as a result of such Liabilities (or action in respect thereof); provided, however, that no Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person not guilty of such fraudulent misrepresentation. In determining the amount of contribution to which the respective parties are entitled, the following factors shall be considered: (i) the Issuer Group's and Borrower's relative knowledge and access to information concerning the matter with respect to which the claim was asserted; (ii) the opportunity to correct and prevent any statement or omission; and (iii) any other equitable considerations appropriate in the circumstances. Lender and Borrower hereby agree that it may not be equitable if the amount of such contribution were determined by pro rata or per capita allocation.

Section 17.07 Rating Surveillance. Lender will retain the Rating Agencies to provide rating surveillance services on Securities. The pro rata expenses of such surveillance will be paid for by Borrower based on the applicable percentage of such expenses determined by dividing the then outstanding Principal Amount by the then aggregate outstanding amount of the pool created in the Secondary Market Transaction which includes the Loan.

Section 17.08 Severance of Loan. Lender shall have the right, at any time (whether prior to, in connection with, or after any Secondary Market Transaction), with respect to all or any portion of the Loan, to modify, split and/or sever all or any portion of the Loan as hereinafter provided. Without limiting the foregoing, Lender may (i) cause the Note and one or more of the Mortgages to be split into a first and second mortgage loans, (ii) create one or more senior and subordinate notes (e.g., an A/B, A/B/C or A/B/C/D structure), (iii) create multiple components of the Note or Notes (and allocate or reallocate the principal balance of the Loan among such components) or (iv) otherwise sever the Loan into two or more loans secured by mortgages and by pledges of membership interests (directly or indirectly) in Borrower (e.g., a senior loan/mezzanine loan structure), in each such case, in whatever proportion and whatever priority Lender determines; provided, however, in each such instance (a) the outstanding principal balance of all the Notes evidencing the Loan (or components of such Notes) immediately after the effective date of such modification equals the outstanding principal balance of the Loan immediately prior to such modification, (b) the weighted average of the LIBOR Margins for all such Notes (or components of such Notes) immediately after the effective date of such modification equals the LIBOR Margin of the original Note immediately prior to such modification, and (c) such restructuring of the Loan does not increase, in more than a de minimis manner, Lender's rights or Borrower's obligations and liabilities or decrease, in more than a de minimis manner, Borrower's rights under the Loan Documents. If requested by Lender, Borrower (and Borrower's constituent members, if applicable, and Guarantor) shall execute within ten (10) Business Days after such request, such documentation as Lender may reasonably request to evidence and/or effectuate any such modification or severance.

Borrower agrees to cooperate with Lender in connection with the exercise of its rights under this Section 17.08, which cooperation shall be at no cost or expense to Lender, provided that all costs and expenses of Borrower for which Lender shall be responsible hereunder shall have been reasonably incurred by Borrower.

ARTICLE XVIII

MISCELLANEOUS

Section 18.01 Right of Entry. Lender and its agents shall have the right to enter and inspect the Projects or any part thereof at all reasonable times, subject to the rights of tenants, and, except in the event of an emergency, upon reasonable notice and to inspect Borrower's books and records and to make abstracts and reproductions thereof.

Section 18.02 Cumulative Rights. The rights of Lender under this Agreement shall be separate, distinct and cumulative and none shall be given effect to the exclusion of the others. No act of Lender shall be construed as an election to proceed under any one provision herein to the exclusion of any other provision. Lender shall not be limited exclusively to the rights and remedies herein stated but shall be entitled, subject to the terms of this Agreement, to every right and remedy now or hereafter afforded by law.

Section 18.03 Liability. If Borrower consists of more than one Person, the obligations and liabilities of each such Person hereunder shall be joint and several.

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Section 18.04 Exhibits Incorporated. The information set forth on the cover hereof, and the Exhibits annexed hereto, are hereby incorporated herein as a part of this Agreement with the same effect as if set forth in the body hereof.

Section 18.05 Severable Provisions. If any term, covenant or condition of the Loan Documents including, without limitation, the Note or this Agreement, is held to be invalid, illegal or unenforceable in any respect, such Loan Document shall be construed without such provision.

Section 18.06 Duplicate Originals. This Agreement may be executed in any number of duplicate originals and each such duplicate original shall be deemed to constitute but one and the same instrument.

Section 18.07 No Oral Change. The terms of this Agreement, together with the terms of the Note and the other Loan Documents constitute the entire understanding and agreement of the parties hereto and supersede all prior agreements, understandings and negotiations between Borrower and Lender with respect to the Loan. This Agreement, and any provisions hereof, may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act on the part of Borrower or Lender, but only by an agreement in writing signed by the party against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

Section 18.08 Waiver of Counterclaim, Etc. BORROWER HEREBY WAIVES THE RIGHT TO ASSERT A COUNTERCLAIM, OTHER THAN A COMPULSORY COUNTERCLAIM, IN ANY ACTION OR PROCEEDING BROUGHT AGAINST IT BY LENDER OR ITS AGENTS, AND WAIVES TRIAL BY JURY IN ANY ACTION OR PROCEEDING BROUGHT BY EITHER PARTY HERETO AGAINST THE OTHER OR IN ANY COUNTERCLAIM BORROWER MAY BE PERMITTED TO ASSERT HEREUNDER OR WHICH MAY BE ASSERTED BY LENDER OR ITS AGENTS, AGAINST BORROWER, OR IN ANY MATTERS WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT OR THE DEBT.

Section 18.09 Headings; Construction of Documents; etc. The table of contents, headings and captions of various paragraphs of this Agreement are for convenience of reference only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof. Each of Lender and Borrower acknowledges that it was represented by competent counsel in connection with the negotiation and drafting of this Agreement and the other Loan Documents and that neither this Agreement nor the other Loan Documents shall be subject to the principle of construing the meaning against the Person who drafted same.

Section 18.10 Sole Discretion of Lender. Whenever Lender exercises any right given to it to approve or disapprove, or any arrangement or term is to be satisfactory to Lender, the decision of Lender to approve or disapprove or to decide that arrangements or terms are satisfactory or not satisfactory shall be in the sole discretion of Lender and shall be final and conclusive, except as may be otherwise specifically provided herein.

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Section 18.11 Waiver of Notice. Borrower shall not be entitled to any notices of any nature whatsoever from Lender except with respect to matters for which this Agreement or any other Loan Document specifically and expressly provides for the giving of notice by Lender to Borrower and except with respect to matters for which Borrower is not, pursuant to applicable Legal Requirements, permitted to waive the giving of notice.

Section 18.12 Binding Effect. All of the grants, covenants, terms, provisions and conditions herein shall be binding upon Borrower and shall inure to the benefit of Lender, subsequent holders of this Agreement and their successors and assigns. Without limitation to any provision hereof, the term "Borrower" shall include and refer to the borrower named herein, any subsequent owner of the Projects, and its respective heirs, executors, legal representatives, successors and assigns. The representations, warranties and agreements contained in this Agreement and the other Loan Documents are intended solely for the benefit of the parties hereto, shall confer no rights hereunder, whether legal or equitable, in any other Person and no other Person shall be entitled to rely thereon.

Section 18.13 Applicable Law. THIS AGREEMENT WAS NEGOTIATED IN THE STATE OF NEW YORK, THE LOAN WAS MADE BY LENDER AND ACCEPTED BY BORROWER IN THE STATE OF NEW YORK, AND THE PROCEEDS OF THE LOAN DELIVERED PURSUANT HERETO WERE DISBURSED FROM THE STATE OF NEW YORK, WHICH STATE THE PARTIES AGREE HAS A SUBSTANTIAL RELATIONSHIP TO THE PARTIES AND TO THE UNDERLYING TRANSACTION EMBODIED HEREBY, AND IN ALL RESPECTS, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, THIS AGREEMENT, THE NOTE AND THE OTHER LOAN DOCUMENTS AND THE OBLIGATIONS ARISING HEREUNDER AND THEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND PERFORMED IN SUCH STATE (WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS) AND ANY APPLICABLE LAW OF THE UNITED STATES OF AMERICA, EXCEPT THAT AT ALL TIMES THE PROVISIONS FOR THE CREATION, PERFECTION, AND ENFORCEMENT OF THE LIEN AND SECURITY INTEREST CREATED PURSUANT HERETO AND PURSUANT TO THE OTHER LOAN DOCUMENTS (OTHER THAN WITH RESPECT TO LIENS AND SECURITY INTERESTS IN PROPERTY WHOSE PERFECTION AND PRIORITY IS COVERED BY ARTICLE 9 OF THE UCC (INCLUDING, WITHOUT LIMITATION, THE CENTRAL ACCOUNT AND THE RESERVE ACCOUNTS) WHICH SHALL BE GOVERNED BY THE LAW OF THE JURISDICTION APPLICABLE THERETO IN ACCORDANCE WITH SECTIONS 9-301 THROUGH 9-307 OF THE UCC AS IN EFFECT IN THE STATE OF NEW YORK) SHALL BE GOVERNED BY AND CONSTRUED ACCORDING TO THE LAW OF THE STATE IN WHICH

THE PROPERTY IS LOCATED, IT BEING UNDERSTOOD THAT, TO THE FULLEST EXTENT PERMITTED BY THE LAW OF SUCH STATE, THE LAW OF THE STATE OF NEW YORK SHALL GOVERN THE CONSTRUCTION, VALIDITY AND ENFORCEABILITY OF ALL LOAN DOCUMENTS AND ALL OF THE OBLIGATIONS ARISING HEREUNDER OR THEREUNDER. TO THE FULLEST EXTENT PERMITTED BY LAW, BORROWER HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES ANY CLAIM TO ASSERT THAT THE LAW OF ANY OTHER JURISDICTION GOVERNS THIS

AGREEMENT, THE NOTE AND THE OTHER LOAN DOCUMENTS, AND THIS AGREEMENT, THE NOTE AND THE OTHER LOAN DOCUMENTS SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK PURSUANT TO SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW EXCEPT AS SPECIFICALLY SET FORTH ABOVE.

Section 18.14 Intentionally Deleted.

Section 18.15 Actions and Proceedings. Lender has the right to appear in and defend any action or proceeding brought with respect to any Project in its own name or, if required by Legal Requirements or, if in Lender's reasonable judgment, it is necessary, in the name and on behalf of Borrower, which Lender believes will adversely affect the Projects or this Agreement and to bring any action or proceedings, in its name or in the name and on behalf of Borrower, which Lender, in its discretion, decides should be brought to protect its interest in the Projects.

Section 18.16 Usury Laws. This Agreement and the Note are subject to the express condition, and it is the expressed intent of the parties, that at no time shall Borrower be obligated or required to pay interest on the principal balance due under the Note at a rate which could subject the holder of the Note to either civil or criminal liability as a result of being in excess of the maximum interest rate which Borrower is permitted by law to contract or agree to pay. If by the terms of this Agreement or the Note, Borrower is at any time required or obligated to pay interest on the principal balance due under the Note at a rate in excess of such maximum rate, such rate of interest shall be deemed to be immediately reduced to such maximum rate and the interest payable shall be computed at such maximum rate and all prior interest payments in excess of such maximum rate shall be applied and shall be deemed to have been payments in reduction of the principal balance of the Note. No application to the principal balance of the Note pursuant to this Section 18.16 shall give rise to any requirement to pay any prepayment fee or charge of any kind due hereunder, if any.

Section 18.17 Remedies of Borrower. In the event that a claim or adjudication is made that Lender has acted unreasonably or unreasonably delayed acting in any case where by law or under the Note, this Agreement or the Loan Documents, it has an obligation to act reasonably or promptly, Lender shall not be liable for any monetary damages, and Borrower's remedies shall be limited to injunctive relief or declaratory judgment.

Section 18.18 Offsets, Counterclaims and Defenses. Any assignee of this Agreement, the Assignment and the Note shall take the same free and clear of all offsets, counterclaims or defenses which are unrelated to the Note, the Assignment or this Agreement which Borrower may otherwise have against any assignor of this Agreement, the Assignment and the Note and no such unrelated counterclaim or defense shall be interposed or asserted by Borrower in any action or proceeding brought by any such assignee upon this Agreement, the Assignment or the Note and any such right to interpose or assert any such unrelated offset, counterclaim or defense in any such action or proceeding is hereby expressly waived by Borrower.

Section 18.19 No Merger. If Borrower's and Lender's estates become the same including, without limitation, upon the delivery of a deed by Borrower in lieu of a foreclosure sale, or upon a purchase of the Projects by Lender in a foreclosure sale, this Agreement and the lien by the Mortgage shall not be destroyed or terminated by the application of the doctrine of merger and in such event Lender shall continue to have and enjoy all of the rights and privileges of Lender as to the separate estates; and, as a consequence thereof, upon the foreclosure of the lien created by this Agreement, any Leases or subleases then existing and created by Borrower shall not be destroyed or terminated by application of the law of merger or as a result of such foreclosure unless Lender or any purchaser at any such foreclosure sale shall so elect. No act by or on behalf of Lender or any such purchaser shall constitute a termination of any Lease or sublease unless Lender or such purchaser shall give written notice thereof to such lessee or sublessee.

Section 18.20 Restoration of Rights. In case Lender shall have proceeded to enforce any right under this Agreement by foreclosure sale, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely, then, in every such case, Borrower and Lender shall be restored to their former positions and rights hereunder with respect to the Projects subject to the lien hereof.

Section 18.21 Waiver of Statute of Limitations. The pleadings of any statute of limitations as a defense to any and all obligations secured by this Agreement are hereby waived to the full extent permitted by Legal Requirements.

Section 18.22 Intentionally Deleted.

Section 18.23 Application of Default Rate Not a Waiver. Application of the Default Rate shall not be deemed to constitute a waiver of any Default or Event of Default or any rights or remedies of Lender under this Agreement, any other Loan Document or applicable Legal Requirements, or a consent to any extension of time for the payment or performance of any obligation with respect to which the Default Rate may be invoked.

Section 18.24 Intentionally Deleted.

Section 18.25 No Joint Venture or Partnership. Borrower and Lender intend that the relationship created hereunder be solely that of borrower and lender. Nothing herein is intended to create a joint venture, partnership, tenancy in common, or joint tenancy relationship between Borrower and Lender nor to grant Lender any interest in the Projects other than as a lender and mortgagee.

Section 18.26 Time of the Essence. Time shall be of the essence in the performance of all obligations of Borrower hereunder.

Section 18.27 Borrower's Obligations Absolute. Borrower acknowledges that Lender and/or certain Affiliates of Lender are engaged in the business of financing, owning, operating, leasing, managing, and brokering real estate and in other business ventures which may be viewed as adverse to or competitive with the business, prospect, profits, operations or condition (financial or otherwise) of Borrower. Except as set forth to the contrary in the Loan Documents, all sums payable by Borrower hereunder shall be paid without notice or demand,

counterclaim, set-off, deduction or defense and without abatement, suspension, deferment, diminution or reduction, and the obligations and liabilities of Borrower hereunder shall in no way be released, discharged, or otherwise affected (except as expressly provided herein) by reason of: (a) any damage to or destruction of or any Taking of the Projects or any portion thereof; (b) any restriction or prevention of or interference with any use of the Projects or any portion thereof; (c) any title defect or encumbrance or any eviction from the Projects or any portion thereof by title paramount or otherwise; (d) any bankruptcy proceeding relating to Borrower, Sole Member, or any guarantor or indemnitor, or any action taken with respect to this Agreement or any other Loan Document by any trustee or receiver of Borrower or Sole Member or any guarantor or indemnitor, or by any court, in any such proceeding; (e) any claim which Borrower has or might have against Lender; (f) any default or failure on the part of Lender to perform or comply with any of the terms hereof or of any other agreement with Borrower (except to the extent that such default or failure on the part of Lender is as a result of Lender's refusal to release funds from any Escrow Account in contravention of the terms and provisions of this Agreement and the other Loan Documents); or (g) any other occurrence whatsoever, whether similar or dissimilar to the foregoing, whether or not Borrower shall have notice or knowledge of any of the foregoing.

Section 18.28 Publicity. All promotional news releases, publicity or advertising by Manager, Borrower or their respective Affiliates through any media intended to reach the general public shall not refer to the Loan Documents or the financing evidenced by the Loan Documents, or to Lender or to any of its Affiliates without the prior written approval of Lender or such Affiliate, as applicable, in each instance, such approval not to be unreasonably withheld or delayed. Lender shall be authorized to provide information relating to the Projects, the Loan and matters relating thereto to rating agencies, underwriters, potential securities investors, auditors, regulatory authorities and to any Persons which may be entitled to such information by operation of law.

Section 18.29 Intentionally Deleted.

Section 18.30 Intentionally Deleted.

Section 18.31 Establishment of Working Capital Account. As a material inducement to Lender to enter into the transactions contemplated by this Agreement, Borrower represents and warrants to Lender that there has been established by JV Member, as of the date hereof, a working capital account in the amount of \$2,000,000.00, which account is unencumbered and is intended to be used solely to make contributions to Borrower to fund costs and expenses relating to the Loan and the ownership and operation of the Projects.

Section 18.32 Exculpation. Notwithstanding anything herein or in any other Loan Document to the contrary, except as otherwise set forth in this Section 18.32 to the contrary, Lender shall not enforce the liability and obligation of Borrower or (a) if Borrower is a partnership, its constituent partners or any of their respective partners, (b) if Borrower is a trust, its beneficiaries or any of their respective Partners (as hereinafter defined), (c) if Borrower is a corporation, any of its shareholders, directors, principals, officers or employees, or (d) if Borrower is a limited liability company, any of its members (the Persons described in the foregoing clauses (a) - (d), as the case may be, are hereinafter referred to as the "Partners") to

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perform and observe the obligations contained in this Agreement or any of the other Loan Documents by any action or proceeding wherein a money judgment shall be sought against Borrower or the Partners, except that Lender may bring a foreclosure action, action for specific performance, or other appropriate action or proceeding against Borrower (but not its Partners) (including, without limitation, an action to obtain a deficiency judgment against Borrower) solely for the purpose of enabling Lender to realize upon (i) Borrower's interest in the Projects, (ii) the Rent to the extent (x) received by Borrower (or received by its Partners) after the occurrence of an Event of Default, or (y) distributed to Borrower (or its Partners, but only to the extent received by its Partners) during or with respect to any period for which Lender did not receive a Manager Certification accurate in all material respects confirming and certifying that all Operating Expenses with respect to the Projects which had accrued as of the applicable date of such Manager Certification had been paid (or if same had not been paid, that Manager had taken adequate reserves therefor) (all Rent covered by clauses (x) and (y) being hereinafter referred to as the "Recourse Distributions") and (iii) any other collateral given to Lender under the Loan Documents (the collateral described in the foregoing clauses (i) - (iii) is hereinafter referred to as the "Default Collateral"); provided, however, that any judgment in any such action or proceeding shall be enforceable against Borrower only to the extent of any such Default Collateral. The provisions of this Section shall not, however,

- (a) impair the validity of the Debt evidenced by the Note or in any way affect or impair the lien of the related Mortgage(s) or any of the other Loan Documents or the right of Lender to foreclose this Agreement following the occurrence of an Event of Default;
- (b) impair the right of Lender to name Borrower as a party defendant in any action or suit for judicial foreclosure and sale under this Agreement;
- (c) affect the validity or enforceability of the Note, this Agreement, or any of the other Loan Documents, or impair the right of Lender to seek a personal judgment against the Guarantor in accordance with the Guaranty;
- (d) impair the right of Lender to obtain the appointment of a receiver;
- (e) impair the enforcement of the Assignment;
- (f) impair the right of Lender to bring suit for a monetary judgment with respect to fraud or intentional material misrepresentation by Borrower, Guarantor, any Affiliate of either of them in connection with this Agreement, the Note or the other Loan Documents, and the foregoing provisions shall not modify, diminish or discharge the liability, if any, of Borrower with respect to same;
- (g) impair the right of Lender to bring suit for a monetary judgment against Borrower or Guarantor (but not the Partners of Borrower) to obtain the Recourse Distributions received by Borrower or its Partners, to the extent of any such Recourse Distributions theretofore distributed to and received by Borrower or such Partners, and the foregoing provisions shall not modify, diminish or discharge the liability of Borrower or Guarantor with respect to same;
- (h) impair the right of Lender to bring suit for a monetary judgment with respect to Borrower's misappropriation of tenant security deposits or Rent collected more than

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one (1) month in advance, and the foregoing provisions shall not modify, diminish or discharge the liability, if any, of Borrower with respect to same;

- (i) impair the right of Lender to obtain Loss Proceeds due to Lender pursuant to this Agreement;
- (j) impair the right of Lender to enforce the provisions of Sections 2.02(g), 12.01, 16.01, or 17.03 through 17.06, inclusive, of this Agreement, even after repayment in full by Borrower of the Debt or to bring suit for a monetary judgment against Borrower with respect to any obligation set forth in said Sections;

(k) prevent or in any way hinder Lender from exercising, or constitute a defense, or counterclaim, or other basis for relief in respect of the exercise of, any other remedy against any or all of the collateral securing the Note as provided in the Loan Documents;

(l) impair the right of Lender to bring suit for a monetary judgment with respect to any misapplication or conversion of Loss Proceeds, and the foregoing provisions shall not modify, diminish or discharge the liability of Borrower or Guarantor with respect to same;

(m) impair the right of Lender to sue for, seek or demand a deficiency judgment against Borrower solely for the purpose of foreclosing the Projects or any part thereof, or realizing upon the Default Collateral; provided, however, that any such deficiency judgment referred to in this clause (m) shall be enforceable against Borrower only to the extent of any of the Default Collateral;

(n) impair the ability of Lender to bring suit for a monetary judgment with respect to damage, arson or physical waste to or of the Projects or with respect to any act or failure to act, by Borrower or any Affiliate of Borrower with respect to all or any portion of the Projects that constitutes gross negligence or willful misconduct;

(o) impair the right of Lender to bring a suit for a monetary judgment against Borrower in the event of the exercise of any right or remedy under any federal, state or local forfeiture laws resulting in the loss of the lien of any Mortgage, or the priority thereof, against all or any portion of the Projects;

(p) be deemed a waiver of any right which Lender may have under Sections 506(a), 506(b), 1111(b) or any other provision of the Bankruptcy Code to file a claim for the full amount of the Debt or to require that all collateral shall continue to secure all of the Debt; or

(q) impair the right of Lender to bring suit for monetary judgment with respect to any losses resulting from any claims, actions or proceedings initiated by Borrower (or any Affiliate of Borrower) alleging that the relationship of Borrower and Lender is that of joint venturers, partners, tenants in common, joint tenants or any relationship other than that of debtor and creditor.

The provisions of this Section 18.32 shall be inapplicable to Borrower if (a) any proceeding, action, petition or filing with respect to Borrower or Sole Member under the Bankruptcy Code, or any similar state or federal law now or hereafter in effect relating to

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bankruptcy, reorganization or insolvency, or the arrangement or adjustment of debts, shall be filed by or consented to or acquiesced in by, Borrower, Guarantor, Sole Member or any Affiliate of any thereof, or if any such party shall aid, solicit, support or otherwise cooperate or collude in the making or commencement of any such proceeding, action, petition or filing, or if Borrower or Sole Member shall institute any proceeding for its dissolution or liquidation, or shall make an assignment for the benefit of creditors, (b) any voluntary Transfer in violation of Article IX shall occur, (c) Borrower shall voluntarily further encumber or permit the further encumbrance of, the Projects, or any of them, or of any direct or indirect interest in Borrower, in violation of Section 9.01, (d) Borrower, Sole Member or Guarantor or any of their respective Affiliates contest or in any material way intentionally interferes with, directly or indirectly (collectively, a "Contest") any foreclosure action, UCC sale or other material remedy exercised by Lender upon the occurrence of any Event of Default, whether by making any motion, bringing any counterclaim, claiming any defense other than asserting a good-faith defense to any action brought by Lender, seeking any injunction or other restraint, commencing any action, or otherwise (provided that if any such Person obtains a non-appealable order successfully asserting a Contest, Borrower shall have no liability under this clause (d)), in which event Lender shall have recourse against all of the assets of Borrower including, without limitation, any right, title and interest of Borrower in and to the Projects and any Recourse Distributions received by the Partners of Borrower (but excluding the other assets of such Partners to the extent Lender would not have had recourse thereto other than in accordance with the provisions of this Section 18.32).

[SIGNATURE PAGES FOLLOW]

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IN WITNESS WHEREOF, Borrower and Lender have duly executed this Agreement the day and year first above written.

BORROWER:

ONE GRANDE SPE LLC,
a Delaware limited liability company

By: /s/ Mitchell E. Hersh
Name: Mitchell E. Hersh
Title: Chief Executive Officer

1280 WALL SPE LLC,
a Delaware limited liability company

By: /s/ Mitchell E. Hersh
Name: Mitchell E. Hersh
Title: Chief Executive Officer

10 SYLVAN SPE LLC,
a Delaware limited liability company

By: /s/ Mitchell E. Hersh
Name: Mitchell E. Hersh
Title: Chief Executive Officer

5 INDEPENDENCE SPE LLC,
a Delaware limited liability company

By: /s/ Mitchell E. Hersh
Name: Mitchell E. Hersh
Title: Chief Executive Officer

[SIGNATURES CONTINUE ON NEXT PAGE]

1 INDEPENDENCE SPE LLC,
a Delaware limited liability company

By: /s/ Mitchell E. Hersh
Name: Mitchell E. Hersh
Title: Chief Executive Officer

3 BECKER SPE LLC,
a Delaware limited liability company

By: /s/ Mitchell E. Hersh
Name: Mitchell E. Hersh
Title: Chief Executive Officer

[SIGNATURES CONTINUE ON NEXT PAGE]

LENDER:

GRAMERCY WAREHOUSE FUNDING I LLC,
a Delaware limited liability company

By: /s/ Robert R. Foley
Name: Robert R. Foley
Title: Chief Financial Officer

EXHIBIT A

Owners and Projects

<u>Owners</u>	<u>Projects</u>
<u>New Jersey</u>	
One Grande SPE LLC	One Grande Commons, Bridgewater, New Jersey
1280 Wall SPE LLC	1280 Wall Street, Lyndhurst, New Jersey
10 Sylvan SPE LLC	10 Sylvan Way, Parsippany, New Jersey
5 Independence SPE LLC	Five Independence Way, Princeton, New Jersey
1 Independence SPE LLC	One Independence Way, Princeton, New Jersey
3 Becker SPE LLC	3 Becker Farm Road, Roseland, New Jersey

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EXHIBIT B

Summary Of Reserves

<u>Reserve Items</u>	<u>Initial Deposit Amount</u>	<u>Monthly Installment Amount</u>
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Basic Carrying Costs			
· Taxes	\$	176,330.00	\$ 176,330.00
· Insurance Premiums	\$	16,348.00	\$ 16,348.00
Initial Engineering Deposits			
· Immediate Repairs	\$	-0-	N/A
Recurring Replacement Monthly Installment	\$	-0-	[NOTE 1]
Reletting Expenses (to Reletting Reserve Escrow Account)	\$	-0-	[NOTE 2]
Accrued Lease Liability Expenses (to Accrued Lease Liability Escrow Account)	\$	1,849,951.07	-0-

NOTE 1: \$0.10 per gross rentable square foot of space in each Project (as set forth on Exhibit B-1 attached hereto) owned by Borrower, divided by 12.

NOTE 2: \$0.25 per gross rentable square foot of space in each Project (as set forth on Exhibit B-1 attached hereto) owned by Borrower, divided by 12.

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EXHIBIT B-1

Gross Rentable Square Footage of the Projects

<u>Property</u>	<u>City</u>	<u>State</u>	<u>SF</u>
One Grande Commons	Bridgewater	NJ	198,376
1280 Wall Street	Lyndhurst	NJ	121,314
10 Sylvan Way	Parsippany	NJ	125,829
Five Independence Way	Princeton	NJ	113,376
One Independence Way	Princeton	NJ	111,979
3 Becker Farm Road	Roseland	NJ	113,837
TOTAL			784,711

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PROMISSORY NOTE

Note Amount: \$90,286,551.00

Maturity Date: May 9, 2008

THIS PROMISSORY NOTE (this "Note"), is made as of May 9, 2006 by the undersigned, jointly and severally, as maker, each of which is a Delaware limited liability company, having an address at c/o Mack-Cali Realty Corp., 11 Commerce Drive, Cranford, New Jersey 07016 (collectively, "Maker") in favor of GRAMERCY WAREHOUSE FUNDING I LLC, a Delaware limited liability company, having an address at 420 Lexington Avenue, New York, New York 10170, and its successors or assigns, as payee (collectively, "Payee").

RECITALS

A. This Note evidences a loan (the "Loan") made by Payee to Maker pursuant to that certain Loan Agreement of even date herewith (the "Loan Agreement"), by and among Maker, as borrower, and Payee, as lender, in the original principal amount of NINETY MILLION TWO HUNDRED EIGHTY-SIX THOUSAND FIVE HUNDRED FIFTY-ONE AND NO/100 DOLLARS (\$90,286,551.00) (the "Loan Amount") and secured by, *inter alia*, the Mortgages and the other Loan Documents;

B. Maker and Payee intend these Recitals to be a material part of this Note.

NOW, THEREFORE, FOR VALUE RECEIVED, Maker does hereby covenant and promise to pay to the order of Payee, without any counterclaim, setoff or deduction whatsoever, on the Maturity Date (as hereinafter defined), in immediately available funds, at 420 Lexington Avenue, New York, New York 10170, or at such other place as Payee may designate to Maker in writing from time to time, in legal tender of the United States of America, the Loan Amount and all other amounts due or becoming due hereunder, to the extent not previously paid in accordance herewith, together with all interest accrued thereon through the date the Loan is repaid in full, at the Interest Rate (as hereinafter defined) to be computed on the basis of the actual number of days elapsed in a 360 day year, on so much of the Loan Amount as is from time to time outstanding on the first day of the applicable Interest Accrual Period (as hereinafter defined).

SECTION 1. DEFINITIONS

As used herein, the following terms shall have the meanings herein specified unless the context otherwise requires. Defined terms in this Note shall include in the singular number the plural and in the plural number the singular. All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Loan Agreement.

"Additional Taxes" shall have the meaning set forth in Section 2.1(d) hereof.

"Board" shall mean the Board of Governors of the Federal Reserve System, and any successor thereof.

"Capital Adequacy Rule" shall mean any law, rule or regulation regarding capital adequacy, or any interpretation or administration thereof by any Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, or any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank or comparable agency.

"Dollar" and the sign "\$" shall mean lawful money of the United States of America.

"First Interest Accrual Period" shall mean the period commencing on the Closing Date and ending on, but excluding, the Payment Date first occurring after the Closing Date.

"Interest Accrual Period" shall mean the period from the ninth (9th) day of each month through and including the eighth (8th) day of the following month, provided that, notwithstanding the foregoing, (a) Payee shall have the one (1) time right to change the Interest Accrual Period by giving notice of such change to Maker and (b) the first (1st) Interest Accrual Period shall be the First Interest Accrual Period.

"Interest Determination Date" shall mean (a) with respect to any Interest Accrual Period prior to the Interest Accrual Period that commences in the month during which the Secondary Market Transaction Closing Date occurs, two (2) LIBOR Business Days prior to the fifteenth (15th) day of the calendar month in which the applicable Interest Accrual Period commences; (b) with respect to the Interest Accrual Period that commences in the month in which the Secondary Market Transaction Closing Date occurs, the date that is two (2) LIBOR Business Days prior to the Secondary Market Transaction Closing Date and (c) with respect to each Interest Accrual Period thereafter, the date that is two (2) LIBOR Business Days prior to the fifteenth (15th) day of the calendar month in which such Interest Accrual Period commences, provided that (i) notwithstanding the foregoing, Payee shall have the one (1) time right to change the Interest Determination Date by giving notice of such change to Maker and (ii) with respect to the First Interest Accrual Period, the Interest Determination Date shall be two (2) LIBOR Business Days prior to the Closing Date.

"Interest Rate" shall mean the rate per annum (expressed as a percentage) equal to the LIBOR Rate plus the LIBOR Margin, or if Payee shall exercise its rights under Section 2.6, the interest rate specified therein.

"Interest Shortfall" shall mean any shortfall in the amount of interest required to be paid with respect to the Loan Amount on any Payment Date.

"LIBOR Business Day" shall mean any day on which banks are open for dealing in foreign currency and exchange in London, England.

"LIBOR Margin" shall mean two and 75/100 percent (2.75%) per annum.

"LIBOR Rate" shall mean the rate per annum calculated as set forth below:

(a) With respect to each Interest Accrual Period, the rate for deposits in Dollars, for a period equal to one month, which appears on the Dow Jones Market Service (formerly Telerate) (or its successive service) Page 3750 as of 11:00 a.m., London time, on the related Interest Determination Date. If such rate does not appear on Dow Jones Market Service Page 3750, the rate for that Interest Accrual Period shall be determined on the basis of the rates at which deposits in Dollars are offered by any four major reference banks in the London interbank market selected by Payee to provide quotation of such rates at approximately 11:00 a.m., London time, on the related Interest Determination Date to prime banks in the London interbank market for a period of one month, commencing on the first day of such Interest Accrual Period and in an amount that is representative for a single such transaction in the relevant market at the relevant time. Payee shall request the principal London office of any four major reference banks in the London interbank market selected by Payee to provide a quotation of such rates, as offered by each such bank. If at least two such quotations are provided, the rate for that Interest Accrual Period shall be the arithmetic mean of the quotations. If fewer than two quotations are provided as requested, the rate for that Interest Accrual Period shall be the arithmetic mean of the rates quoted by major banks in New York City selected by Payee, at approximately 11:00 a.m., New York City time, on the Interest Determination Date with respect to such Interest Accrual Period for loans in Dollars to leading European banks for a period equal to one month, commencing on the first day of such Interest Accrual Period and in an amount that is representative for a single transaction in the relevant market at the relevant time. Payee shall determine the LIBOR Rate for each Interest Accrual Period and the determination of the LIBOR Rate by Payee shall be binding upon Maker absent manifest error.

(b) In the event that Payee shall have determined in its reasonable discretion that none of the methods set forth in the definition of "LIBOR Rate" herein are available, then Payee shall forthwith give notice by telephone of such determination, confirmed in writing, to Maker at least one (1) day prior to the last day of the related Interest Accrual Period. If such notice is given, the LIBOR Rate, commencing with such related Interest Accrual Period, shall be the LIBOR Rate in effect for the most recent Interest Accrual Period.

"Maturity Date" shall have the meaning set forth in Section 2.1(a) hereof.

"Parent" shall mean, with respect to Payee, any Person controlling Payee.

"Payment" shall have the meaning set forth in Section 2.2(a) hereof.

"Payment Date" shall mean the ninth (9th) day of each month, or if such day is not a Business Day, the immediately preceding Business Day. Notwithstanding the foregoing, Payee shall have the one (1) time right to change the Payment Date by giving notice of such change to Maker.

"Secondary Market Transaction Closing Date" shall mean the date upon which a Secondary Market Transaction closes.

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SECTION 2 PAYMENTS AND LOAN TERMS

Section 2.1 Interest Payments.

(a) Payments under this Note, calculated in accordance with the terms hereof, shall be due and payable as follows:

(i) interest only at the Interest Rate for the First Interest Accrual Period shall be due and payable on June 9, 2006;

(ii) interest only at the Interest Rate in effect for the Interest Accrual Period immediately preceding each Payment Date shall be due and payable on the Payment Date in June, 2006 (as provided in clause (i) above) and on each subsequent Payment Date through and including the month preceding the month during which occurs the Maturity Date, as such Maturity Date may be extended from time to time pursuant to Section 2.1(e) hereof; and

(iii) the entire outstanding Principal Amount, together with all accrued and unpaid interest and any other charges and sums due hereon and on the other Loan Documents (including, without limitation, the Exit Fee) shall be due and payable on May 9, 2008 (the "Maturity Date"), as such Maturity Date may be extended from time to time pursuant to Section 2.1(e) hereof.

(b) Payments shall be paid by Maker, without setoff or counterclaim, by wire transfer to Payee at 420 Lexington Avenue, New York, New York 10170, or to such other location or account as Payee may specify to Maker from time to time, in Federal or other immediately available funds in lawful money of the United States of America, not later than 2:00 p.m., New York City time, on each Payment Date, subject to the provisions of Section 5.05 of the Loan Agreement and Section 3(b) of the Deposit Account Agreement, pursuant to which funds on deposit in the Debt Service Payment Sub-Account are to be transferred to Lender to be applied towards the Required Debt Service Payment. If any payment hereunder or under any of the other Loan Documents becomes due and payable on a day other than a Business Day, such payment shall not be payable until the next succeeding Business Day; provided, however, if such next succeeding Business Day falls within the next calendar month, such payment shall be due and payable on the immediately preceding Business Day. If the date for any payments of principal is extended on account of the foregoing or on account of operation of law or otherwise, interest thereon shall be payable at the then applicable rate during such extension. Nothing contained in this Note, the Loan Agreement or the Deposit Account Agreement is intended to, nor shall the same be construed to, relieve the Borrower of its obligation to make timely and fully the payments required to be made hereunder if the funds on deposit in the Debt Service Payment Sub-Account, the Liquidity Reserve Escrow Account or any other account are insufficient to pay the Required Debt Service Payment.

(c) Payee shall determine the LIBOR Rate as in effect from time to time on each Interest Determination Date, and each such determination of the LIBOR Rate shall be conclusive and binding absent manifest error.

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(d) Payments made by Maker under this Note shall be made free and clear of, and without reduction for or on account of, any present or future income, stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority, excluding income and franchise taxes of the United States of America or any political subdivision or taxing authority thereof or therein (such non-excluded taxes being called "Additional Taxes"). If any Additional Taxes are required to be withheld from any amounts payable to Payee hereunder or under any of the other Loan Documents, the amounts so payable to Payee shall be increased to the extent necessary to yield to Payee (after payment of all Additional Taxes) interest or any such other amounts payable hereunder at the rates or in the amounts specified in this Note. If Payee is an entity organized under a foreign (non-U.S.) jurisdiction and is entitled to an exemption from or reduction of Additional Taxes under the law of the Governmental Authority imposing the tax or any treaty to which the jurisdiction is a party, with respect to payments under this Note or under any of the other Loan Documents, Payee shall deliver to Maker, at the time or times prescribed by applicable law, such properly completed and executed documentation prescribed by applicable law or reasonably requested by Maker as will permit such payments to be made without withholding or at a reduced rate.

(e) Notwithstanding anything contained herein or in any other Loan Document, Maker shall have three (3) consecutive options to extend the term of the Loan from the original Maturity Date, each of said extension options for a period of one (1) year (each, an “Extension Option”, and the term extended pursuant thereto, an “Extension Term”); provided that, with respect to the exercise of each Extension Option (i) Payee has received written notice not more than one hundred twenty (120) days but not less than twenty (20) days prior to the Maturity Date that Maker desires to extend the Maturity Date (the “Maturity Date Notice”), (ii) no Default or Event of Default has occurred and is continuing on either the date of the Maturity Date Notice or the date the applicable Extension Term would commence and (iii) Maker has delivered to Payee, as a condition precedent to the commencement of an Extension Term, proof, satisfactory to Payee in all respects, that (A) with respect to the exercise of the second Extension Option and the third Extension Option, the Debt Service Coverage Ratio as of the Payment Date which is immediately prior to the then effective Maturity Date (i.e., without giving effect to such Extension) is 1.10 to 1.00 or greater; and (B) with respect to each Extension Option, either the existing Rate Cap Agreement has been extended for a period of not less than one (1) year or a replacement Rate Cap Agreement has been obtained in form and substance substantially similar to the Rate Cap Agreement delivered on the Closing Date, and issued by a cap provider having a long-term unsecured debt rating of “A” (or its equivalent) by each Rating Agency, with a LIBOR Rate strike price of seven percent (7%) per annum and a term of not less than one (1) year (and if Payee is not the named beneficiary thereunder, the same has been pledged to Payee). Provided that all of the foregoing conditions have been satisfied, as determined by Payee in its reasonable discretion, following the giving of the Maturity Date Notice, the term “Maturity Date” when used herein and in the other Loan Documents shall mean (unless otherwise expressly provided to the contrary) the date to which the Maturity Date has been extended as if such date were the original Maturity Date set forth herein. Simultaneously with the delivery of the Maturity Date Notice with respect to each of the second Extension Option and the third Extension Option, Maker shall pay to Payee an extension fee in the amount of twenty-five one hundredths percent (0.25%) of the outstanding principal balance of the Loan (as determined by Payee). In the event the conditions set forth in clause (iii) of this subsection (e) have not been

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satisfied, the applicable exercise of such Extension Option shall be of no further force or effect, and any extension fee previously paid to Payee in connection with the subject extension request only, and not in connection with any previously consented to extensions, less any reasonable out-of-pocket costs actually incurred by Payee in connection with its review of Maker’s request for an extension of the Maturity Date, shall be credited towards the outstanding principal balance of the Loan at Maturity. All such costs and expenses incurred by Payee (including legal fees) in connection with each request for, and, if applicable, each extension of the Maturity Date, including without limitation, reasonable attorneys’ fees incurred by Payee and any sums incurred in connection with the extension or replacement of the Rate Cap Agreement (and, if applicable, the pledging of same to Payee) shall be at the sole cost and expense of Maker and shall be paid by Maker promptly after demand by Payee.

Section 2.2 Application of Payments.

(a) Each and every payment (a “Payment”) made by Maker to Payee in accordance with the terms of this Note and/or the terms of any one or more of the other Loan Documents and all other proceeds received by Payee with respect to the Debt, shall be applied as follows:

(1) Payments other than Unscheduled Payments shall be applied (i) first, to all interest (other than Default Rate Interest) which shall be due and payable with respect to the Loan Amount pursuant to the terms hereof as of the date the Payment is received, (ii) second, to all Late Charges, Default Rate Interest or other premiums and other sums payable hereunder or under the other Loan Documents (other than those sums included in clause (i) of this Section 2.2(a)(1)) in such order and priority as determined by Payee in its sole discretion and (iii) on the Maturity Date, to the Loan Amount until the Loan Amount has been paid in full.

(2) Unscheduled Payments shall be applied at the end of the Interest Accrual Period in which such Unscheduled Payments are received as a principal prepayment of the Loan Amount to reduce the Loan Amount.

(b) To the extent that Maker makes a Payment or Payee receives any Payment or proceeds for Maker’s benefit, which are subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, debtor in possession, receiver, custodian or any other party under any bankruptcy law, common law or equitable cause, then, to such extent, the obligations of Maker hereunder intended to be satisfied shall be revived and continue as if such Payment or proceeds had not been received by Payee.

Section 2.3 Prepayments.

The Debt may not be prepaid, in whole or in part, except (a) as set forth in Article XV of the Loan Agreement or (b) in connection with the application of Insurance Proceeds or Condemnation Proceeds pursuant to the Loan Agreement.

Section 2.4 Indemnity.

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Maker agrees to indemnify Payee and to hold it harmless from any out-of-pocket cost or expense which Payee may sustain or incur, if any, as a consequence of (a) Maker making a payment or prepayment of principal on the Loan on a day which is not a Payment Date with respect thereto, (b) Maker failing to make any prepayment after Maker has given a notice of such prepayment or (c) any LIBOR Rate contract breakage costs or the payment of fees that are payable by Payee to lenders of funds obtained by it in order to maintain the Loan hereunder in either case incurred by Payee in connection with any acceleration of the maturity of the Loan by Payee in accordance with the terms of this Note and the other Loan Documents

Section 2.5 Increased Cost and Reduced Return.

(a) If, on or after the date hereof, the adoption of any applicable law, rule or regulation, or any change in any applicable law, rule or regulation, or any change in the interpretation or administration thereof by any Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by Payee with any request or directive (whether or not having the force of law) of any such Governmental Authority, central bank or comparable agency, or any such Governmental Authority, central bank or comparable agency shall impose, modify or deem applicable any reserve (including, without limitation, any such requirement imposed by the Board (but excluding with respect to any such requirement reflected in the then effective LIBOR Rate)), special deposit, insurance assessment or similar requirement against assets of, deposits with or for the account of, or credit extended by, Payee or shall impose on Payee or on the London interbank market any other condition affecting any loan bearing interest based upon the LIBOR Rate, and the result of any of the foregoing is to increase the cost to Payee of maintaining the Loan at the Interest Rate (based upon the LIBOR Rate), or to reduce the amount of any sum received or receivable by Payee under this Note with respect thereto, by an amount deemed by Payee to be material, then, within ten (10) Business Days after demand by Payee, Maker shall pay to Payee such additional amount or amounts as will compensate Payee for such increased cost or reduction.

(b) If Payee shall have determined that, after the date hereof, the adoption of any Capital Adequacy Rule has or would have the effect of reducing the rate of return on capital of Payee (or its Parent) as a consequence of Payee’s obligations hereunder to a level below that which Payee (or its Parent) could have achieved but

for such adoption, change, request or directive (taking into consideration its policies with respect to capital adequacy) by an amount deemed by Payee to be material, then from time to time, within fifteen (15) Business Days after demand by Payee, Maker shall pay to Payee such additional amount or amounts as will compensate Payee (or its Parent) for such reduction.

(c) Payee will promptly notify Maker of any event of which it has knowledge, occurring after the date hereof, which will entitle Payee to compensation pursuant to this Section 2.5. A certificate of Payee claiming compensation under either Sections 2.5(a) or 2.5(b) and setting forth the additional amount or amounts to be paid to it hereunder shall be conclusive in the absence of manifest error; provided that any certificate delivered by Payee pursuant to this Section 2.5(c) shall (i) in the case of a certificate in respect of amounts payable pursuant to Section 2.5(a), set forth in reasonable detail the basis for and the calculation of such amounts, and (ii) in the case of a certificate in respect of amounts payable pursuant to Section 2.5(b), (A)

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set forth at least the same amount of detail in respect of the calculation of such amount as Payee provides in similar circumstances to other similarly situated borrowers from Payee, and (B) include a statement by Payee that it has allocated to the Loan a proportionately equal amount of any reduction of the rate of return on Payee's capital due to a Capital Adequacy Rule as it has allocated to each of its other outstanding loans that are affected similarly by such Capital Adequacy Rule.

Section 2.6 Deposits Unavailable.

In the event, and on each occasion, that (a) Payee shall have determined that Dollar deposits in the principal amounts of the Loan are not generally available to Payee in the London interbank market, for such periods and amounts then outstanding hereunder or that reasonable means do not exist for ascertaining the LIBOR Rate, or (b) Payee determines that the rate at which such Dollar deposits are being offered will not adequately and fairly reflect the cost to Payee of maintaining the Loan at the Interest Rate (based upon the LIBOR Rate) during such month, Payee shall, as soon as practicable thereafter, give written notice of such determination (the "**Determination Notice**") to Maker. In the event of any such determination, until the circumstances giving rise to such notice no longer exist, Lender's obligation to maintain interest based on the LIBOR Rate shall be suspended and the rate at which interest shall thereafter accrue on the Loan shall be equal to the sum of (i) the weekly average yield on United States Treasury Securities adjusted to a constant maturity of one year, as made available by the Federal Reserve Board forty-five (45) days prior to each Interest Determination Date (the "Alternate Index") plus (ii) the Alternate Margin (as defined below). The "Alternate Margin" shall be equal to the remainder (but not less than zero) of (1) the interest rate applicable to the Interest Accrual Period that precedes the date of the Determination Notice minus (2) the Alternate Index determined as of the date of the Determination Notice. In any such event, Maker may elect, by revocable notice to Payee within ten (10) Business Days after receipt of such notice from Payee to prepay the Loan, without payment of the Yield Maintenance Premium, but together with the Exit Fee, which prepayment must occur within thirty (30) days after delivery of such notice to Payee, unless such notice is revoked by Maker prior to such thirtieth (30th) day.

Section 2.7 Illegality.

If, on or after the date of this Note, the adoption of any applicable law, rule or regulation, or any change in any applicable law, rule or regulation, or any change in the interpretation or administration thereof by any Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by Payee with any request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency shall make it unlawful or impossible for Payee to maintain the Loan at the Interest Rate (based upon the LIBOR Rate), Payee shall forthwith give notice thereof to Maker. If Payee shall determine that it may not lawfully continue to maintain the Loan at the Interest Rate (based upon the LIBOR Rate) to maturity and shall so specify in such notice, the Loan shall bear interest at the interest rate applicable to the immediately preceding Interest Accrual Period. In any such event, Maker may elect, by revocable notice to Payee within thirty (30) days after receipt of such notice from Payee to prepay the Loan, without payment of the Yield Maintenance Premium, but together with the Exit Fee, which prepayment

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must occur within sixty (60) days after delivery of such notice to Payee, unless such notice is revoked by Maker prior to such sixtieth (60th) day.

SECTION 3 **DEFAULTS**

Section 3.1 Events of Default.

This Note is secured by, among other things, the Mortgages which, together with the Loan Agreement, specify various Events of Default, upon the happening of which all or portions of the sums owing under this Note may be declared immediately due and payable as more specifically provided therein. Each Event of Default under any of the Mortgages, the Loan Agreement or any one or more of the other Loan Documents shall be an Event of Default hereunder.

Section 3.2 Remedies.

If an Event of Default shall occur hereunder or under any other Loan Document, interest on the Principal Amount and, to the extent permitted by applicable law, all accrued but unpaid interest on the Principal Amount shall, commencing on the date of the occurrence of such Event of Default, at the option of Payee, immediately and without notice to Maker, accrue interest at the Default Rate until such Event of Default is cured or if not cured or such cure is not accepted by Payee, until the repayment of the Debt. The foregoing provision shall not be construed as a waiver by Payee of its right to pursue any other remedies available to it under the Loan Agreement, any of the Mortgages, or any other Loan Document, nor shall it be construed to limit in any way the application of the Default Rate.

SECTION 4 **EXCULPATION**

Section 4.1 Exculpation.

Notwithstanding anything to the contrary contained in this Note or the other Loan Documents, the obligations of Maker hereunder shall be non-recourse except with respect to the Property (as defined in the Mortgages) and as otherwise provided in Section 18.32 of the Loan Agreement, the terms of which are incorporated herein.

SECTION 5 **MISCELLANEOUS**

Section 5.1 Further Assurances.

Maker shall execute and acknowledge (or cause to be executed and acknowledged) and deliver to Payee all documents, and take all actions, reasonably

required by Payee from time to time to confirm the rights created or now or hereafter intended to be created under this Note and the other Loan Documents, to protect and further the validity, priority and enforceability of this Note and the other Loan Documents, to subject to the Loan Documents any property of Maker intended by the terms of any one or more of the Loan Documents to be encumbered by the Loan Documents, or otherwise carry out the purposes of the Loan Documents

and the transactions contemplated thereunder; provided, however, that no such further actions, assurances and confirmations shall (i) result in a material economic change in the transaction (ii) change the Maturity Date or the interest rate, except in connection with a bifurcation of the Loan which may result in varying interest rates, but which shall have at all times the same weighted average coupon of the original Loan, (iii) modify or amend any other material economic terms of the Loan, or (iv) increase Maker's obligations and liabilities or Payee's rights or decrease Maker's rights under the Loan Documents.

Section 5.2 Modification, Waiver in Writing

No modification, amendment, extension, discharge, termination or waiver (a "Modification") of any provision of this Note, the Loan Agreement, the Mortgages or any one or more of the other Loan Documents, nor consent to any departure by Maker therefrom, shall in any event be effective unless the same shall be in a writing signed by the party against whom enforcement is sought, and then such waiver or consent shall be effective only in the specific instance, and for the purpose, for which given. Except as otherwise expressly provided herein, no notice to, or demand on, Maker shall entitle Maker to any other or future notice or demand in the same, similar or other circumstances. Payee does not hereby agree to, nor does Payee hereby commit itself to, enter into any Modification.

Section 5.3 Costs of Collection

Maker agrees to pay all costs and expenses of collection reasonably incurred by Payee, in addition to principal, interest and Late Charges (including, without limitation, reasonable attorneys' fees and disbursements) and including all costs and expenses reasonably incurred in connection with the pursuit by Payee of any of its rights or remedies referred to in Section 3 hereof or its rights or remedies referred to in any of the Loan Documents or the protection of or realization of collateral or in connection with any of Payee's collection efforts, whether or not suit on this Note, on any of the other Loan Documents or any foreclosure proceeding is filed, and all such reasonable costs and expenses shall be payable on demand, together with interest at the Default Rate thereon, and also shall be secured by the Mortgage and all other collateral at any time held by Payee as security for Maker's obligations to Payee.

Section 5.4 Maximum Amount

(a) It is the intention of Maker and Payee to conform strictly to the usury and similar laws relating to interest and the collection of other charges from time to time in force, and all agreements between Maker and Payee, whether now existing or hereafter arising and whether oral or written, are hereby expressly limited so that in no contingency or event whatsoever, whether by acceleration of maturity hereof or otherwise, shall the amount paid or agreed to be paid in the aggregate to Payee as interest or other charges hereunder or under the other Loan Documents or in any other security agreement given to secure the Debt, or in any other document evidencing, securing or pertaining to the Debt, exceed the maximum amount permissible under applicable usury or such other laws (the "Maximum Amount"). If under any circumstances whatsoever fulfillment of any provision hereof, or any of the other Loan Documents, at the time performance of such provision shall be due, shall involve transcending the Maximum Amount, then ipso facto, the obligation to be fulfilled shall be reduced to the

Maximum Amount. For the purposes of calculating the actual amount of interest or other charges paid and/or payable hereunder, in respect of laws pertaining to usury or such other laws, all charges and other sums paid or agreed to be paid hereunder to the holder hereof for the use, forbearance or detention of the Debt, outstanding from time to time shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread from the date of disbursement of the proceeds of this Note until payment in full of all of the Debt, so that the actual rate of interest on account of the Debt is uniform through the term hereof. The terms and provisions of this Section 5.4 shall control and supersede every other provision of all agreements between Maker or any endorser and Payee.

(b) If under any circumstances Payee shall ever receive an amount which would exceed the Maximum Amount, such amount shall be deemed a payment in reduction of the Loan Amount owing hereunder and any other obligation of Maker in favor of Payee, and shall be so applied in accordance with Section 2.2(a) (2) hereof as an Unscheduled Payment, or if such excessive interest exceeds the unpaid balance of the Loan Amount and any other obligation of Maker in favor of Payee, the excess shall be deemed to have been a payment made by mistake and shall be promptly refunded to Maker.

Section 5.5 Waivers

Maker hereby expressly and unconditionally waives presentment, demand, protest, notice of protest or notice of any kind, including, without limitation, any notice of intention to accelerate and notice of acceleration, except as expressly provided herein, and in connection with any suit, action or proceeding brought by Payee on this Note, any and every right it may have to (a) a trial by jury, (b) interpose any counterclaim therein (other than a counterclaim which can only be asserted in the suit, action or proceeding brought by Payee on this Note and cannot be maintained in a separate action) and (c) have the same consolidated with any other or separate suit, action or proceeding.

Section 5.6 Governing Law

This Note and the obligations arising hereunder shall be governed by, and construed in accordance with, the laws of the State of New York applicable to

contracts made and performed in such State and any applicable law of the United States of America.

Section 5.7 Headings.

The Section headings in this Note are included herein for convenience of reference only and shall not constitute a part of this Note for any other purpose.

Section 5.8 Assignment.

Payee shall have the right to transfer, sell and assign this Note, the Loan Agreement, the Mortgages and/or any of the other Loan Documents or any interest therein, and the obligations hereunder, to any Person. All references to "Payee" hereunder shall be deemed to include the assigns of the Payee.

Section 5.9 Severability.

Wherever possible, each provision of this Note shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Note shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Note.

Section 5.10 Joint and Several.

If Maker consists of more than one Person or party, the obligations and liabilities of each such Person or party hereunder shall be joint and several.

[SIGNATURE PAGE IMMEDIATELY FOLLOWS]

IN WITNESS WHEREOF, this Note has been duly executed by the Maker the day and year first written above.

ONE GRANDE SPE LLC,
a Delaware limited liability company

By: /s/ Mitchell E. Hersh
Name: Mitchell E. Hersh
Title: Chief Executive Officer

1280 WALL SPE LLC,
a Delaware limited liability company

By: /s/ Mitchell E. Hersh
Name: Mitchell E. Hersh
Title: Chief Executive Officer

10 SYLVAN SPE LLC,
a Delaware limited liability company

By: /s/ Mitchell E. Hersh
Name: Mitchell E. Hersh
Title: Chief Executive Officer

5 INDEPENDENCE SPE LLC,
a Delaware limited liability company

By: /s/ Mitchell E. Hersh
Name: Mitchell E. Hersh
Title: Chief Executive Officer

[SIGNATURES CONTINUE ON NEXT PAGE]

1 INDEPENDENCE SPE LLC,
a Delaware limited liability company

By: /s/ Mitchell E. Hersh
Name: Mitchell E. Hersh
Title: Chief Executive Officer

3 BECKER SPE LLC,
a Delaware limited liability company

By: /s/ Mitchell E. Hersh
Name: Mitchell E. Hersh
Title: Chief Executive Officer

PREPARED BY AND UPON RECORDATION
RETURN TO:

Winston & Strawn LLP
200 Park Avenue
New York, New York
Attention: Corey A. Tessler, Esq.

Loan No.: 502856396

4 Becker Farm Road, Roseland, New Jersey

4 BECKER SPE LLC,
as Borrower

to

WACHOVIA BANK, NATIONAL ASSOCIATION,
as Lender

MORTGAGE, SECURITY AGREEMENT AND FIXTURE FILING

Date: May 9, 2006

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MORTGAGE, SECURITY AGREEMENT AND FIXTURE FILING

THIS MORTGAGE, SECURITY AGREEMENT AND FIXTURE FILING(as the same may be from time to time amended, consolidated, renewed or replaced, this "**Mortgage**") is made as of May 9, 2006 by 4 BECKER SPE LLC, a Delaware limited liability company, as grantor ("**Borrower**"), whose address c/o Mack-Cali Realty, L.P. at 11 Commerce Drive, Cranford, New Jersey 07016, to WACHOVIA BANK, NATIONAL ASSOCIATION, a national banking association, as beneficiary (together with its successors and assigns, "**Lender**"), whose address is Commercial Real Estate Services, 8739 Research Drive URP — 4, NC 1075, Charlotte, North Carolina 28262.

WITNESSETH:

THAT FOR AND IN CONSIDERATION OF THE SUM OF TEN AND NO/100 DOLLARS (\$10.00), AND OTHER VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH ARE HEREBY ACKNOWLEDGED, BORROWER HEREBY IRREVOCABLY MORTGAGES, GRANTS, BARGAINS, SELLS, CONVEYS, TRANSFERS, PLEDGES, SETS OVER AND ASSIGNS, with power of sale, all of Borrower's estate, right, title and interest in, to and under any and all of the following described property, whether now owned or hereafter acquired by Borrower (collectively, the "**Property**"):

(A) All that certain real property situated in the County of Essex, State of New Jersey, more particularly described on Exhibit A attached hereto and incorporated herein by this reference (the "**Premises**"), together with all of the easements, rights, privileges, franchises, tenements, hereditaments and appurtenances now or hereafter thereunto belonging or in any way appertaining thereto, and all of the estate, right, title, interest, claim and demand whatsoever of Borrower therein or thereto, either at law or in equity, in possession or in expectancy, now or hereafter acquired;

(B) All structures, buildings and improvements of every kind and description now or at any time hereafter located or placed on the Premises (the "**Improvements**");

(C) All furniture, furnishings, fixtures, goods, equipment, inventory or personal property owned by Borrower and now or hereafter located on, attached to or used in and about the Improvements, including, but not limited to, all machines, engines, boilers, dynamos, elevators, stokers, tanks, cabinets, awnings, screens, shades, blinds, carpets, draperies, lawn mowers, and all appliances, plumbing, heating, air conditioning, lighting, ventilating, refrigerating, disposal and incinerating equipment, and all fixtures and appurtenances thereto, and such other goods and chattels and personal property owned by Borrower as are now or hereafter used or furnished in operating the Improvements, or the activities conducted therein, and all building materials and equipment hereafter situated on or about the Premises or Improvements, and all warranties and guaranties relating thereto, and all additions thereto and substitutions and replacements therefor (exclusive of any of the foregoing owned or leased by tenants of space in the Improvements);

(D) All easements, rights-of-way, strips and gores of land, vaults, streets, ways, alleys, passages, sewer rights, and other emblements now or hereafter located on the Premises or under or above the same or any part or parcel thereof, and all estates, rights, titles, interests, tenements, hereditaments and appurtenances, reversions and remainders whatsoever, in any way belonging, relating or appertaining to the Property or any part thereof, or which hereafter shall in any way belong, relate or be appurtenant thereto, whether now owned or hereafter acquired by Borrower;

(E) All water, ditches, wells, reservoirs and drains and all water, ditch, well, reservoir and drainage rights which are appurtenant to, located on, under or above or used in connection with the Premises or the Improvements, or any part thereof, whether now existing or hereafter created or acquired;

(F) All minerals, crops, timber, trees, shrubs, flowers and landscaping features now or hereafter located on, under or above the Premises;

(G) All cash funds, deposit accounts and other rights and evidence of rights to cash, now or hereafter created or held by Lender pursuant to this Mortgage or any other of the Loan Documents (as hereinafter defined), including, without limitation, all funds now or hereafter on deposit in the Reserves (as hereinafter defined);

(H) All leases (including, without limitation, oil, gas and mineral leases), licenses, concessions and occupancy agreements of all or any part of the Premises or the Improvements (each, a "**Lease**" and collectively, "**Leases**"), whether written or oral, now or hereafter entered into and all rents, royalties, issues, profits, bonus money, revenue, income, rights and other benefits (collectively, the "**Rents and Profits**") of the Premises or the Improvements, now or hereafter arising from the use or enjoyment of all or any portion thereof or from any present or future Lease or other agreement pertaining thereto or arising from any of the Leases or any of the General Intangibles (as hereinafter defined) and all cash or securities deposited to secure performance by the tenants, lessees or licensees (each, a "**Tenant**" and collectively, "**Tenants**"), as applicable, of their obligations under any such Leases, whether said cash or securities are to be held until the expiration of the terms of said Leases or applied to one or more of the installments of rent coming due prior to the expiration of said terms, subject, however, to the provisions contained in Section 2.7 hereinbelow;

(I) All contracts and agreements now or hereafter entered into covering any part of the Premises or the Improvements (collectively, the "**Contracts**") and all revenue, income and other benefits thereof, including, without limitation, management agreements, service contracts, maintenance contracts, equipment leases, personal property leases and any contracts or documents relating to construction on any part of the Premises or the Improvements (including plans, drawings, surveys, tests, reports, bonds and governmental approvals) or to the management or operation of any part of the Premises or the Improvements;

(J) All present and future monetary deposits given to any public or private utility with respect to utility services furnished to any part of the Premises or the Improvements;

(K) All present and future funds, accounts, instruments, accounts receivable, documents, causes of action, claims, general intangibles (including, without limitation, trademarks, trade names, service marks and symbols now or hereafter used in connection with any part of the Premises or the Improvements, all names by which the Premises or the Improvements may be operated or known, all rights to carry on business under such names, and all rights, interest and privileges which Borrower has or may have as developer or declarant under any covenants, restrictions or declarations now or hereafter relating to the Premises or the Improvements) and all notes or chattel paper now or hereafter arising from or by virtue of any transactions related to the Premises or the Improvements (collectively, the "General Intangibles");

(L) All water taps, sewer taps, certificates of occupancy, permits, licenses, franchises, certificates, consents, approvals and other rights and privileges now or hereafter obtained in connection with the Premises or the Improvements and all present and future warranties and guaranties relating to the Improvements or to any equipment, fixtures, furniture, furnishings, personal property or components of any of the foregoing now or hereafter located or installed on the Premises or the Improvements;

(M) All building materials, supplies and equipment now or hereafter placed on the Premises or in the Improvements and all architectural renderings, models, drawings, plans, specifications, studies and data now or hereafter relating to the Premises or the Improvements;

(N) All right, title and interest of Borrower in any insurance policies or binders now or hereafter relating to the Property, including any unearned premiums thereon;

(O) All proceeds, products, substitutions and accessions (including claims and demands therefor) of the conversion, voluntary or involuntary, of any of the foregoing into cash or liquidated claims, including, without limitation, proceeds of insurance and condemnation awards; and

(P) All other or greater rights and interests of every nature in the Premises or the Improvements and in the possession or use thereof and income therefrom, whether now owned or hereafter acquired by Borrower.

FOR THE PURPOSE OF SECURING:

(1) The loan (the "Loan") evidenced by that certain Promissory Note (such Promissory Note, together with any and all renewals, amendments, modifications, consolidations and extensions thereof, is hereinafter referred to as the "Note") of even date with this Mortgage, made by Borrower payable to the order of Lender in the principal face amount of FORTY-THREE MILLION AND NO/100 DOLLARS (\$43,000,000.00), together with interest as therein provided;

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(2) The full and prompt payment and performance of all of the provisions, agreements, covenants and obligations herein contained and contained in any other agreements, documents or instruments now or hereafter evidencing, securing or otherwise relating to the Debt (as hereinafter defined), the Environmental Indemnity Agreement (as hereinafter defined) and the Indemnity and Guaranty Agreement (as hereinafter defined) (the Note, this Mortgage, and such other agreements, documents and instruments, together with any and all renewals, amendments, extensions and modifications thereof, are hereinafter collectively referred to as the "Loan Documents") and the payment of all other sums herein or therein covenanted to be paid;

(3) Any and all additional advances made by Lender to protect or preserve the Property or the lien or security interest created hereby on the Property, or for taxes, assessments or insurance premiums as hereinafter provided or for performance of any of Borrower's obligations hereunder or under the other Loan Documents or for any other purpose provided herein or in the other Loan Documents (whether or not the original Borrower remains the owner of the Property at the time of such advances); and

(4) Any and all other indebtedness now owing or which may hereafter be owing by Borrower to Lender, including, without limitation, all prepayment fees, however and whenever incurred or evidenced, whether express or implied, direct or indirect, absolute or contingent, or due or to become due, and all renewals, modifications, consolidations, replacements and extensions thereof, it being contemplated by Borrower and Lender that Borrower may hereafter become so indebted to Lender.

(All of the sums referred to in Paragraphs (1) through (4) above are herein referred to as the "Debt").

TO HAVE AND TO HOLD the Property unto Lender, its successors and assigns forever, and Borrower does hereby bind itself, its successors and assigns, to WARRANT AND FOREVER DEFEND the title to the Property, subject to the Permitted Encumbrances (as hereinafter defined), to Lender against every person whomsoever lawfully claiming or to claim the same or any part thereof;

PROVIDED, HOWEVER, that if the principal and interest and all other sums due or to become due under the Note or under the other Loan Documents, including, without limitation, any prepayment fees required pursuant to the terms of the Note, shall have been paid at the time and in the manner stipulated therein and the Debt shall have been paid and all other covenants contained in the Loan Documents shall have been performed, then, in such case, the liens, security interests, estates and rights granted by this Mortgage shall be satisfied and the estate, right, title and interest of Lender in the Property shall cease, and upon payment to Lender of all costs and expenses incurred for the preparation of the release hereinafter referenced and all recording costs if allowed by law, Lender shall promptly satisfy and release this Mortgage of record and the lien hereof by proper instrument.

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ARTICLE I

REPRESENTATIONS AND WARRANTIES OF BORROWER

Borrower, for itself and its successors and assigns, does hereby represent, warrant and covenant to and with Lender, its successors and assigns, that:

Section 1.1 Organization; Special Purpose. Borrower has been duly organized and is validly existing and in good standing under the laws of the state of its formation, with requisite power and authority, and all rights, licenses, permits and authorizations, governmental or otherwise, necessary to own its properties and to transact the business in which it is now engaged. Borrower is duly qualified to do business and is in good standing in each jurisdiction where it is required to be so qualified in connection with its properties, business and operations. Borrower possesses all franchises, patents, copyrights, trademarks, trade names, licenses and permits necessary for the conduct of its business substantially as now conducted. Borrower is a Single-Purpose Entity in compliance with the provisions of Section 2.29 hereof. All of the assumptions made in that certain substantive non-consolidation opinion letter dated the date hereof, delivered by Borrower's counsel in connection with the Loan and any subsequent non-consolidation opinion delivered in accordance with the terms and conditions of this Mortgage (the "Non-Consolidation Opinion"), including, but not limited to, any exhibits attached thereto, are true and correct in all respects.

Section 1.2 Title. Borrower has good, marketable and indefeasible fee simple title to the Property, subject only to those matters expressly set forth as exceptions to or subordinate matters in the title insurance policy insuring the lien of this Mortgage delivered as of the date hereof which Lender has agreed to accept, excepting therefrom all preprinted and/or standard exceptions (such items being the "Permitted Encumbrances"), and has full power and lawful authority to grant, bargain, sell, convey, assign, transfer, encumber and mortgage its interest in the Property in the manner and form hereby done or intended. Borrower will preserve its interest in and title to the Property and will forever warrant and defend the same to Lender against any and all claims whatsoever and will forever warrant and defend the validity and priority of the lien and security interest created herein against the claims of all persons and parties whomsoever, subject to the Permitted Encumbrances. This Mortgage creates (i) a valid, perfected lien on the Premises, subject only to Permitted Encumbrances and the liens created by the Loan Documents and (ii) perfected security interests in and to, and perfected collateral assignments of, all personalty, all in accordance with the terms thereof, in each case subject only to any applicable Permitted Encumbrances, such other liens as are permitted pursuant to the Loan Documents and the liens created by the Loan Documents. There are no security agreements or financing statements affecting all or any portion of the Property other than (i) as disclosed in writing by Borrower to Lender prior to the date hereof and (ii) the security agreements and financing statements created in favor of Lender. There are no claims for payment for work, labor or materials affecting the Premises which are or may become a lien prior to, or of equal priority with, the liens created by the Loan Documents. None of the Permitted Encumbrances, individually or in the aggregate, materially interfere with the benefits of the security intended to be provided by this Mortgage, materially and adversely affect the value of the Premises, impair the use or operations of the Premises or impair Borrower's ability to pay its obligations in a timely manner. The foregoing warranty of title shall survive the foreclosure of this Mortgage

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and shall inure to the benefit of and be enforceable by Lender in the event Lender acquires title to the Property pursuant to any foreclosure.

Section 1.3 No Bankruptcy Filing. No bankruptcy, insolvency proceedings or liquidation of all or a substantial portion of the Property is pending or contemplated by Borrower or, to the best knowledge of Borrower, against Borrower or by or against any endorser or cosigner of the Note or of any portion of the Debt, or any guarantor or indemnitor under any guaranty or indemnity agreement, including, without limitation, that certain Indemnity and Guaranty Agreement, dated the date hereof, executed by Mack-Cali Realty, L.P., a Delaware limited partnership, in favor of Lender (the "Guaranty Agreement"), executed in connection with the Note or the loan evidenced thereby and secured hereby (an "Indemnitor"). No petition in bankruptcy has been filed against Borrower or any general partner, manager, sole member, managing member or majority shareholder of Borrower, as applicable (collectively, the "Borrower Parties"), each a "Borrower Party"), and neither Borrower Party or any principal of a Borrower Party has ever made an assignment for the benefit of creditors or taken advantage of any insolvency act for the benefit of debtors.

Section 1.4 Full and Accurate Disclosure. No statement of fact made by Borrower in any Loan Documents contains any untrue statement of a material fact or omits to state any material fact necessary to make statements contained therein not misleading. There is no material fact presently known to Borrower that has not been disclosed to Lender which adversely affects, or, as far as Borrower can foresee, might adversely affect, the Property or the business, operations or condition (financial or otherwise) of Borrower. All financial data, including the statements of cash flow and income and operating expense, that have been delivered to Lender in respect of Borrower and the Property (i) are true, complete and correct in all material respects, (ii) accurately represent the financial condition of Borrower and the Property as of the date of such reports, and (iii) to the extent prepared by an independent certified public accounting firm, have been prepared in accordance with generally accepted accounting principles consistently applied throughout the periods covered, except as disclosed therein. Borrower has no contingent liabilities, liabilities for taxes, unusual forward or long-term commitments, unrealized or anticipated losses from any unfavorable commitments or any liabilities or obligations not expressly permitted by this Mortgage. Since the date of such financial statements, there has been no materially adverse change in the financial condition, operations or business of Borrower or the Property from that set forth in said financial statements.

Section 1.5 Proceedings; Enforceability. The execution, delivery and performance of this Mortgage, the Note and all of the other Loan Documents have been duly authorized by all necessary action to be, and are, binding and enforceable against Borrower in accordance with the respective terms thereof and do not contravene, result in a breach of or constitute a default (nor upon the giving of notice or the passage of time or both will same constitute a default) under the partnership agreement, articles of incorporation, operating agreement or other organizational documents of Borrower or any contract or agreement of any nature to which Borrower is a party or by which Borrower or any of its property may be bound and do not violate or contravene any law, order, decree, rule or regulation to which Borrower is subject. The Loan Documents are not subject to, and Borrower has not asserted, any right of rescission, set-off, counterclaim or defense, including the defense of usury.

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Section 1.6 No Conflicts. Borrower is not required to obtain any consent, approval or authorization from or to file any declaration or statement with, any governmental authority or agency in connection with or as a condition to the execution, delivery or performance of this Mortgage, the Note or the other Loan Documents which has not been so obtained or filed. Borrower has obtained or made all necessary (i) consents, approvals and authorizations and registrations and filings of or with all governmental authorities or agencies and (ii) consents, approvals, waivers and notifications of partners, stockholders, members, creditors, lessors and other non-governmental persons and/or entities, in each case, which are required to be obtained or made by Borrower in connection with the execution and delivery of, and the performance by Borrower of its obligations under, the Loan Documents.

Section 1.7 Federal Reserve Regulations; Investment Company Act. No part of the proceeds of the Loan will be used for the purpose of purchasing or acquiring any "margin stock" within the meaning of Regulation T, U or X of the Board of Governors of the Federal Reserve System or for any other purpose that would be inconsistent with such Regulation T, U or X or any other regulation of such Board of Governors, or for any purpose prohibited by law or any Loan Document. Borrower is not (i) an "investment company" or a company "controlled" by an "investment company," within the meaning of the Investment Company Act of 1940, as amended; (ii) a "holding company" or a "subsidiary company" of a "holding company" or an "affiliate" of either a "holding company" or a "subsidiary company" within the meaning of the Public Utility Holding Company Act of 1935, as amended; or (iii) subject to any other federal or state law or regulation which purports to restrict or regulate its ability to borrow money.

Section 1.8 Taxes. Borrower and any general partner or managing member of Borrower, if any, has filed all federal, state and local tax returns required to be filed as of the date hereof and has paid or made adequate provision for the payment of all federal, state and local taxes, charges and assessments payable by Borrower and any general partner or managing member, if any, as of the date hereof. Borrower and any general partner or managing member, if any, believe that their respective tax returns properly reflect the income and taxes of Borrower and said general partner or managing member, if any, for the periods covered thereby, subject only to reasonable adjustments required by the Internal Revenue Service or other applicable tax authority upon audit. Borrower and the Property are free from any past due obligations for sales

and payroll taxes.

Section 1.9 ERISA. Borrower (i) has no knowledge of any material liability that has been incurred or is expected to be incurred by Borrower that is or remains unsatisfied for any taxes or penalties with respect to any "employee benefit plan", as defined in section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or any "plan" within the meaning of Section 4975(e)(1) of the Internal Revenue Code of 1986, as amended (the "Code") or any other benefit plan (other than a multi-employer plan) maintained, contributed to, or required to be contributed to by Borrower or by any entity that is under the common control with Borrower within the meaning of ERISA Section 4001(a)(14) (collectively, a "Plan") or any plan that would be a Plan but for the fact that it is a multi-employer plan within the meaning of ERISA Section 3(37) and (ii) has made and shall continue to make when due all required contributions to all such Plans, if any. Each such Plan, if any, has been and will be administered in compliance with its terms and the applicable provisions of ERISA, the Code and any other applicable Federal or state law and no action shall be taken or fail to be taken that would result in

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the disqualification or loss of the tax-exempt status of any such Plan, if any, intended to be qualified or tax-exempt. The assets of Borrower do not constitute "plan assets" of one or more such plans within the meaning of 29 C.F.R. Section 2510.3-101.

Section 1.10 Property Compliance. The Premises and the Improvements and the current intended use thereof by Borrower comply in all material respects with all applicable restrictive covenants, zoning ordinances, subdivision and building codes, flood disaster laws, health and environmental laws and regulations and all other ordinances, orders or requirements issued by any state, federal or municipal authorities having or claiming jurisdiction over the Property, except as otherwise previously disclosed to Lender in writing. In the event that all or any part of the Improvements are destroyed or damaged, said Improvements can be legally reconstructed to their condition prior to such damage or destruction, and thereafter exist for the same use without violating any zoning or other ordinances applicable thereto and without the necessity of obtaining any variances or special permits. No legal proceedings are pending or, to the knowledge of Borrower, threatened with respect to the zoning of the Premises. Neither the zoning nor any other right to construct, use or operate the Premises is in any way dependent upon or related to any property other than the Premises. All certifications, permits, licenses and approvals, including certificates of completion and occupancy permits required for the legal use, occupancy and operation of the Premises have been obtained and are in full force and effect. The Premises and Improvements constitute one or more separate tax parcels for purposes of ad valorem taxation. The Premises and Improvements do not require any rights over, or restrictions against, other property in order to comply with any of the aforesaid governmental ordinances, orders or requirements.

Section 1.11 Utilities. All utility services necessary and sufficient for the full use, occupancy, operation and disposition of the Premises and the Improvements for their intended purposes are available to the Property, including water, storm sewer, sanitary sewer, gas, electric, cable and telephone facilities, through public rights-of-way or perpetual private easements approved by Lender. The Property is free from delinquent water charges, sewer rents, taxes and assessments.

Section 1.12 Public Access. All streets, roads, highways, bridges and waterways necessary for access to and full use, occupancy, operation and disposition of the Premises and the Improvements have been completed, have been dedicated to and accepted by the appropriate municipal authority and are open and available to the Premises and the Improvements without further condition or cost to Borrower. All curb cuts, driveways and traffic signals shown on the survey delivered to Lender prior to the execution and delivery of this Mortgage are existing and have been fully approved by the appropriate governmental authority.

Section 1.13 Litigation; Agreements. There are no judicial, administrative, mediation or arbitration actions, suits or proceedings pending or threatened against or affecting Borrower (or, if Borrower is a partnership or a limited liability company, any of its general partners or members) or the Property which, if adversely determined, would materially impair either the Property or Borrower's ability to perform the covenants or obligations required to be performed under the Loan Documents. Borrower is not a party to any agreement or instrument or subject to any restriction which might adversely affect Borrower or the Property, or Borrower's business, properties, operations or condition, financial or otherwise. Borrower is not in default in any

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material respect in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any Permitted Encumbrance or any other agreement or instrument to which it is a party or by which it or the Property is bound.

Section 1.14 Physical Condition. As of the date of this Mortgage, (i) the Property is free from unrepaired damage caused by fire, flood, accident or other casualty, (ii) no part of the Premises or the Improvements has been taken in condemnation, eminent domain or like proceeding nor is any such proceeding pending or, to Borrower's knowledge and belief, threatened or contemplated, (iii) except as may otherwise be disclosed in that certain Property Condition Report (the "Property Condition Report") dated May 5, 2006 and prepared by IVI Due Diligence Services, Inc., the Improvements are structurally sound, in good repair and free of defects in materials and workmanship and have been constructed and installed in substantial compliance with the plans and specifications relating thereto, and (iv) all major building systems located within the Improvements, including, without limitation, the heating and air conditioning systems and the electrical and plumbing systems, are in good working order and condition.

Section 1.15 Contracts. Borrower has delivered to Lender true, correct and complete copies of all Contracts and all amendments thereto or modifications thereof. Each Contract constitutes the legal, valid and binding obligation of Borrower and, to the best of Borrower's knowledge and belief, is enforceable against any other party thereto. No default exists, or with the passing of time or the giving of notice or both would exist, under any Contract which would, in the aggregate, have a material adverse effect on Borrower or the Property. No Contract provides any party with the right to obtain a lien or encumbrance upon the Property superior to the lien of this Mortgage. All Contracts affecting the Property have been entered into at arms-length in the ordinary course of Borrower's business and provide for the payment of fees in amounts and upon terms comparable to existing market rates.

Section 1.16 Leases. Borrower has delivered (i) a true, correct and complete schedule (the "Rent Roll") of all Leases affecting the Property as of the date hereof, which accurately and completely sets forth in all material respects for each such Lease, the following: the name of the Tenant, the Lease expiration date, extension and renewal provisions, the base rent payable, the security deposit held thereunder and any other material provisions of such Lease and (ii) true, correct and complete copies of all Leases described in the Rent Roll. Each Lease constitutes the legal, valid and binding obligation of Borrower and, to the best of Borrower's knowledge and belief, is enforceable against the Tenant thereof. No default exists, or with the passing of time or the giving of notice or both would exist, under any Lease which would, in the aggregate, have a material adverse effect on Borrower or the Property. No Tenant under any Lease has, as of the date hereof, paid rent more than thirty (30) days in advance, and the rents under such Leases have not been waived, released, or otherwise discharged or compromised. All security deposits required under such Leases have been fully funded and are held by Borrower as permitted by applicable law. All work to be performed by Borrower under the Leases has been substantially performed, all contributions to be made by Borrower to the Tenants thereunder have been made and all other conditions precedent to each such Tenant's obligations thereunder have been satisfied. Each Tenant under a Lease has entered into occupancy of the demised premises. To the best of Borrower's knowledge and belief, each Tenant is free from bankruptcy, reorganization or arrangement proceedings or a general assignment for the benefit of creditors.

No Lease provides any party with the right to obtain a lien or encumbrance upon the Property superior to the lien of this Mortgage.

Section 1.17 Foreign Person. Borrower is not a “foreign person” within the meaning of §1445(f)(3) of the Code, and the related Treasury Department regulations, including temporary regulations.

Section 1.18 Management Agreement. The property management agreement relating to the Premises (the “Management Agreement”) is in full force and effect and to the best of Borrower’s knowledge, there is no default, breach or violation existing thereunder by any party thereto beyond the expiration of applicable notice and grace periods thereunder and no event has occurred (other than payments due but not yet delinquent) that, with the passage of time or the giving of notice, or both, would constitute a default, breach or violation by any party thereunder. The fee due under the Management Agreement, and the terms and provisions of the Management Agreement, are subordinate to this Mortgage.

Section 1.19 Fraudulent Transfer. Borrower has not entered into the Loan or any Loan Document with the actual intent to hinder, delay, or defraud any creditor, and Borrower has received reasonably equivalent value in exchange for its obligations under the Loan Documents. Giving effect to the transactions contemplated by the Loan Documents, the fair saleable value of Borrower’s assets exceeds and will, immediately following the execution and delivery of the Loan Documents, exceed Borrower’s total liabilities, including subordinated, unliquidated, disputed or contingent liabilities, including the maximum amount of its contingent liabilities or its debts as such debts become absolute and matured. Borrower’s assets do not and, immediately following the execution and delivery of the Loan Documents will not, constitute unreasonably small capital to carry out its business as conducted or as proposed to be conducted. Borrower does not intend to, and does not believe that it will, incur debts and liabilities (including contingent liabilities and other commitments) beyond its ability to pay such debts as they mature (taking into account the timing and amounts to be payable on or in respect of obligations of Borrower).

All of the representations and warranties in this Article I and elsewhere in the Loan Documents (i) shall survive for so long as any portion of the Debt remains owing to Lender and (ii) shall be deemed to have been relied upon by Lender notwithstanding any investigation heretofore or hereafter made by Lender or on its behalf.

ARTICLE II

COVENANTS OF BORROWER

For the purposes of further securing the Debt and for the protection of the security of this Mortgage, for so long as the Debt or any part thereof remains unpaid, Borrower covenants and agrees as follows:

Section 2.1 Defense of Title. If, while this Mortgage is in force, the title to the Property or the interest of Lender therein shall be the subject, directly or indirectly, of any action at law or in equity, or be attached directly or indirectly, or endangered, clouded or adversely

affected in any manner, Borrower, at Borrower’s expense, shall take all necessary and proper steps for the defense of said title or interest, including the employment of counsel approved by Lender, the prosecution or defense of litigation, and the compromise or discharge of claims made against said title or interest. Notwithstanding the foregoing, in the event that Lender determines that Borrower is not adequately performing its obligations under this Section, Lender may, without limiting or waiving any other rights or remedies of Lender hereunder, take such steps with respect thereto as Lender shall deem necessary or proper and any and all costs and expenses incurred by Lender in connection therewith, together with interest thereon at the Default Interest Rate (as defined in the Note) from the date incurred by Lender until actually paid by Borrower, shall be immediately paid by Borrower on demand and shall be secured by this Mortgage and by all of the other Loan Documents securing all or any part of the indebtedness evidenced by the Note.

Section 2.2 Performance of Obligations. Borrower shall pay when due the principal of and the interest on the Debt in accordance with the terms of the Note. Borrower shall also pay all charges, fees and other sums required to be paid by Borrower as provided in the Loan Documents, in accordance with the terms of the Loan Documents, and shall observe, perform and discharge all obligations, covenants and agreements to be observed, performed or discharged by Borrower set forth in the Loan Documents in accordance with their terms. Further, Borrower shall promptly and strictly perform and comply with all covenants, conditions, obligations and prohibitions required of Borrower in connection with any other document or instrument affecting title to the Property, or any part thereof, regardless of whether such document or instrument is superior or subordinate to this Mortgage.

Section 2.3 Insurance. Borrower shall, at Borrower’s expense, maintain in force and effect on the Property at all times while this Mortgage continues in effect the following insurance:

(a) Insurance against loss or damage to the Property by fire, lightning, windstorm, tornado, hail, terrorism, riot and civil commotion, vandalism, malicious mischief, burglary and theft and against loss and damage by such other, further and additional risks as may be now or hereafter embraced by a “special causes of loss” type of insurance policy. The amount of such insurance shall be not less than one hundred percent (100%) of the full replacement cost (insurable value) of the Improvements (as established by a Member of the Appraisal Institute appraisal), without reduction for depreciation. The determination of the replacement cost amount shall be adjusted annually to comply with the requirements of the insurer issuing such coverage or, at Lender’s election, by reference to such indices, appraisals or information as Lender determines in its reasonable discretion in order to reflect increased value due to inflation. Absent such annual adjustment, each policy shall contain inflation guard coverage insuring that the policy limit will be increased over time to reflect the effect of inflation. “Full replacement cost,” as used herein and elsewhere in this Section 2.3, means, with respect to the Improvements, the cost of replacing the Improvements without regard to deduction for depreciation, exclusive of the cost of excavations, foundations and footings below the lowest basement floor. Borrower shall also maintain insurance against loss or damage to furniture, furnishings, fixtures, equipment and other items (whether personalty or fixtures) included in the Property and owned by Borrower from time to time to the extent applicable. Each policy shall contain a waiver of any

co-insurance provisions, subject to Lender’s approval. The maximum deductible shall be \$100,000.00.

(b) If the “special causes of loss” policy required in subsection (a) above excludes coverage for wind damage, Borrower shall maintain separate coverage for such risk. Furthermore, if the Property is located in the State of Florida, or within twenty five (25) miles of the ocean coast of the states of Texas, Louisiana,

Mississippi, Alabama, Georgia, North Carolina, Hawaii or South Carolina, windstorm insurance must be maintained in an amount equal to the lesser of (i) the full replacement cost of the Property or (ii) the maximum limit of coverage available with respect to the Improvements and Equipment. If available, a minimum of eighteen (18) months general business income coverage specifically relating to wind damage shall be required. The maximum deductible shall be \$100,000.00, which deductible shall only apply to "tier one" coverages.

(c) Ordinance and law insurance is required if the Property is "non-conforming" with respect to any zoning requirements. Borrower shall maintain "Coverage A" against loss on value to the undamaged portion of the Improvements for the full replacement cost of the Improvements. Borrower shall also maintain "Coverage B" against the cost of demolition in an amount equal to ten percent (10%) of the total value of the Improvements and "Coverage C" against increased cost of reconstruction in an amount equal to twenty percent (20%) of the total value of the Improvements. The maximum deductible shall be \$100,000.00; provided that if the insurance required under this Section 2.3(c) is fully covered by the insurance required in Section 2.3(a) above, then no separate deductible shall be required, and the maximum deductible of \$100,000.00 shall apply for the combined insurance for Section 2.3(a) and Section 2.3(c).

(d) Commercial General Liability Insurance against claims for personal injury, bodily injury, death and property damage occurring on, in or about the Premises or the Improvements in amounts not less than \$1,000,000.00 per occurrence and \$2,000,000.00 in the aggregate plus umbrella coverage in an amount not less than \$25,000,000. Lender hereby retains the right to periodically review the amount of said liability insurance being maintained by Borrower and to require an increase in the amount of said liability insurance should Lender deem an increase to be reasonably prudent under then existing circumstances. The maximum deductible shall be \$25,000.00.

(e) Equipment breakdown (also known as boiler and machinery) insurance is required if steam boilers or other pressure-fired vessels are in operation at the Premises. Minimum liability coverage per accident must equal the greater of the replacement cost (insurable value) of the Improvements housing such boiler or pressure-fired machinery or \$2,000,000.00. If one or more large HVAC units is in operation at the Premises, "Systems Breakdowns" coverage shall be required, as determined by Lender. Minimum liability coverage per accident must equal the value of such unit(s). If available, a minimum of eighteen (18) months general business income coverage specifically relating to boiler and machinery damage shall be required. The maximum deductible shall be \$100,000.00. Co-insurance is prohibited.

(f) If the Improvements or any part thereof is situated in an area designated by the Federal Emergency Management Agency ("FEMA") as a special flood hazard area (Zone A or Zone V), flood insurance in an amount equal to the lesser of: (i) the minimum amount

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required, under the terms of coverage, to compensate for any damage or loss on a replacement basis (or the unpaid balance of the Debt if replacement cost coverage is not available for the type of building insured), or (ii) the maximum insurance available under the appropriate National Flood Insurance Administration program. If available, a minimum of eighteen (18) months general business income coverage specifically relating to flood damage shall be required. The maximum deductible shall be \$5,000.00 per building or a higher minimum amount as required by FEMA or other applicable law.

(g) If the Property is situated in an area designated by FEMA as a high probability earthquake area (Zone 2b or greater), Lender may require a Probable Maximum Loss ("PML") study to be conducted at the Property. If the PML study reveals a PML equal to or exceeding twenty percent (20%) of the full replacement cost of the Improvements, Borrower shall be required to maintain earthquake insurance in an amount equal to the PML percentage of full replacement cost of the Improvements. If available, a minimum of eighteen (18) months Business Income coverage specifically relating to earthquake damage shall be required. The maximum deductible shall be no more than five percent (5%) of the value at risk or the lowest deductible available in the State in which the Property is located.

(h) During the period of any construction, renovation or alteration of the existing Improvements which exceeds the lesser of 10% of the principal amount of the Note or \$500,000, at Lender's request, a completed value, "All Risk" Builder's Risk form or "Course of Construction" insurance policy in non-reporting form, in an amount approved by Lender, may be required. During the period of any construction of any addition to the existing Improvements, a completed value, "All Risk" Builder's Risk form or "Course of Construction" insurance policy in non-reporting form, in an amount approved by Lender, shall be required. The maximum deductible shall be \$100,000.00.

(i) When required by applicable law, ordinance or other regulation, Worker's Compensation and Employer's Liability Insurance covering all persons subject to the worker's compensation laws of the state in which the Property is located. Additionally, if Borrower has direct employees, Hired and Non-Owned Auto Insurance is required in an amount equal to \$1,000,000 per occurrence. The maximum deductible shall be \$25,000.00.

(j) In addition to the specific risk coverages required herein, general business income (loss of rents) insurance in amounts sufficient to compensate Borrower for all Rents and Profits or income during a period of not less than eighteen (18) months. The "actual loss" amount of coverage shall be adjusted annually to reflect the greater of (i) estimated Rents and Profits or income payable during the succeeding eighteen (18) month period or (ii) the projected operating expenses, capital expenses and debt service for the Property as approved by Lender in its sole discretion. The maximum deductible shall be \$100,000.00.

(k) Such other insurance on the Property or on any replacements or substitutions thereof or additions thereto as may from time to time be required by Lender against other insurable hazards or casualties which at the time are commonly insured against in the case of property similarly situated including, without limitation, Sinkhole, Mine Subsidence and Environmental insurance, due regard being given to the height and type of buildings, their construction, location, use and occupancy.

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(l) At Borrower's election, in lieu of the maximum deductible required for insurance coverage required under Sections 2.3(d) of the Mortgage, Borrower shall be required to maintain a Self-insured Retention in connection with its General Liability Insurance coverage, in an amount not to exceed \$150,000.00, provided that Borrower shall be personally liable for the payment of all claims within the limits of the Self-insured Retention, as if such obligation of Borrower were included as an exception to the Exculpation provisions in Section 2.6(c) of the Note and the Indemnitor shall also be liable for the payment of such claims pursuant to its Indemnity and Guaranty Agreement of even date herewith for the benefit of Lender.

(m) Borrower shall maintain insurance against damage resulting from acts of terrorism, or an insurance policy without an exclusion for damages resulting from terrorism, on terms consistent with the commercial property insurance policy required under subsections (a) and (j) above, provided, however, that in the event the commercial property and business income insurance required under subsection (a) and (j) above excludes perils of terrorism and acts of terrorism, then Borrower shall maintain a separate commercial property and business income insurance policy for loss resulting from perils and acts of terrorism on terms (including amounts, except as provided for below) consistent with those required under subsection (a) and (j) above (a "Stand Alone Terrorism Insurance Policy") all times during the term of the Loan; provided, that, Borrower shall not be required to maintain terrorism coverage for amounts in excess of the amount of coverage that, could be obtained under a Stand Alone Terrorism Insurance Policy upon the payment of an annual premium in an amount (the "Terrorism Insurance Cap") equal to two hundred fifty percent (250%) of the cost of obtaining a Stand Alone Terrorism Insurance Policy as of the date hereof and in the event the annual premium for terrorism coverage satisfying the requirements of this Section 2.3 shall exceed the Terrorism Insurance Cap, Borrower shall only be required to obtain and maintain terrorism coverage for as much of the coverage as is available

for a premium equal to the Terrorism Insurance Cap.

All such insurance shall (i) be with insurers fully licensed and authorized to do business in the state within which the Premises is located and who have and maintain a rating of at least (A) A or higher from Standard & Poors and (B) AX or higher from A.M. Best, (ii) contain the complete address of the Premises (or a complete legal description), (iii) be for terms of at least one year, with premium prepaid, and (iv) be subject to the approval of Lender as to insurance companies, amounts, content, forms of policies, method by which premiums are paid and expiration dates, and (v) include a standard, non-contributory, mortgagee clause naming EXACTLY:

Wachovia Bank, National Association,
its Successors and Assigns ATIMA
c/o Wachovia Bank, National Association, as Servicer
P.O. Box 563956
Charlotte, North Carolina 28256-3956

(A) as an additional insured under all liability insurance policies, (B) as the first mortgagee on all property insurance policies and (C) as the loss payee on all loss of rents or loss of business income insurance policies.

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Borrower shall, as of the date hereof, deliver to Lender evidence that said insurance policies have been prepaid as required above and certified copies of such insurance policies and original certificates of insurance signed by an authorized agent of the applicable insurance companies evidencing such insurance satisfactory to Lender. Borrower shall renew all such insurance and deliver to Lender an Acord 28 certificate for proof of commercial property insurance and an Acord 25 certificate for proof of liability insurance, together with such other certificates reasonably requested by Lender. Borrower further agrees that each such insurance policy: (i) shall provide for at least thirty (30) days' prior written notice to Lender prior to any policy reduction or cancellation for any reason other than non-payment of premium and at least ten (10) days' prior written notice to Lender prior to any cancellation due to non-payment of premium; (ii) shall contain an endorsement or agreement by the insurer that any loss shall be payable to Lender in accordance with the terms of such policy notwithstanding any act or negligence of Borrower which might otherwise result in forfeiture of such insurance; (iii) shall waive all rights of subrogation against Lender; and (iv) may be in the form of a blanket policy provided that, in the event that any such coverage is provided in the form of a blanket policy, Borrower hereby acknowledges and agrees that failure to pay any portion of the premium therefor which is not allocable to the Property or by any other action not relating to the Property which would otherwise permit the issuer thereof to cancel the coverage thereof, would require the Property to be insured by a separate, single-property policy. The blanket policy must properly identify and fully protect the Property as if a separate policy were issued for 100% of Replacement Cost at the time of loss and otherwise meet all of Lender's applicable insurance requirements set forth in this Section 2.3. The delivery to Lender of the insurance policies or the certificates of insurance as provided above shall constitute an assignment of all proceeds payable under such insurance policies relating to the Property by Borrower to Lender as further security for the Debt. In the event of foreclosure of this Mortgage, or other transfer of title to the Property in extinguishment in whole or in part of the Debt, all right, title and interest of Borrower in and to all proceeds payable under such policies then in force concerning the Property shall thereupon vest in the purchaser at such foreclosure, or in Lender or other transferee in the event of such other transfer of title. Approval of any insurance by Lender shall not be a representation of the solvency of any insurer or the sufficiency of any amount of insurance. In the event Borrower fails to provide, maintain, keep in force or deliver and furnish to Lender the policies of insurance required by this Mortgage or evidence of their renewal as required herein, Lender may, but shall not be obligated to, procure such insurance and Borrower shall pay all amounts advanced by Lender therefor, together with interest thereon at the Default Interest Rate from and after the date advanced by Lender until actually repaid by Borrower, promptly upon demand by Lender. Any amounts so advanced by Lender, together with interest thereon, shall be secured by this Mortgage and by all of the other Loan Documents securing all or any part of the Debt. Lender shall not be responsible for nor incur any liability for the insolvency of the insurer or other failure of the insurer to perform, even though Lender has caused the insurance to be placed with the insurer after failure of Borrower to furnish such insurance. Borrower shall not obtain insurance for the Property in addition to that required by Lender without the prior written consent of Lender, which consent will not be unreasonably withheld provided that (i) Lender is a named insured on such insurance, (ii) Lender receives complete copies of all policies evidencing such insurance, and (iii) such insurance complies with all of the applicable requirements set forth herein.

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Section 2.4 Payment of Taxes. Borrower shall pay or cause to be paid, except to the extent provision is actually made therefor pursuant to Section 3.3 of this Mortgage, all taxes and assessments which are or may become a lien on the Property or which are assessed against or imposed upon the Property. Borrower shall furnish Lender with receipts (or if receipts are not immediately available, with copies of canceled checks evidencing payment with receipts to follow promptly after they become available) showing payment of such taxes and assessments at least fifteen (15) days prior to the applicable delinquency date therefor. Notwithstanding the foregoing, Borrower may, in good faith, by appropriate proceedings and upon notice to Lender, contest the validity, applicability or amount of any asserted tax or assessment so long as (a) such contest is diligently pursued, (b) Lender determines, in its subjective opinion, that such contest suspends the obligation to pay the tax and that nonpayment of such tax or assessment will not result in the sale, loss, forfeiture or diminution of the Property or any part thereof or any interest of Lender therein, and (c) prior to the earlier of the commencement of such contest or the delinquency date of the asserted tax or assessment, Borrower deposits in the Impound Account (as hereinafter defined) an amount determined by Lender to be adequate to cover the payment of such tax or assessment and a reasonable additional sum to cover possible interest, costs and penalties; provided, however, that Borrower shall promptly cause to be paid any amount adjudged by a court of competent jurisdiction to be due, with all interest, costs and penalties thereon, promptly after such judgment becomes final; and provided further that in any event each such contest shall be concluded and the taxes, assessments, interest, costs and penalties shall be paid prior to the date any writ or order is issued under which the Property may be sold, lost or forfeited.

Section 2.5 Casualty and Condemnation. Borrower shall give Lender prompt written notice of (i) the occurrence of any casualty affecting the Property or any portion thereof, (ii) the institution of any proceedings for eminent domain or for the condemnation of the Property or any portion thereof or (iii) any written notification threatening the institution of any proceedings for eminent domain or for the condemnation of the Property or any portion thereof or any written request to execute a deed in lieu of condemnation affecting the Property or any portion thereof. All insurance proceeds on the Property, and all causes of action, claims, compensation, awards and recoveries for any damage, condemnation or taking, or any deed in lieu of condemnation, affecting all or any part of the Property or for any damage or injury to it for any loss or diminution in value of the Property, are hereby assigned to and shall be paid to Lender. Lender may participate in any suits or proceedings relating to any such proceeds, causes of action, claims, compensation, awards or recoveries, and Lender is hereby authorized, in its own name or in Borrower's name, to adjust any loss covered by insurance or any condemnation claim or cause of action, and to settle or compromise any claim or cause of action in connection therewith, and Borrower shall from time to time deliver to Lender any instruments required to permit such participation; provided, however, that, so long as no Event of Default has occurred, and no event has occurred or failed to occur which with the passage of time, the giving of notice, or both would constitute an Event of Default (a "Default"), Lender shall not have the right to participate in the adjustment of any loss which is not in excess of the lesser of (i) five percent (5%) of the then outstanding principal balance of the Note and (ii) \$250,000. Lender shall apply any sums received by it under this Section first to the payment of all of its costs and expenses (including, but not limited to, reasonable legal fees and disbursements) incurred in obtaining those sums, and then, as follows:

(a) In the event that less than (x) — fifteen percent (15%), in the case of condemnation, or thirty percent (30%), in the case of casualty, of the fair market value or net rentable square footage of the Improvements located on the Premises have been taken or destroyed and (y) Leases covering in the aggregate at least sixty-five percent (65%) of the total rentable space in the Property which has been demised under executed and delivered Leases in effect as of the date of the occurrence of such casualty or condemnation, whichever the case may be, and each Major Lease (as hereinafter defined) in effect as of such date shall remain in full force and effect during and after the completion of the restoration without abatement of rent beyond the time required for restoration, then if and so long as:

- (1) no Default or Event of Default has occurred hereunder or under any of the other Loan Documents, and
- (2) the Property can, in Lender's judgment, with diligent restoration or repair, be returned to a condition at least equal to the condition thereof that existed prior to the casualty or partial taking causing the loss or damage within the earlier to occur of (A) nine (9) months after the initial receipt of any insurance proceeds or condemnation awards by either Borrower or Lender but in any event prior to the expiration or lapse of rent loss or general business income necessary to satisfy current obligations of the Loan, and (B) six (6) months prior to the stated maturity date of the Note, and
- (3) all necessary governmental approvals can be obtained to allow the rebuilding and reoccupancy of the Property as described in Section (a) (2) above, and
- (4) there are sufficient sums available (through insurance proceeds or condemnation awards and contributions by Borrower, the full amount of which shall, at Lender's option, have been deposited with Lender) for such restoration or repair (including, without limitation, for any costs and expenses of Lender to be incurred in administering said restoration or repair) and for payment of principal and interest to become due and payable under the Note during such restoration or repair, and
- (5) the economic feasibility of the Improvements after such restoration or repair will be such that income from their operation is reasonably anticipated to be sufficient to pay operating expenses of the Property and debt service on the Debt in full with the same coverage ratio considered by Lender in its determination to make the loan secured hereby, and
- (6) in the event that the insurance proceeds or condemnation awards received as a result of such casualty or partial taking exceed the lesser of (i) five percent (5%) of the then outstanding principal balance of the Note and (ii) \$250,000, Borrower shall have delivered to Lender, at Borrower's sole cost and expense, an appraisal report in form and substance satisfactory to Lender appraising the value of the Property as proposed to be restored or repaired to be not less than the appraised value of the Property considered by Lender in its determination to make the loan secured hereby, and
- (7) Borrower so elects by written notice delivered to Lender within five (5) days after settlement of the aforesaid insurance or condemnation claim.

Lender shall, solely for the purposes of such restoration or repair, advance so much of the remainder of such sums as may be required for such restoration or repair, and any funds deposited by Borrower therefor, to Borrower in the manner and upon such terms and conditions as would be required by a prudent interim construction lender, including, but not limited to, the prior approval by Lender of plans and specifications, contractors and form of construction contracts and the furnishing to Lender of permits, bonds, lien waivers, invoices, receipts and affidavits from contractors and subcontractors, in form and substance satisfactory to Lender in its discretion, with any remainder being applied by Lender for payment of the Debt in whatever order Lender directs in its absolute sole discretion, or at the discretion of Lender, the same may be paid, either in whole or in part, to, or for the benefit of, Borrower for such purposes as Lender shall designate in its discretion.

(b) In all other cases, namely, in the event that (x) more than fifteen percent (15%), in the case of condemnation, or thirty percent (30%), in the case of casualty, of the fair market value or net rentable square footage of the Improvements located on the Premises have been taken or destroyed (y) Leases covering in the aggregate at least sixty-five percent (65%) of the total rentable space in the Property which has been demised under executed and delivered Leases in effect as of the date of the occurrence of such casualty or condemnation, whichever the case may be, and each Major Lease (as hereinafter defined) in effect as of such date will not remain in full force and effect during and after the completion of the restoration without abatement of rent beyond the time required for restoration, or (z) Borrower does not elect to restore or repair the Property pursuant to clause (a) above or otherwise fails to meet the requirements of clause (a) above, then, in any of such events, Lender shall elect, in Lender's absolute discretion and without regard to the adequacy of Lender's security to do either of the following: (1) accelerate the maturity date of the Note and declare any and all of the Debt to be immediately due and payable and apply the remainder of such sums received pursuant to this Section to the payment of the Debt in whatever order Lender directs in its absolute discretion, with any remainder being paid to Borrower, or (2) notwithstanding that Borrower may have elected not to restore or repair the Property pursuant to the provisions of Section 2.5(a)(7) above, so long as the proceeds of any such award with respect to any casualty or condemnation are made available to the Borrower for restoration, require Borrower to restore or repair the Property in the manner and upon such terms and conditions as would be required by a prudent interim construction lender, including, but not limited to, the deposit by Borrower with Lender, within thirty (30) days after demand therefor, of any deficiency reasonably determined by Lender to be necessary in order to assure the availability of sufficient funds to pay for such restoration or repair, including Lender's costs and expenses to be incurred in connection therewith, the prior approval by Lender of plans and specifications, contractors and form of construction contracts and the furnishing to Lender of permits, bonds, lien waivers, invoices, receipts and affidavits from contractors and subcontractors, in form and substance satisfactory to Lender in its discretion, and apply the remainder of such sums toward such restoration and repair, with any balance thereafter remaining being applied by Lender for payment of the Debt in whatever order Lender directs in its absolute sole discretion, or at the discretion of Lender, the same may be paid, either in whole or in part, to, or for the benefit of, Borrower for such purposes as Lender shall designate in its discretion. No such prepayment of the Debt in connection with this Section 2.5(b) shall occasion prepayment penalties or premiums of any kind subject to and in accordance with Section 1.5(c) of the Note.

Any reduction in the Debt resulting from Lender's application of any sums received by it hereunder shall take effect only when Lender actually receives such sums and elects to apply such sums to the Debt and, in any event, the unpaid portion of the Debt shall remain in full force and effect and Borrower shall not be excused in the payment thereof. Partial payments received by Lender, as described in the preceding sentence, shall be applied first to the final payment due under the Note and thereafter to installments due

under the Note in the inverse order of their due date. If Borrower elects or Lender directs Borrower to restore or repair the Property after the occurrence of a casualty or partial taking of the Property as provided above, Borrower shall promptly and diligently, at Borrower's sole cost and expense and regardless of whether the insurance proceeds or condemnation award, as appropriate, shall be sufficient for the purpose, restore, repair, replace and rebuild the Property as nearly as possible to its value, condition and character immediately prior to such casualty or partial taking in accordance with the foregoing provisions and Borrower shall pay to Lender all costs and expenses of Lender incurred in administering said rebuilding, restoration or repair, provided that Lender makes such proceeds or award available for such purpose. Borrower agrees to execute and deliver from time to time such further instruments as may be requested by Lender to confirm the foregoing assignment to Lender of any award, damage, insurance proceeds, payment or other compensation. Lender is hereby irrevocably constituted and appointed the attorney-in-fact of Borrower (which power of attorney shall be irrevocable so long as any portion of the Debt is outstanding, shall be deemed coupled with an interest, shall survive the voluntary or involuntary dissolution of Borrower and shall not be affected by any disability or incapacity suffered by Borrower subsequent to the date hereof), with full power of substitution, subject to the terms of this Section, to settle for, collect and receive any such awards, damages, insurance proceeds, payments or other compensation from the parties or authorities making the same, to appear in and prosecute any proceedings therefor and to give receipts and acquittances therefor.

Section 2.6 Construction Liens. Borrower shall pay when due all claims and demands of mechanics, materialmen, laborers and others for any work performed or materials delivered for the Premises or the Improvements; provided, however, that, Borrower shall have the right to contest in good faith any such claim or demand, so long as it does so diligently, by appropriate proceedings and without prejudice to Lender and provided that neither the Property nor any interest therein would be in any danger of sale, loss or forfeiture as a result of such proceeding or contest. In the event Borrower shall contest any such claim or demand, Borrower shall promptly notify Lender of such contest and thereafter shall, upon Lender's request, promptly provide a bond, cash deposit or other security satisfactory to Lender to protect Lender's interest and security should the contest be unsuccessful. If Borrower shall fail to immediately discharge or provide security against any such claim or demand as aforesaid, Lender may do so and any and all expenses incurred by Lender, together with interest thereon at the Default Interest Rate from the date incurred by Lender until actually paid by Borrower, shall be immediately paid by Borrower on demand and shall be secured by this Mortgage and by all of the other Loan Documents securing all or any part of the Debt.

Section 2.7 Rents and Profits. As additional and collateral security for the payment of the Debt and cumulative of any and all rights and remedies herein provided for, Borrower hereby absolutely and presently assigns to Lender all existing and future Rents and Profits. Borrower hereby grants to Lender the sole, exclusive and immediate right, without taking possession of the Property, to demand, collect (by suit or otherwise), receive and give valid and sufficient receipts

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for any and all of said Rents and Profits, for which purpose Borrower does hereby irrevocably make, constitute and appoint Lender its attorney-in-fact with full power to appoint substitutes or a trustee to accomplish such purpose (which power of attorney shall be irrevocable so long as any portion of the Debt is outstanding, shall be deemed to be coupled with an interest, shall survive the voluntary or involuntary dissolution of Borrower and shall not be affected by any disability or incapacity suffered by Borrower subsequent to the date hereof). Lender shall be without liability for any loss which may arise from a failure or inability to collect Rents and Profits, proceeds or other payments. However, until the occurrence of an Event of Default under this Mortgage or under any other of the Loan Documents, Borrower shall have a license to collect, receive, use and enjoy the Rents and Profits when due and prepayments thereof for not more than one (1) month prior to due date thereof. Upon the occurrence of an Event of Default, Borrower's license shall automatically terminate without notice to Borrower and Lender may thereafter, without taking possession of the Property, collect the Rents and Profits itself or by an agent or receiver. From and after the termination of such license, Borrower shall be the agent of Lender in collection of the Rents and Profits, and all of the Rents and Profits so collected by Borrower shall be held in trust by Borrower for the sole and exclusive benefit of Lender, and Borrower shall, within one (1) business day after receipt of any Rents and Profits, pay the same to Lender to be applied by Lender as hereinafter set forth. Neither the demand for or collection of Rents and Profits by Lender shall constitute any assumption by Lender of any obligations under any agreement relating thereto. Lender is obligated to account only for such Rents and Profits as are actually collected or received by Lender. Borrower irrevocably agrees and consents that the respective payors of the Rents and Profits shall, upon demand and notice from Lender of an Event of Default, pay said Rents and Profits to Lender without liability to determine the actual existence of any Event of Default claimed by Lender. Borrower hereby waives any right, claim or demand which Borrower may now or hereafter have against any such payor by reason of such payment of Rents and Profits to Lender, and any such payment shall discharge such payor's obligation to make such payment to Borrower. All Rents collected or received by Lender may be applied against all expenses of collection, including, without limitation, reasonable attorneys' fees, against costs of operation and management of the Property and against the Debt, in whatever order or priority as to any of the items so mentioned as Lender directs in its sole subjective discretion and without regard to the adequacy of its security. Neither the exercise by Lender of any rights under this Section nor the application of any Rents to the Debt shall cure or be deemed a waiver of any Event of Default. The assignment of Rents and Profits hereinabove granted shall continue in full force and effect during any period of foreclosure or redemption with respect to the Property. Borrower has executed an Assignment of Leases and Rents dated of even date herewith (the "Lease Assignment") in favor of Lender covering all of the right, title and interest of Borrower, as landlord, lessor or licensor, in and to any Leases. All rights and remedies granted to Lender under the Lease Assignment shall be in addition to and cumulative of all rights and remedies granted to Lender hereunder.

Section 2.8 Leases. Borrower covenants and agrees that it shall not enter into any Lease (i) affecting 14,000 square feet or more of the Property or (ii) having a term of five (5) years or more (inclusive of any renewals or extensions) (each, a "Major Lease") without the prior written approval of Lender, which approval shall not be unreasonably withheld. The request for approval of each such proposed new Lease shall be made to Lender in writing and shall state that, pursuant to the terms of this Mortgage, failure to approve or disapprove such proposed Lease within fifteen (15) business days is deemed approval and Borrower shall furnish to Lender

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(and any loan servicer specified from time to time by Lender): (i) such biographical and financial information about the proposed Tenant as Lender may reasonably require in conjunction with its review, (ii) a copy of the proposed form of Lease, and (iii) a summary of the material terms of such proposed Lease (including, without limitation, rental terms and the term of the proposed lease and any options). It is acknowledged that Lender intends to include among its criteria for approval of any such proposed Lease the following: (i) such Lease shall be with a bona-fide arm's-length Tenant; (ii) such Lease shall not contain any rental or other concessions which are not then customary and reasonable for similar properties and Leases in the market area of the Premises; (iii) such Lease shall provide that the Tenant pays for its expenses; (iv) the rental shall be at least at the market rate then prevailing for similar properties and leases in the market areas of the Premises; and (v) such Lease shall contain subordination and attornment provisions in form and content reasonably acceptable to Lender. Failure of Lender to approve or disapprove any such proposed Lease within fifteen (15) business days after receipt of such written request and all the documents and information required to be furnished to Lender with such request shall be deemed approval, provided that the written request for approval specifically mentioned the same.

(a) Prior to execution of any Leases of space in the Improvements after the date hereof, Borrower shall submit to Lender, for Lender's prior approval, which approval shall not be unreasonably withheld, a copy of the form Lease Borrower plans to use in leasing space in the Improvements or at the Property. All such Leases of space in the Improvements or at the Property shall be on terms consistent with the terms for similar leases in the market area of the Premises, shall provide for free rent only if the same is consistent with prevailing market conditions and shall provide for market rents then prevailing in the market area of the Premises. Such Leases shall also provide for security deposits in reasonable amounts consistent with prevailing market conditions. Borrower shall also submit to Lender for Lender's approval, which approval shall not

be unreasonably withheld, prior to the execution thereof, any proposed Lease of the Improvements or any portion thereof that differs materially and adversely from the aforementioned form Lease. Borrower shall not execute any Lease for all or a substantial portion of the Property, except for an actual occupancy by the Tenant, lessee or licensee thereunder, and shall at all times promptly and faithfully perform, or cause to be performed, all of the covenants, conditions and agreements contained in all Leases with respect to the Property, now or hereafter existing, on the part of the landlord, lessor or licensor thereunder to be kept and performed. Borrower shall furnish to Lender, within ten (10) days after a request by Lender to do so, but in any event by January 1 of each year, a current Rent Roll, certified by Borrower as being true and correct, containing the names of all Tenants with respect to the Property, the terms of their respective Leases, the spaces occupied and the rentals or fees payable thereunder and the amount of each Tenant's security deposit. Upon the request of Lender, Borrower shall deliver to Lender a copy of each such Lease. Borrower shall not do or suffer to be done any act, or omit to take any action, that might result in a default by the landlord, lessor or licensor under any such Lease or allow the Tenant thereunder to withhold payment of rent or cancel or terminate same and shall not further assign any such Lease or any such Rents and Profits. Borrower, at no cost or expense to Lender, shall enforce, short of termination, the performance and observance of each and every condition and covenant of each of the parties under such Leases and Borrower shall not anticipate, discount, release, waive, compromise or otherwise discharge any rent payable under any of the Leases. Borrower shall not, without the prior written consent of Lender, modify any of the Leases, terminate or accept the surrender of any Leases, waive or release any other party

from the performance or observance of any obligation or condition under such Leases except, with respect only to Leases which are not Major Leases, in the normal course of business in a manner which is consistent with sound and customary leasing and management practices for similar properties in the community in which the Property is located. Lender reserves the right to condition its consent to any termination or surrender of any Lease upon the payment to Lender of any lease termination or other payment due from the applicable tenant in connection with such termination or surrender. Borrower and Lender agree that all such sums paid to Lender shall be held by Lender as a tenant improvement and leasing commission reserve and shall be considered a "Reserve" as described in Section 3.1 hereof and all such amounts shall be held, maintained, applied and disbursed in accordance with Lender's standard procedures relating to similar reserves. Borrower shall not permit the prepayment of any rents under any of the Leases for more than one (1) month prior to the due date thereof.

(b) Each Lease executed after the date hereof affecting any of the Premises or the Improvements must provide, in a manner approved by Lender, that the Tenant will recognize as its landlord, lessor or licensor, as applicable, and attorn to any person succeeding to the interest of Borrower upon any foreclosure of this Mortgage or deed in lieu of foreclosure. Each such Lease shall also provide that, upon request of said successor-in-interest, the Tenant shall execute and deliver an instrument or instruments confirming its attornment as provided for in this Section; provided, however, that neither Lender nor any successor-in-interest shall be bound by any payment of rent for more than one (1) month in advance, or any amendment or modification of said Lease made without the express written consent of Lender or said successor-in-interest.

(c) Upon the occurrence of an Event of Default under this Mortgage, whether before or after the whole principal sum secured hereby is declared to be immediately due or whether before or after the institution of legal proceedings to foreclose this Mortgage, forthwith, upon demand of Lender, Borrower shall surrender to Lender, and Lender shall be entitled to take actual possession of, the Property or any part thereof personally, or by its agent or attorneys. In such event, Lender shall have, and Borrower hereby gives and grants to Lender, the right, power and authority to make and enter into Leases with respect to the Property or portions thereof for such rents and for such periods of occupancy and upon conditions and provisions as Lender may deem desirable in its sole discretion, and Borrower expressly acknowledges and agrees that the term of any such Lease may extend beyond the date of any foreclosure sale of the Property, it being the intention of Borrower that in such event Lender shall be deemed to be and shall be the attorney-in-fact of Borrower for the purpose of making and entering into Leases of parts or portions of the Property for the rents and upon the terms, conditions and provisions deemed desirable to Lender in its sole discretion and with like effect as if such Leases had been made by Borrower as the owner in fee simple of the Property free and clear of any conditions or limitations established by this Mortgage. The power and authority hereby given and granted by Borrower to Lender shall be deemed to be coupled with an interest, shall not be revocable by Borrower so long as any portion of the Debt is outstanding, shall survive the voluntary or involuntary dissolution of Borrower and shall not be affected by any disability or incapacity suffered by Borrower subsequent to the date hereof. In connection with any action taken by Lender pursuant to this Section, Lender shall not be liable for any loss sustained by Borrower resulting from any failure to let the Property, or any part thereof, or from any other act or omission of Lender in managing the Property, nor shall Lender be obligated to perform or discharge any obligation, duty or liability under any Lease covering the Property or any part

thereof or under or by reason of this instrument or the exercise of rights or remedies hereunder. Borrower shall, and does hereby, indemnify Lender for, and hold Lender harmless from, any and all claims, actions, demands, liabilities, loss or damage which may or might be incurred by Lender under any such Lease or under this Mortgage or by the exercise of rights or remedies hereunder and from any and all claims and demands whatsoever which may be asserted against Lender by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in any such Lease other than those finally determined by a court of competent jurisdiction to have resulted solely from the gross negligence or willful misconduct of Lender. Should Lender incur any such liability, the amount thereof, including, without limitation, costs, expenses and reasonable attorneys' fees, together with interest thereon at the Default Interest Rate from the date incurred by Lender until actually paid by Borrower, shall be immediately due and payable to Lender by Borrower on demand and shall be secured hereby and by all of the other Loan Documents securing all or any part of the Debt. Nothing in this Section shall impose on Lender any duty, obligation or responsibility for the control, care, management or repair of the Property, or for the carrying out of any of the terms and conditions of any such Lease, nor shall it operate to make Lender responsible or liable for any waste committed on the Property by the Tenants or by any other parties or for any dangerous or defective condition of the Property, or for any negligence in the management, upkeep, repair or control of the Property. Borrower hereby assents to, ratifies and confirms any and all actions of Lender with respect to the Property taken under this Section.

(d) If requested by Lender, Borrower shall furnish, or shall cause the applicable tenant to furnish, to Lender financial data and/or financial statements in accordance with Regulation AB (as defined herein) for any tenant of any Property if, in connection with a securitization, Lender expects there to be, with respect to such tenant or group of affiliated tenants, a concentration within all of the mortgage loans included or expected to be included, as applicable, in such securitization such that such tenant or group of affiliated tenants would constitute a Significant Obligor (as defined herein); provided, however, that in the event the related lease does not require the related tenant to provide the foregoing information, Borrower shall use commercially reasonable efforts to cause the applicable tenant to furnish such information.

Section 2.9 Alienation and Further Encumbrances.

(a) Borrower acknowledges that Lender has relied upon the principals of Borrower and their experience in owning and operating the Property and properties similar to the Property in connection with the closing of the loan evidenced by the Note. Accordingly, except as specifically allowed hereinbelow in this Section and notwithstanding anything to the contrary contained in Section 6.6 hereof, in the event that the Property or any part thereof or direct or indirect interest therein or direct or indirect interest in Borrower shall be sold, conveyed, disposed of, alienated, hypothecated, leased (except to Tenants of space in the Improvements in accordance with the provisions of Section 2.8 hereof), assigned, pledged, mortgaged, further encumbered or otherwise transferred or Borrower shall be divested of its title to the Property or any

direct or indirect interest therein, in any manner or way, whether voluntarily or involuntarily (each, a “Transfer”), without the prior written consent of Lender being first obtained, which consent may be withheld in Lender’s sole discretion, then the same shall constitute an Event of Default and Lender shall have the right, at its option, to declare any or all of the Debt,

irrespective of the maturity date specified in the Note, immediately due and payable and to otherwise exercise any of its other rights and remedies contained in Article V hereof.

(b) A Transfer within the meaning of this Section 2.9 shall be deemed to include, among other things: (i) an installment sales agreement wherein Borrower agrees to sell the Property or any part thereof for a price to be paid in installments; and (ii) an agreement by Borrower leasing all or a substantial part of the Property for other than actual occupancy by a space tenant thereunder or a sale, assignment or other transfer of, or the grant of a security interest in, Borrower’s right, title and interest in and to any Leases or any Rents and Profits.

(c) Notwithstanding the foregoing, the following Transfers shall be permitted under this Section 2.9 without the prior consent of Lender: (i) a Transfer of corporate stock, limited partnership interests and/or non-managing member interests in Borrower, or in any partner or member of Borrower, or any direct or indirect legal or beneficial owner of Borrower, so long as following such Transfer (whether in one or a series of transactions) or, with respect to any creation or issuance of new limited partnership interests or membership interests, not more than 49% of the beneficial economic interest in Borrower (whether directly or indirectly) has been transferred in the aggregate, there is no Change of Control and the persons responsible for the day to day management of the Property and Borrower remain unchanged following such Transfer, (ii) any involuntary Transfer caused by the death of Borrower, or any partner, shareholder, joint venturer, member or beneficial owner of a trust, or the spouse or any direct or indirect legal or beneficial owner of Borrower, so long as Borrower is promptly reconstituted, if required, following such death and so long as there is no Change of Control and those persons responsible for the day to day management of the Property and Borrower remain unchanged as a result of such death or any replacement management or controlling parties are approved by Lender, and (iii) a Transfer comprised of gifts for estate planning purposes of any individual’s interests in Borrower, or in any of Borrower’s partners, members, shareholders, beneficial owners of a trust or joint venturers, or any direct or indirect legal or beneficial owner of Borrower, to the spouse or any lineal descendant of such individual, or to a trust for the benefit of any one or more of such individual, spouse or lineal descendant, so long as Borrower is reconstituted promptly, if required, following such gift and so long as there is no Change of Control and those persons responsible for the day to day management of the Property and Borrower remain unchanged following such gift. Notwithstanding any provision of this Mortgage to the contrary, no person or entity may become an owner of a direct or indirect interest in Borrower, which interest exceeds forty-nine (49%) percent, without Lender’s prior written consent unless Borrower has complied with the provisions set forth in Section 2.9(d) below. For purposes of this Section 2.9(c), “Change of Control” shall mean a change in the identity of the individual or entities or group of individuals or entities who have the right, by virtue of any partnership agreement, articles of incorporation, by-laws, articles of organization, operating agreement or any other agreement, with or without taking any formative action, to cause Borrower to take some action or to prevent, restrict or impede Borrower from taking some action which, in either case, Borrower could take or could refrain from taking were it not for the rights of such individuals. Notwithstanding any provision of this Mortgage to the contrary, provided no Event of Default has occurred and is continuing, Lender’s prior consent shall not be required with respect to any of the following: (i) the creation, issuance or transfer of limited partnership interests in Mack-Cali Realty, L.P., a Delaware limited partnership (“Mack-Cali Partnership”), so long as (x) Mack-Cali Realty Corporation, a Maryland corporation (“Mack-Cali Realty”), maintains at least a 51%

limited partnership interest in Mack-Cali Partnership and remains as the general partner of Mack-Cali Partnership, and (y) the managerial control of Mack-Cali Partnership remains unchanged; provided, that to the extent such transfer of interests in Mack-Cali Partnership results in a change in the managerial control of Mack-Cali Partnership, unless due to a public offering of stock of Mack-Cali Realty, merger, reorganization or consolidation, such transfer of interests in Mack-Cali Partnership shall comply with the conditions of 1.13(d) below; and (ii) so long as the securities of Mack-Cali Realty are publicly traded, the acquisition, issuance or transfer (whether in one transaction or in a series of transactions) of securities in Mack-Cali Realty which does not result in a Change in Control of Borrower, Mack-Cali Partnership or Mack-Cali Realty, provided further that (x) Mack-Cali Realty shall not merge, reorganize or consolidate into another entity (i.e., where Mack-Cali Realty is not the surviving entity) (a “Merger”), and (y) any transfer of interests or series of transfers in interests in Mack-Cali Realty shall not result in more than 49% of Mack-Cali Realty being owned by any single person or entity (or related group of people or entities) (a “Majority Transfer”); provided, however, that a Merger or Majority Transfer shall not be prohibited, or constitute an Event of Default under the Loan Documents so long as, with respect to such Merger or Majority Transfer (a) to the extent permitted by law, Lender receives not less than thirty (30) days prior written notice of any such proposed Merger or Majority Transfer, (b) the surviving entity executes any and all documents as are reasonably necessary to evidence the assumption of Mack-Cali Realty’s obligations relative to the loan evidenced by the Note and delivers such certificates and opinions covering such subjects (including, but not limited to, nonconsolidation) as may be reasonably required by Lender, (c) the surviving entity shall have a net worth of not less than \$200,000,000.00 as of the date of the completion of such Merger or Majority Transfer, (d) if, as a result of such Merger or Majority Transfer, the manager of the Property changes, the replacement manager is a “Qualified Manager” (as defined below) or such replacement manager is approved by Lender, and (e) Borrower satisfies the provisions of paragraph (12) of Section 1.13(d) below and causes to be delivered to Lender a substantive non-consolidation opinion, in form and substance satisfactory to Lender and prepared by counsel reasonably acceptable to Lender with respect to the transferee and such of its constituent entities and/or affiliates, as Lender may in its discretion require. As used herein, the term “Qualified Manager” shall mean a property manager of the Property which (i) is a reputable management company having at least five (5) years’ experience in the management of commercial properties with similar uses as the Property and in the jurisdiction in which the Property are located, (ii) has, for at least five (5) years prior to its engagement as property manager, managed at least (5) properties of the same property type as the Property, (iii) at the time of its engagement as property manager has leasable square footage of the same property type as the Property equal to the lesser of (A) 1,000,000 leasable square feet and (B) five (5) times the leasable square feet of the Property and (iv) is not the subject of a bankruptcy or similar insolvency proceeding. So long as the provisions of this Section 2.9(c) are fully satisfied in all respects and provided that there is no Change in Control of Borrower, Mack-Cali Realty or Mack-Cali Partnership, (A) at any time after the execution of this Mortgage, Gale SLG NJ Mezz LLC (“Mezz”) may merge into Gale SLG NJ Operating Partnership, L.P. (“OP”) and the surviving entity (“Surviving OP”) may be renamed, and (B) at any time after May 1, 2007 and/or following the merger described above in part (A), Surviving OP may make an in-kind distribution of its direct or indirect ownership interest in Borrower to its partners in proportion to their respective percentage ownership interests (as such percentage interests may be reduced to reflect the cash-out of one or more of the limited partners (other than Mack-Green-Gale LLC (“MGG”)) and MGG may make an in-

kind distribution of its direct or indirect ownership interest in Borrower to (i) Mack Cali Ventures, L.L.C. ("MCV") or Gale SLG NJ LLC ("Gale SLG") in accordance with the same percentage interests set forth in the operating agreement of MGG or (ii) one or more limited liability companies owned by MCV and Gale SLG in accordance with the same percentage interests set forth in the operating agreement of MGG (i.e. the ninety-five percent (95%) Class A interests in MGG shall not be reduced and shall be distributed to MCV or a limited liability company owned by MCV).

(d) Notwithstanding the foregoing provisions of this Section, Lender shall consent to (x) one or more Transfers of the Property in its entirety, or (y) one or more Transfers of direct or indirect interests in the Borrower for which consent is required under this Section 2.9 (any such hereinafter, a "Sale") to any person or entity provided that, for each Sale, each of the following terms and conditions are satisfied:

(1) No Default and no Event of Default is then continuing hereunder or under any of the other Loan Documents;

(2) Borrower gives Lender written notice of the terms of such prospective Sale not less than sixty (60) days before the date on which such Sale is scheduled to close and, concurrently therewith, gives Lender all such information concerning the proposed transferee of the Property or the proposed owner of the direct or indirect interest in the Borrower for which consent is required under this Section 2.9, as applicable (hereinafter, "Buyer") as Lender would require in evaluating an initial extension of credit to a borrower and pays to Lender a non-refundable application fee in the amount of \$5,000. Lender shall have the right to approve or disapprove the proposed Buyer. In determining whether to give or withhold its approval of the proposed Buyer, Lender shall consider the Buyer's experience and track record in owning and operating facilities similar to the Property, the Buyer's financial strength, the Buyer's general business standing and the Buyer's relationships and experience with contractors, vendors, tenants, lenders and other business entities; provided, however, that, notwithstanding Lender's agreement to consider the foregoing factors in determining whether to give or withhold such approval, such approval shall be given or withheld based on what Lender determines to be commercially reasonable in Lender's sole discretion and, if given, may be given subject to such conditions as Lender may deem appropriate;

(3) Borrower pays Lender, concurrently with the closing of such Sale, a non-refundable assumption fee in an amount equal to all out-of-pocket costs and expenses, including, without limitation, reasonable attorneys' fees and Rating Agency fees, incurred by Lender in connection with the Sale, plus an amount equal to one-half of one percent (0.5%) of the then outstanding principal balance of the Note on the first Sale, and one percent (1.0%) of the then outstanding principal balance of the Note on each Sale thereafter;

(4) In the event that such Sale is a Transfer of the Property in its entirety, the Buyer assumes and agrees to pay the Debt subject to the provisions of Section 6.27 hereof and, in all cases (whether such Sale is a Transfer of the Property in its entirety or a Transfer of direct or indirect interests in the Borrower for which consent is

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required under this Section 2.9), prior to or concurrently with the closing of such Sale, the Buyer executes, without any cost or expense to Lender, such documents and agreements as Lender shall reasonably require to evidence and effectuate said assumption and delivers such legal opinions (including, without limitation, a REMIC opinion) as Lender may require;

(5) A party associated with the Buyer approved by Lender in its sole discretion assumes the obligations of the current Indemnitor under its guaranty or indemnity agreement and environmental indemnity agreement and such party associated with the Buyer executes, without any cost or expense to Lender, a substitution agreement or a new guaranty or indemnity agreement or environmental indemnity agreement in form and substance satisfactory to Lender and delivers such legal opinions as Lender may require;

(6) Borrower and the Buyer execute, without any cost or expense to Lender, new financing statements or financing statement amendments (and new financing statements as may be necessary) and any additional documents reasonably requested by Lender;

(7) Borrower delivers to Lender, without any cost or expense to Lender, such replacement policy or endorsements to Lender's title insurance policy, hazard insurance policy endorsements or certificates and other similar materials as Lender may deem necessary at the time of the Sale, all in form and substance satisfactory to Lender, including, without limitation, a replacement policy or an endorsement or endorsements to Lender's title insurance policy insuring the lien of this Mortgage, extending the effective date of such policy to the date of execution and delivery (or, if later, of recording) of the assumption agreement referenced above in subparagraph (4) of this Section, with no additional exceptions added to such policy, and, in the event that such Sale is a Transfer of the Property in its entirety, insuring that fee simple title to the Property is vested in the Buyer;

(8) Borrower and any current Indemnitor execute and deliver to Lender, without any cost or expense to Lender, a release of Lender, its officers, directors, employees and agents, from all claims and liability relating to the transactions evidenced by the Loan Documents, through and including the date of the closing of the Sale, which agreement shall be in form and substance satisfactory to Lender and shall be binding upon the Buyer and any new Indemnitor;

(9) Subject to the provisions of Section 6.27 hereof, such Sale is not construed so as to relieve Borrower of any personal liability under the Note or any of the other Loan Documents for any acts or events occurring or obligations arising prior to or simultaneously with the closing of such Sale, whether or not same is discovered prior or subsequent to the closing of such Sale, and Borrower executes, without any cost or expense to Lender, such documents and agreements as Lender shall reasonably require to evidence and effectuate the ratification of said personal liability. In the event that such Transfer is a Sale of the Property in its entirety, Borrower shall be released from and relieved of any personal liability under the Note or any of the other Loan Documents for

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any acts or events occurring or obligations arising after the closing of such Sale which are not caused by or arising out of any acts or events occurring or obligations arising prior to or simultaneously with the closing of such Sale;

(10) Such Sale is not construed so as to relieve any current Indemnitor of its obligations under any guaranty or indemnity agreement for any acts or events occurring or obligations arising prior to or simultaneously with the closing of such Sale, and each such current Indemnitor executes, without any cost or expense to Lender, such documents and agreements as Lender shall reasonably require to evidence and effectuate the ratification of each such guaranty and indemnity agreement. In the event that such Sale is a Transfer of the Property in its entirety, each such current Indemnitor shall be released from and relieved of any of its obligations under any guaranty or indemnity agreement executed in connection with the loan secured hereby for any acts or events occurring or obligations arising after the closing of such Sale which are not caused by or arising out of any acts or events occurring or obligations arising prior to or simultaneously with the closing of such

Sale;

(11) The Buyer shall furnish, if the Buyer is a corporation, partnership or other entity, all appropriate papers evidencing the Buyer's capacity and good standing, and the qualification of the signers to execute the assumption of the Debt, which papers shall include certified copies of all documents relating to the organization and formation of the Buyer and of the entities, if any, which are partners of the Buyer. In the event that such Sale is a Transfer of the Property in its entirety, the Buyer shall be a Single Purpose Entity whose formation documents shall be approved by counsel to Lender, and who shall comply with the requirements set forth in Section 2.29 hereof;

(12) Borrower delivers to Lender confirmation in writing (a "No-Downgrade Confirmation") from each Rating Agency that such Sale will not result in a qualification, downgrade or withdrawal of any ratings issued in connection with any Secondary Market Transaction (as hereinafter defined) or, in the event the Secondary Market Transaction has not yet occurred, Lender shall, in its sole discretion, have approved the Sale;

(13) The applicable transfer will not result in an increase in the real property taxes for the Premises and Improvements that would cause the debt service coverage ratio of the Debt with respect to the immediately succeeding twelve (12) month period to be less than the debt service coverage ratio of the Debt for the twelve (12) month period immediately preceding such transfer, in each case as determined by Lender; and

(14) Borrower delivers to Lender an opinion with respect to substantive non-consolidation opinion after giving effect to such transfer in form and substance and from a law firm acceptable to Lender and the Rating Agencies.

Section 2.10 Payment of Utilities, Assessments, Charges, Etc. Borrower shall pay when due all utility charges which are incurred by Borrower or which may become a charge or lien against any portion of the Property for gas, electricity, water and sewer services furnished to

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the Premises and/or the Improvements and all other assessments or charges of a similar nature, or assessments payable pursuant to any restrictive covenants, whether public or private, affecting the Premises and/or the Improvements or any portion thereof, whether or not such assessments or charges are or may become liens thereon.

Section 2.11 Access Privileges and Inspections. Lender and the agents, representatives and employees of Lender shall, subject to the rights of Tenants, have full and free access to the Premises and the Improvements and any other location where books and records concerning the Property are kept at all reasonable times and, except in the event of an emergency, upon not less than 24 hours prior notice (which notice may be telephonic) for the purposes of inspecting the Property and of examining, copying and making extracts from the books and records of Borrower relating to the Property. Borrower shall lend assistance to all such agents, representatives and employees of Lender.

Section 2.12 Waste; Alteration of Improvements. Borrower shall not commit, suffer or permit any waste on the Property nor take any actions that might invalidate any insurance carried on the Property. Borrower shall maintain the Property in good condition and repair. No part of the Improvements may be removed, demolished or materially altered, without the prior written consent of Lender other than in connection with non-structural day to day maintenance and except for tenant improvements under Leases. Without the prior written consent of Lender, Borrower shall not commence construction of any improvements on the Premises other than improvements required for the maintenance or repair of the Property. Lender reserves the right to condition its consent to any material alteration, removal, demolition or new construction on the following: (i) such conditions as would be required by a prudent interim construction lender, including, but not limited to, the prior approval by Lender of plans and specifications, construction budgets, contractors and form of construction contracts and the furnishing to Lender of evidence regarding funds, permits, approvals bonds, insurance, lien waivers, title endorsements, appraisals, surveys, certificates of occupancy, certificates regarding completion, invoices, receipts and affidavits from contractors and subcontractors, in form and substance satisfactory to Lender in its discretion, (ii) the delivery of an opinion from counsel satisfactory to Lender in its discretion and in form and substance satisfactory to Lender in its discretion opining as to such matters as Lender may reasonably require, including, without limitation, an opinion that such alteration, removal, demolition or new construction will not have an adverse effect on the status of any trust formed in connection with a Secondary Market Transaction a "real estate mortgage investment conduit" within the meaning of Section 860D of the Code ("REMIC"), and (iii) Borrower's agreement to pay all fees, costs and expenses incurred by Lender in granting such consent, including, without limitation, reasonable attorneys' fees and expenses.

Section 2.13 Zoning. Without the prior written consent of Lender, Borrower shall not seek, make, suffer, consent to or acquiesce in any change in the zoning or conditions of use of the Premises or the Improvements. Borrower shall comply with and make all payments required under the provisions of any covenants, conditions or restrictions affecting the Premises or the Improvements. Borrower shall comply with all existing and future requirements of all governmental authorities having jurisdiction over the Property. Borrower shall keep all licenses, permits, franchises and other approvals necessary for the operation of the Property in full force and effect. Borrower shall operate the Property as an office building for so long as the Debt is outstanding. If, under applicable zoning provisions, the use of all or any part of the Premises or

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the Improvements is or becomes a nonconforming use, Borrower shall not cause or permit such use to be discontinued or abandoned without the prior written consent of Lender. Further, without Lender's prior written consent, Borrower shall not file or subject any part of the Premises or the Improvements to any declaration of condominium or co-operative or convert any part of the Premises or the Improvements to a condominium, co-operative or other form of multiple ownership and governance.

Section 2.14 Financial Statements and Books and Records. Borrower shall keep accurate books and records of account of the Property and its own financial affairs sufficient to permit the preparation of financial statements therefrom in accordance with generally accepted accounting principles. Lender and its duly authorized representatives shall have the right to examine, copy and audit Borrower's records and books of account at all reasonable times. So long as this Mortgage continues in effect, Borrower shall provide to Lender, in addition to any other financial statements required hereunder or under any of the other Loan Documents, the following financial statements and information, all of which must be certified to Lender as being true and correct by the Chief Financial Officer of Borrower or the person or entity to which they pertain, as applicable, and, be prepared in accordance with generally accepted accounting principles consistently applied and be in form and substance acceptable to Lender:

- (a) copies of all tax returns filed by Borrower, within forty-five (45) days after the date of filing;
- (b) monthly operating statements for the Property within forty-five (45) days after the end of each month until the earlier to occur of (X) the date that is twelve (12) months following the date hereof and (Y) the occurrence of a Secondary Market Transaction;
- (c) quarterly operating statements for the Property, within forty-five (45) days after the end of each calendar quarter from and after the earlier to occur

of (X) the date that is twelve (12) months following the date hereof and (Y) the occurrence of a Secondary Market Transaction;

(d) annual balance sheets for the Property and annual financial statements for Borrower, and each Indemnitor (including any Form 10K filings), within one hundred twenty (120) days after the end of each calendar year; and

(e) such other information with respect to the Property, Borrower, the principals or general partners in Borrower and each Indemnitor, which may be reasonably requested from time to time by Lender, within a reasonable time after the applicable request.

(f) If, at the time one or more Disclosure Documents are being prepared for a securitization, Lender expects that Borrower alone or Borrower and one or more affiliates of Borrower collectively, or the Property alone or the Property and any other parcel(s) of real property, together with improvements thereon and personal property related thereto, that is "related", within the meaning of the definition of Significant Obligor, to the Property (a "Related Property") collectively, will be a Significant Obligor, Borrower shall furnish to Lender upon request (i) the selected financial data or, if applicable, net operating income, required under Item 1112(b)(1) of Regulation AB and meeting the requirements thereof, if Lender expects that the

principal amount of the Loan, together with any loans made to an affiliate of Borrower or secured by a Related Property that is included in a securitization with the Loan (a "Related Loan"), as of the cut-off date for such securitization may, or if the principal amount of the Loan together with any Related Loans as of the cut-off date for such securitization and at any time during which the Loan and any Related Loans are included in a securitization does, equal or exceed ten percent (10%) (but less than twenty percent (20%)) of the aggregate principal amount of all mortgage loans included or expected to be included, as applicable, in the securitization or (ii) the financial statements required under Item 1112(b)(2) of Regulation AB and meeting the requirements thereof, if Lender expects that the principal amount of the Loan together with any Related Loans as of the cut-off date for such securitization may, or if the principal amount of the Loan together with any Related Loans as of the cut-off date for such securitization and at any time during which the Loan and any Related Loans are included in a securitization does, equal or exceed twenty percent (20%) of the aggregate principal amount of all mortgage loans included or expected to be included, as applicable, in the securitization. Such financial data or financial statements shall be furnished to Lender (A) within ten (10) Business Days after notice from Lender in connection with the preparation of Disclosure Documents for the securitization, (B) not later than thirty (30) days after the end of each fiscal quarter of Borrower and (C) not later than seventy-five (75) days after the end of each fiscal year of Borrower; provided, however, that Borrower shall not be obligated to furnish financial data or financial statements pursuant to clauses (B) or (C) of this sentence with respect to any period for which a filing pursuant to the Securities Exchange Act of 1934 in connection with or relating to the securitization (an "Exchange Act Filing") is not required. As used herein, "Regulation AB" shall mean Regulation AB under the Securities Act of 1933 and the Securities Exchange Act of 1934 (as amended). As used herein, "Disclosure Documents" shall mean a prospectus, prospectus supplement, private placement memorandum, or similar offering memorandum or offering circular, in each case in preliminary or final form, used to offer securities in connection with a securitization. As used herein, "Significant Obligor" shall have the meaning set forth in Item 1101(k) of Regulation AB.

If any of the aforementioned materials are not furnished to Lender within the applicable time periods, are not prepared in accordance with generally accepted accounting principles or Lender is dissatisfied with the form of any of the foregoing and has notified Borrower of its dissatisfaction, in addition to any other rights and remedies of Lender contained herein and provided Lender has given Borrower at least ten (10) days notice of such failure and opportunity to cure, (i) Borrower shall pay to Lender upon demand, at Lender's option and in its sole discretion, an amount equal to \$2,500 per reporting period, and (ii) Lender shall have the right, but not the obligation, to obtain the same by means of an audit by an independent certified public accountant selected by Lender, in which event Borrower agrees to pay, or to reimburse Lender for, any expense of such audit and further agrees to provide all necessary information to said accountant and to otherwise cooperate in the making of such audit.

Section 2.15 Further Assurances. Borrower shall, on the request of Lender and at the expense of Borrower: (a) promptly correct any defect, error or omission which may be discovered in the contents of this Mortgage or in the contents of any of the other Loan Documents; (b) promptly execute, acknowledge, deliver and record or file such further instruments (including, without limitation, further mortgages, deeds of trust, security deeds, security agreements, financing statements, continuation statements and assignments of rents or leases) and promptly do such further acts as may be necessary, desirable or proper to carry out

more effectively the purposes of this Mortgage and the other Loan Documents and to subject to the liens and security interests hereof and thereof any property intended by the terms hereof and thereof to be covered hereby and thereby, including specifically, but without limitation, any renewals, additions, substitutions, replacements or appurtenances to the Property; (c) promptly execute, acknowledge, deliver, procure and record or file any document or instrument (including specifically, without limitation, any financing statement) deemed advisable by Lender to protect, continue or perfect the liens or the security interests hereunder against the rights or interests of third persons; and (d) promptly furnish to Lender, upon Lender's request, a duly acknowledged written statement and estoppel certificate addressed to such party or parties as directed by Lender and in form and substance supplied by Lender, setting forth all amounts due under the Note, stating whether any Default or Event of Default has occurred hereunder, stating whether any offsets or defenses exist against the Debt and containing such other matters as Lender may reasonably require.

Section 2.16 Payment of Costs; Reimbursement to Lender. Borrower shall pay all costs and expenses of every character reasonably incurred in connection with the closing of the loan evidenced by the Note and secured hereby, attributable or chargeable to Borrower as the owner of the Property or otherwise attributable to any consent requested of Lender or any Rating Agency under the terms hereof or any other Loan Document, including, without limitation, customary servicing and consent fees, appraisal fees, recording fees, documentary, stamp, mortgage or intangible taxes, brokerage fees and commissions, title policy premiums and title search fees, uniform commercial code/tax lien/litigation search fees, escrow fees, consultants' fees, No-Downgrade Confirmations and reasonable attorneys' fees. If Borrower defaults in any such payment, which default is not cured within any applicable grace or cure period, Lender may pay the same and Borrower shall reimburse Lender on demand for all such costs and expenses incurred or paid by Lender, together with such interest thereon at the Default Interest Rate from and after the date of Lender's making such payment until reimbursement thereof by Borrower. Any such sums disbursed by Lender, together with such interest thereon, shall be additional indebtedness of Borrower secured by this Mortgage and by all of the other Loan Documents securing all or any part of the Debt. Further, Borrower shall promptly notify Lender in writing of any litigation or threatened litigation affecting the Property, or any other demand or claim which, if enforced, could impair or threaten to impair Lender's security hereunder. Without limiting or waiving any other rights and remedies of Lender hereunder, if Borrower fails to perform any of its covenants or agreements contained in this Mortgage or in any of the other Loan Documents and such failure is not cured within any applicable grace or cure period, or if any action or proceeding of any kind (including, but not limited to, any bankruptcy, insolvency, arrangement, reorganization or other debtor relief proceeding) is commenced which might affect Lender's interest in the Property or Lender's right to enforce its security, then Lender may, at its option, with or without notice to Borrower, make any appearances, disburse any sums and take any actions as may be necessary or desirable to protect or enforce the security of this Mortgage or to remedy the failure of Borrower to perform its covenants and agreements (without, however, waiving any default of Borrower). Borrower agrees to pay on demand all expenses of Lender incurred with respect to the foregoing (including, but not limited to, reasonable fees and disbursements

of counsel), together with interest thereon at the Default Interest Rate from and after the date on which Lender incurs such expenses until reimbursement thereof by Borrower. Any such expenses so incurred by Lender, together with interest thereon as provided above, shall be additional indebtedness of Borrower secured by this Mortgage and by all of the other Loan

Documents securing all or any part of the Debt. The necessity for any such actions and of the amounts to be paid shall be determined by Lender in its discretion. Lender is hereby empowered to enter and to authorize others to enter upon the Property or any part thereof for the purpose of performing or observing any such defaulted term, covenant or condition without thereby becoming liable to Borrower or any person in possession holding under Borrower. Borrower hereby acknowledges and agrees that the remedies set forth in this Section 2.16 shall be exercisable by Lender, and any and all payments made or costs or expenses incurred by Lender in connection therewith shall be secured hereby and shall be, without demand, immediately repaid by Borrower with interest thereon at the Default Interest Rate, notwithstanding the fact that such remedies were exercised and such payments made and costs incurred by Lender after the filing by Borrower of a voluntary case or the filing against Borrower of an involuntary case pursuant to or within the meaning of the Bankruptcy Reform Act of 1978, as amended, Title 11 U.S.C., or after any similar action pursuant to any other debtor relief law (whether statutory, common law, case law or otherwise) of any jurisdiction whatsoever, now or hereafter in effect, which may be or become applicable to Borrower, Lender, any Indemnitor, the Debt or any of the Loan Documents. Borrower hereby indemnifies and holds Lender harmless from and against all loss, cost and expenses with respect to any Event of Default hereof, any liens (i.e., judgments, mechanics' and materialmen's liens, or otherwise), charges and encumbrances filed against the Property, and from any claims and demands for damages or injury, including claims for property damage, personal injury or wrongful death, arising out of or in connection with any accident or fire or other casualty on the Premises or the Improvements or any nuisance made or suffered thereon, except those that are due to Lender's gross negligence or willful misconduct as finally determined by a court of competent jurisdiction, including, without limitation, in any case, reasonable attorneys' fees, costs and expenses as aforesaid, whether at pretrial, trial or appellate level, and such indemnity shall survive payment in full of the Debt. This Section shall not be construed to require Lender to incur any expenses, make any appearances or take any actions.

Section 2.17 Security Interest. This Mortgage is also intended to encumber and create a security interest in, and Borrower hereby grants to Lender a security interest in, all sums on deposit with Lender pursuant to the provisions of Article III hereof or any other Section hereof or of any other Loan Document and all fixtures, chattels, accounts, equipment, inventory, contract rights, general intangibles and other personal property included within the Property, all renewals, replacements of any of the aforementioned items, or articles in substitution therefor or in addition thereto or the proceeds thereof (said property is hereinafter referred to collectively as the "Collateral"), whether or not the same shall be attached to the Premises or the Improvements in any manner. It is hereby agreed that to the extent permitted by law, all of the foregoing property is to be deemed and held to be a part of and affixed to the Premises and the Improvements. The foregoing security interest shall also cover Borrower's leasehold interest in any of the foregoing property which is leased by Borrower. Notwithstanding the foregoing, all of the foregoing property shall be owned by Borrower and no leasing or installment sales or other financing or title retention agreement in connection therewith shall be permitted without the prior written approval of Lender. Borrower shall, from time to time upon the request of Lender, supply Lender with a current inventory of all of the property in which Lender is granted a security interest hereunder, in such detail as Lender may reasonably require. Borrower shall promptly replace all of the Collateral subject to the lien or security interest of this Mortgage when worn or obsolete with Collateral comparable to the worn out or obsolete Collateral when new and will not, without the prior written consent of Lender, remove from the Premises or the Improvements

any of the Collateral subject to the lien or security interest of this Mortgage except such as is replaced by an article of equal suitability and value as above provided, owned by Borrower free and clear of any lien or security interest except that created by this Mortgage and the other Loan Documents. All of the Collateral shall be kept at the location of the Premises except as otherwise required by the terms of the Loan Documents. Borrower shall not use any of the Collateral in violation of any applicable statute, ordinance or insurance policy.

Section 2.18 Security Agreement. This Mortgage constitutes a security agreement between Borrower and Lender with respect to the Collateral in which Lender is granted a security interest hereunder, and, cumulative of all other rights and remedies of Lender hereunder, Lender shall have all of the rights and remedies of a secured party under any applicable Uniform Commercial Code. Borrower hereby agrees to execute and deliver on demand and hereby irrevocably constitutes and appoints Lender the attorney-in-fact of Borrower to execute and deliver and, if appropriate, to file with the appropriate filing officer or office, such security agreements, financing statements, continuation statements or other instruments as Lender may request or require in order to impose, perfect or continue the perfection of the lien or security interest created hereby. To the extent specifically provided herein, Lender shall have the right of possession of all cash, securities, instruments, negotiable instruments, documents, certificates and any other evidences of cash or other property or evidences of rights to cash rather than property, which are now or hereafter a part of the Property, and Borrower shall promptly deliver the same to Lender, endorsed to Lender, without further notice from Lender. Borrower agrees to furnish Lender with notice of any change in the name, identity, organizational structure, residence, or principal place of business or mailing address of Borrower within ten (10) days of the effective date of any such change. Upon the occurrence of any Event of Default, Lender shall have the rights and remedies as prescribed in this Mortgage, or as prescribed by general law, or as prescribed by any applicable Uniform Commercial Code, all at Lender's election. Any disposition of the Collateral may be conducted by an employee or agent of Lender. Any person, including both Borrower and Lender, shall be eligible to purchase any part or all of the Collateral at any such disposition. Expenses of retaking, holding, preparing for sale, selling or the like (including, without limitation, Lender's reasonable attorneys' fees and legal expenses), together with interest thereon at the Default Interest Rate from the date incurred by Lender until actually paid by Borrower, shall be paid by Borrower on demand and shall be secured by this Mortgage and by all of the other Loan Documents securing all or any part of the Debt. Lender shall have the right to enter upon the Premises and the Improvements or any real property where any of the property which is the subject of the security interest granted herein is located to take possession of, assemble and collect the same or to render it unusable, or Borrower, upon demand of Lender, shall assemble such property and make it available to Lender at the Premises, or at a place which is mutually agreed upon or, if no such place is agreed upon, at a place reasonably designated by Lender to be reasonably convenient to Lender and Borrower. If notice is required by law, Lender shall give Borrower at least ten (10) days' prior written notice of the time and place of any public sale of such property, or adjournments thereof, or of the time of or after which any private sale or any other intended disposition thereof is to be made, and if such notice is sent to Borrower, as the same is provided for the mailing of notices herein, it is hereby deemed that such notice shall be and is reasonable notice to Borrower. No such notice is necessary for any such property which is perishable, threatens to decline speedily in value or is of a type customarily sold on a recognized market. Any sale made pursuant to the provisions of this Section shall be deemed to have been a public sale conducted in a commercially reasonable manner if held

contemporaneously with a foreclosure sale as provided in Section 5.1(e) hereof upon giving the same notice with respect to the sale of the Property hereunder as is required under said Section 5.1(e). Furthermore, to the extent permitted by law, in conjunction with, in addition to or in substitution for the rights and remedies available to Lender pursuant to any applicable Uniform Commercial Code:

(a) In the event of a foreclosure sale, the Property may, at the option of Lender, be sold as a whole; and

(b) It shall not be necessary that Lender take possession of the aforementioned Collateral, or any part thereof, prior to the time that any sale pursuant to the provisions of this Section is conducted and it shall not be necessary that said Collateral, or any part thereof, be present at the location of such sale; and

(c) Lender may appoint or delegate any one or more persons as agent to perform any act or acts necessary or incident to any sale held by Lender, including the sending of notices and the conduct of the sale, but in the name and on behalf of Lender. The name and address of Borrower (as Debtor under any applicable Uniform Commercial Code) are as set forth on the first page hereof. The name and address of Lender (as Secured Party under any applicable Uniform Commercial Code) are as set forth on the first page hereof.

Section 2.19 Easements and Rights-of-Way. Borrower shall not grant any easement or right-of-way with respect to all or any portion of the Premises or the Improvements without the prior written consent of Lender. Borrower shall comply with all easements affecting the Property. The purchaser at any foreclosure sale hereunder may, at its discretion, disaffirm any easement or right-of-way granted in violation of any of the provisions of this Mortgage and may take immediate possession of the Property free from, and despite the terms of, such grant of easement or right-of-way. If Lender consents to the grant of an easement or right-of-way, Lender agrees to grant such consent without charge to Borrower other than expenses, including, without limitation, reasonable attorneys' fees, incurred by Lender in the review of Borrower's request and in the preparation of documents effecting the subordination.

Section 2.20 Compliance with Laws. Borrower shall at all times comply with all statutes, ordinances, regulations and other governmental or quasi-governmental requirements and private covenants now or hereafter relating to the ownership, construction, use or operation of the Property, including, but not limited to, those concerning employment and compensation of persons engaged in operation and maintenance of the Property and any environmental or ecological requirements, even if such compliance shall require structural changes to the Property; provided, however, that, Borrower may, upon providing Lender with security satisfactory to Lender, proceed diligently and in good faith to contest the validity or applicability of any such statute, ordinance, regulation or requirement so long as during such contest the Property shall not be subject to any lien, charge, fine or other liability and shall not be in danger of being forfeited, lost or closed. Borrower shall not use or occupy, or allow the use or occupancy of, the Property in any manner which violates any Lease of or any other agreement applicable to the Property or any applicable law, rule, regulation or order or which constitutes a public or private nuisance or which makes void, voidable or cancelable, or increases the premium of, any insurance then in force with respect thereto.

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Section 2.21 Additional Taxes. In the event of the enactment after the date hereof of any law of the state in which the Property is located or of any other governmental entity deducting from the value of the Property for the purpose of taxing any lien or security interest thereon, or imposing upon Lender the payment of the whole or any part of the taxes or assessments or charges or liens herein required to be paid by Borrower, or changing in any way the laws relating to the taxation of deeds of trust, mortgages or security agreements or debts secured by deeds of trust, mortgages or security agreements or the interest of the Lender, mortgagee or secured party in the property covered thereby, or the manner of collection of such taxes, so as to adversely affect this Mortgage or the Debt or Lender, then, and in any such event, Borrower, upon demand by Lender, shall pay such taxes, assessments, charges or liens, or reimburse Lender therefor; provided, however, that if in the opinion of counsel for Lender (a) it might be unlawful to require Borrower to make such payment, or (b) the making of such payment might result in the imposition of interest beyond the maximum amount permitted by law, then and in either such event, Lender may elect, by notice in writing given to Borrower, to declare all of the Debt to be and become due and payable in full thirty (30) days from the giving of such notice, and, in connection with the payment of such Debt, no prepayment premium or fee shall be due unless, at the time of such payment, an Event of Default or a Default shall have occurred, which Default or Event of Default is unrelated to the provisions of this Section 2.21, in which event any applicable prepayment premium or fee in accordance with the terms of the Note shall be due and payable.

Section 2.22 Secured Indebtedness. It is understood and agreed that this Mortgage shall secure payment of not only the indebtedness evidenced by the Note but also any and all substitutions, replacements, renewals and extensions of the Note, any and all indebtedness and obligations arising pursuant to the terms hereof and any and all indebtedness and obligations arising pursuant to the terms of any of the other Loan Documents, all of which indebtedness is equally secured with and has the same priority as any amounts advanced as of the date hereof. It is agreed that any future advances made by Lender to or for the benefit of Borrower from time to time under this Mortgage or the other Loan Documents and whether or not such advances are obligatory or are made at the option of Lender, or otherwise, made for any purpose, and all interest accruing thereon, shall be equally secured by this Mortgage and shall have the same priority as all amounts, if any, advanced as of the date hereof and shall be subject to all of the terms and provisions of this Mortgage.

Section 2.23 Borrower's Waivers. To the full extent permitted by law, Borrower agrees that Borrower shall not at any time insist upon, plead, claim or take the benefit or advantage of any law now or hereafter in force providing for any appraisal, valuation, stay, moratorium or extension, or any law now or hereafter in force providing for the reinstatement of the Debt prior to any sale of the Property to be made pursuant to any provisions contained herein or prior to the entering of any decree, judgment or order of any court of competent jurisdiction, or any right under any statute to redeem all or any part of the Property so sold. Borrower, for Borrower and Borrower's successors and assigns, and for any and all persons ever claiming any interest in the Property, to the full extent permitted by law, hereby knowingly, intentionally and voluntarily, with and upon the advice of competent counsel: (a) waives, releases, relinquishes and forever forgoes all rights of valuation, appraisal, stay of execution, reinstatement and notice of election or intention to mature or declare due the Debt (except such notices as are specifically provided for herein); (b) waives, releases, relinquishes and forever forgoes all right to a

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marshaling of the assets of Borrower, including the Property, to a sale in the inverse order of alienation, or to direct the order in which any of the Property shall be sold in the event of foreclosure of the liens and security interests hereby created and agrees that any court having jurisdiction to foreclose such liens and security interests may order the Property sold as an entirety; and (c) waives, releases, relinquishes and forever forgoes all rights and periods of redemption provided under applicable law. To the full extent permitted by law, Borrower shall not have or assert any right under any statute or rule of law pertaining to the exemption of homestead or other exemption under any federal, state or local law now or hereafter in effect, the administration of estates of decedents or other matters whatever to defeat, reduce or affect the right of Lender under the terms of this Mortgage to a sale of the Property, for the collection of the Debt without any prior or different resort for collection, or the right of Lender under the terms of this Mortgage to the payment of the Debt out of the proceeds of sale of the Property in preference to every other claimant whatever. Furthermore, Borrower hereby knowingly, intentionally and voluntarily, with and upon the advice of competent counsel, waives, releases, relinquishes and forever forgoes all present and future statutes of limitations as a defense to any action to enforce the provisions of this Mortgage or to collect any of the Debt to the fullest extent permitted by law. Borrower covenants and agrees that upon

the commencement of a voluntary or involuntary bankruptcy proceeding by or against Borrower, Borrower shall not seek a supplemental stay or otherwise shall not seek pursuant to 11 U.S.C. §105 or any other provision of the Bankruptcy Reform Act of 1978, as amended, or any other debtor relief law (whether statutory, common law, case law, or otherwise) of any jurisdiction whatsoever, now or hereafter in effect, which may be or become applicable, to stay, interdict, condition, reduce or inhibit the ability of Lender to enforce any rights of Lender against any guarantor or indemnitor of the secured obligations or any other party liable with respect thereto by virtue of any indemnity, guaranty or otherwise.

Section 2.24 SUBMISSION TO JURISDICTION; WAIVER OF JURY TRIAL

(a) **BORROWER AND LENDER, TO THE FULL EXTENT PERMITTED BY LAW, HEREBY KNOWINGLY, INTENTIONALLY AND VOLUNTARILY, WITH AND UPON THE ADVICE OF COMPETENT COUNSEL, (i) SUBMIT TO PERSONAL JURISDICTION IN THE STATE IN WHICH THE PREMISES IS LOCATED OVER ANY SUIT, ACTION OR PROCEEDING BY ANY PERSON ARISING FROM OR RELATING TO THE NOTE, THIS MORTGAGE OR ANY OTHER OF THE LOAN DOCUMENTS, (ii) AGREE THAT ANY SUCH ACTION, SUIT OR PROCEEDING MAY BE BROUGHT IN ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION SITTING IN THE COUNTY IN WHICH THE PREMISES IS LOCATED, (iii) SUBMIT TO THE JURISDICTION OF SUCH COURTS, AND (iv) TO THE FULLEST EXTENT PERMITTED BY LAW, AGREE THAT IT WILL NOT BRING ANY ACTION, SUIT OR PROCEEDING IN ANY OTHER FORUM (BUT NOTHING HEREIN SHALL AFFECT THE RIGHT OF LENDER TO BRING ANY ACTION, SUIT OR PROCEEDING IN ANY OTHER FORUM).**

(b) **BORROWER AND LENDER, TO THE FULL EXTENT PERMITTED BY LAW, HEREBY KNOWINGLY, INTENTIONALLY AND VOLUNTARILY, WITH AND UPON THE ADVICE OF COMPETENT COUNSEL, WAIVE, RELINQUISH AND FOREVER FORGO THE RIGHT TO A TRIAL BY JURY**

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IN ANY ACTION OR PROCEEDING BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATING TO THE DEBT OR ANY CONDUCT, ACT OR OMISSION OF LENDER OR BORROWER, OR ANY OF THEIR RESPECTIVE DIRECTORS, OFFICERS, PARTNERS, MEMBERS, EMPLOYEES, AGENTS OR ATTORNEYS, OR ANY OTHER PERSONS AFFILIATED WITH LENDER OR BORROWER, IN EACH OF THE FOREGOING CASES, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE.

Section 2.25 Attorney-in-Fact Provisions. With respect to any provision of this Mortgage or any other Loan Document whereby Borrower grants to Lender a power-of-attorney, provided no Default or Event of Default has occurred under this Mortgage, Lender shall first give Borrower written notice at least three (3) days prior to acting under such power, which notice shall demand that Borrower first take the proposed action within such period and advising Borrower that if it fails to do so, Lender will so act under the power; provided, however, that, in the event that a Default or an Event of Default has occurred, or if necessary to prevent imminent death, serious injury, damage, loss, forfeiture or diminution in value to the Property or any surrounding property or to prevent any adverse affect on Lender's interest in the Property, Lender may act immediately and without first giving such notice. In such event, Lender will give Borrower notice of such action as soon thereafter as reasonably practical.

Section 2.26 Management. The management of the Property shall be by either: (a) Borrower or an entity affiliated with Borrower approved by Lender for so long as Borrower or said affiliated entity is managing the Property in a first class manner; or (b) a professional property management company approved by Lender. Such management by an affiliated entity or a professional property management company shall be pursuant to a written agreement approved by Lender. In no event shall any manager be removed or replaced or the terms of any management agreement modified or amended without the prior written consent of Lender which approval may be conditioned upon, among other things, receipt by Lender of a No-Downgrade Confirmation from each Rating Agency. After an Event of Default or a default under any management contract then in effect, which default is not cured within any applicable grace or cure period or if at any time during the term of the Loan the debt service coverage ratio of the Property is ever less than 1.05:1, as determined by Lender, Lender shall have the right to terminate, or to direct Borrower to terminate, such management contract upon thirty (30) days' notice and to retain, or to direct Borrower to retain, a new management agent approved by Lender which approval may be conditioned upon, among other things, receipt by Lender of a No-Downgrade Confirmation from each Rating Agency. All Rents and Profits generated by or derived from the Property shall first be utilized solely for current expenses directly attributable to the ownership and operation of the Property, including, without limitation, current expenses relating to Borrower's liabilities and obligations with respect to this Mortgage and the other Loan Documents, and none of the Rents and Profits generated by or derived from the Property shall be diverted by Borrower and utilized for any other purposes unless all such current expenses attributable to the ownership and operation of the Property have been fully paid and satisfied.

Section 2.27 Hazardous Waste and Other Substances

(a) Borrower hereby represents and warrants to Lender that, as of the date hereof to the best of Borrower's knowledge, information and belief and other than as set forth in

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the Environmental Report: (i) none of Borrower nor the Property nor any Tenant at the Premises nor the operations conducted thereon is in direct or indirect violation of or otherwise exposed to any liability under any local, state or federal law, rule or regulation or common law duty pertaining to human health, natural resources or the environment, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. §9601 *et seq.*) ("CERCLA"), the Resource Conservation and Recovery Act of 1976 (42 U.S.C. §6901 *et seq.*), the Federal Water Pollution Control Act (33 U.S.C. §1251 *et seq.*), the Clean Air Act (42 U.S.C. §7401 *et seq.*), the Emergency Planning and Community-Right-to-Know Act (42 U.S.C. §11001 *et seq.*), the Endangered Species Act (16 U.S.C. §1531 *et seq.*), the Toxic Substances Control Act (15 U.S.C. §2601 *et seq.*), the Occupational Safety and Health Act (29 U.S.C. §651 *et seq.*), the Industrial Site Recovery Act, N.J.S.A. 13:1K-6, *et seq.* ("ISRA"); the Spill Compensation and Control Act, N.J.S.A. 58:10-23.11, *et seq.* ("Spill Act"); the Underground Storage of Hazardous Substances Act, N.J.S.A. 58:10A-21, *et seq.*; the Toxic Catastrophe Prevention Act N.J.S.A. 13:1K-19, *et seq.*; the Worker and Community Right to Know Act, N.J.S.A. 34:5A-1, *et seq.*; the Pollution Prevention Act, N.J.S.A. 13:1D-35, *et seq.*; the Air Pollution Control Act, N.J.S.A. 26:2C-1, *et seq.*; the Solid Waste Management Act, N.J.S.A. 13:1E-1, *et seq.*; the Sanitary Landfill Closure and Contingency Fund Act, N.J.S.A. 13:1E-100, *et seq.*; the Solid Waste Utility Control Act, N.J.S.A. 48:13A-1, *et seq.*; the Water Pollution Control Act, N.J.S.A. 58:10A-1, *et seq.*; the Flood Hazard Control Act, N.J.S.A. 58:16A-50, *et seq.*; the Freshwater Wetlands Protection Act, N.J.S.A. 13:9B-1, *et seq.*; the Coastal Area Facility Review Act, N.J.S.A. 13:19-1, *et seq.*; the Wetlands Act of 1970, N.J.S.A. 13:9A-1, *et seq.*; the Waterfront and Harbor Facilities Act, N.J.S.A. 12:5-1, *et seq.*; the Noise Control Act, N.J.S.A. 13:1G-1, *et seq.*; and the Pesticide Control Act, N.J.S.A. 13:1F-1, *et seq.*, and the Hazardous Materials Transportation Act (49 U.S.C. §1801 *et seq.*), and those relating to Lead Based Paint (as hereinafter defined) and the regulations promulgated pursuant to said laws, all as amended from time to time (collectively, "Environmental Laws") or otherwise exposed to any liability under any Environmental Law relating to or affecting the Property, whether or not used by or within the control of Borrower; (ii) no hazardous, toxic or harmful substances, wastes, materials, pollutants or contaminants (including, without limitation, asbestos or asbestos-containing

materials, lead based paint, Toxic Mold (as hereinafter defined) polychlorinated biphenyls, petroleum or petroleum products or byproducts, flammable explosives, radioactive materials, infectious substances or raw materials which include hazardous constituents) or any other substances or materials which are included under or regulated by Environmental Laws (collectively, "Hazardous Substances") are located on, in or under or have been handled, generated, stored, processed or disposed of on or released or discharged from the Property (including underground contamination), except for those substances used by Borrower or any Tenant in the ordinary course of their respective businesses and in compliance with all Environmental Laws and where such Hazardous Substances could not reasonably be expected to give rise to liability under Environmental Laws; (iii) radon is not present at the Property in excess or in violation of any applicable thresholds or standards or in amounts that require disclosure under applicable law to any tenant or occupant of or invitee to the Property or to any governmental agency or the general public; (iv) the Property is not subject to any private or governmental lien or judicial or administrative notice or action arising under Environmental Laws; (v) there is no pending, nor, to Borrower's knowledge, information or belief, threatened litigation arising under Environmental Laws affecting Borrower or the Property; (vi) there are no and have been no existing or closed underground storage tanks or other underground storage

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receptacles for Hazardous Substances or landfills or dumps on the Property; (vii) Borrower has received no notice of, and to the best of Borrower's knowledge and belief, there exists no investigation, action, proceeding or claim by any agency, authority or unit of government or by any third party which could result in any liability, penalty, sanction or judgment under any Environmental Laws with respect to any condition, use or operation of the Property, nor does Borrower know of any basis for such an investigation, action, proceeding or claim; and (viii) Borrower has received no notice of and, to the best of Borrower's knowledge and belief, there has been no claim by any party that any use, operation or condition of the Property has caused any nuisance or any other liability or adverse condition on any other property, nor does Borrower know of any basis for such an investigation, action, proceeding or claim. For the purposes hereof, "Toxic Mold" shall mean any mold or fungus at the Property which is of a type (i) that might pose a significant risk to human health or the environment or (ii) that would negatively impact the value of the Property.

(b) Borrower has not received nor to the best of Borrower's knowledge, information and belief has there been issued, any notice, notification, demand, request for information, citation, summons, or order in any way relating to any actual, alleged or potential violation or liability arising under Environmental Laws.

(c) Neither the Property, nor to the best of Borrower's knowledge, information and belief, any property to which Borrower has, in connection with the maintenance or operation of the Property, directly or indirectly transported or arranged for the transportation of any Hazardous Substances is listed or, to the best of Borrower's knowledge, information and belief, proposed for listing on the National Priorities List promulgated pursuant to CERCLA, or CERCLIS (as defined in CERCLA) or on any similar federal or state list of sites requiring environmental investigation or clean-up.

(d) Borrower shall comply with all applicable Environmental Laws. Borrower shall keep the Property or cause the Property to be kept free from Hazardous Substances (except those substances used by Borrower or any Tenant in the ordinary course of their respective businesses and except in compliance with all Environmental Laws and where such Hazardous Substances could not reasonably be expected to give rise to liability under Environmental Laws) and in compliance with all Environmental Laws, Borrower shall not install or use any underground storage tanks, shall expressly prohibit the use, generation, handling, storage, production, processing and disposal of Hazardous Substances by all Tenants in quantities or conditions that would violate or give rise to any obligation to take remedial or other action under any applicable Environmental Laws. Without limiting the generality of the foregoing, during the term of this Mortgage, Borrower shall not install in the Improvements or permit to be installed in the Improvements any asbestos or asbestos-containing materials.

(e) Borrower shall promptly notify Lender if Borrower shall become aware of (i) the actual or potential existence of any Hazardous Substances on the Property other than those occurring in the ordinary course of Borrower's business and which do not violate, or would not otherwise give rise to liability under Environmental Laws, (ii) any direct or indirect violation of, or other exposure to liability under, any Environmental Laws, (iii) any lien, action or notice affecting the Property or Borrower resulting from any violation or alleged violation of or liability or alleged liability under any Environmental Laws, (iv) the institution of any investigation,

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inquiry or proceeding concerning Borrower or the Property pursuant to any Environmental Laws or otherwise relating to Hazardous Substances, or (v) the discovery of any occurrence, condition or state of facts which would render any representation or warranty contained in this Mortgage incorrect in any respect if made at the time of such discovery. Immediately upon receipt of same, Borrower, shall deliver to Lender copies of any and all requests for information, complaints, citations, summonses, orders, notices, reports or other communications, documents or instruments in any way relating to any actual, alleged or potential violation or liability of any nature whatsoever arising under Environmental Laws and relating to the Property or to Borrower. Borrower shall remedy or cause to be remedied in a timely manner (and in any event within the time period permitted by applicable Environmental Laws) any violation of Environmental Laws or any condition that could give rise to liability under Environmental Laws. Without limiting the foregoing, Borrower shall, promptly and regardless of the source of the contamination or threat to the environment or human health, at its own expense, take all actions as shall be necessary or prudent, for the clean-up of any and all portions of the Property or other affected property, including, without limitation, all investigative, monitoring, removal, containment and remedial actions in accordance with all applicable Environmental Laws (and in all events in a manner satisfactory to Lender) and shall further pay or cause to be paid, at no expense to Lender, all clean-up, administrative and enforcement costs of applicable governmental agencies which may be asserted against the Property. In the event Borrower fails to do so, Lender may, but shall not be obligated to, cause the Property or other affected property to be freed from any Hazardous Substances or otherwise brought into conformance with Environmental Laws and any and all costs and expenses incurred by Lender in connection therewith, together with interest thereon at the Default Interest Rate from the date incurred by Lender until actually paid by Borrower, shall be immediately paid by Borrower on demand and shall be secured by this Mortgage and by all of the other Loan Documents securing all or any part of the Debt. Borrower hereby grants to Lender and its agents and employees access to the Property and a license to remove any items deemed by Lender to be Hazardous Substances and to do all things Lender shall deem necessary to bring the Property into conformance with Environmental Laws.

(f) Borrower covenants and agrees, at Borrower's sole cost and expense, to indemnify, defend (at trial and appellate levels, and with attorneys, consultants and experts acceptable to Lender), and hold Lender harmless from and against any and all liens, damages (including without limitation, punitive or exemplary damages), losses, liabilities (including, without limitation, strict liability), obligations, settlement payments, penalties, fines, assessments, citations, directives, claims, litigation, demands, defenses, judgments, suits, proceedings, costs, disbursements or expenses of any kind or of any nature whatsoever (including, without limitation, reasonable attorneys', consultants' and experts' fees and disbursements actually incurred in investigating, defending, settling or prosecuting any claim, litigation or proceeding) which may at any time be imposed upon, incurred by or asserted or awarded against Lender or the Property, and arising directly or indirectly from or out of: (i) any violation or alleged violation of, or liability or alleged liability under, any Environmental Law; (ii) the presence, release or threat of release of or exposure to any Hazardous Substances or radon on, in, under or affecting all or any portion of the Property or any surrounding areas, regardless of whether or not caused by or within the control of Borrower; (iii) any transport, treatment, recycling, storage, disposal or arrangement therefor of Hazardous Substances whether on the Property, originating from the Property, or otherwise associated with Borrower or any

operations conducted on the Property at any time; (iv) the failure by Borrower to comply fully with the terms and conditions of this Section 2.27; (v) the breach of any representation or warranty contained in this Section 2.27; or (vi) the enforcement of this Section 2.27, including, without limitation, the cost of assessment, investigation, containment, removal and/or remediation of any and all Hazardous Substances from all or any portion of the Property or any surrounding areas, the cost of any actions taken in response to the presence, release or threat of release of any Hazardous Substances on, in, under or affecting any portion of the Property or any surrounding areas to prevent or minimize such release or threat of release so that it does not migrate or otherwise cause or threaten danger to present or future public health, safety, welfare or the environment, and costs incurred to comply with Environmental Laws in connection with all or any portion of the Property or any surrounding areas. The indemnity set forth in this Section 2.27 shall also include any diminution in the value of the security afforded by the Property or any future reduction in the sales price of the Property by reason of any matter set forth in this Section 2.27. The foregoing indemnity shall specifically not include any such costs relating to Hazardous Substances which are initially placed on, in or under the Property after foreclosure or other taking of title to the Property by Lender or its successor or assigns. Lender's rights under this Section shall survive payment in full of the Debt and shall be in addition to all other rights of Lender under this Mortgage, the Note and the other Loan Documents.

(g) Upon Lender's request, at any time after the occurrence of an Event of Default or at such other time as Lender has reasonable grounds to believe that Hazardous Substances are or have been released, stored or disposed of on the Property, or on property contiguous with the Property, or that the Property may be in violation of the Environmental Laws, Borrower shall perform or cause to be performed, at Borrower's sole cost and expense and in scope, form and substance satisfactory to Lender, an inspection or audit of the Property prepared by a hydrogeologist or environmental engineer or other appropriate consultant approved by Lender indicating the presence or absence of Hazardous Substances on the Property, the compliance or non-compliance status of the Property and the operations conducted thereon with applicable Environmental Laws, or an inspection or audit of the Property prepared by an engineering or consulting firm approved by Lender indicating the presence or absence of friable asbestos or substances containing asbestos or lead or substances containing lead or lead based paint ("Lead Based Paint") on the Property. If Borrower fails to provide reports of such inspection or audit within thirty (30) days after such request, Lender may order the same, and Borrower hereby grants to Lender and its employees and agents access to the Property and an irrevocable license to undertake such inspection or audit. The cost of such inspection or audit, together with interest thereon at the Default Interest Rate from the date incurred by Lender until actually paid by Borrower, shall be immediately paid by Borrower on demand and shall be secured by this Mortgage and by all of the other Loan Documents securing all or any part of the Debt.

(h) Reference is made to that certain Environmental Indemnity Agreement of even date herewith by and among Borrower and any other principal signatory named therein in favor of Lender (the "Environmental Indemnity Agreement"). The provisions of this Mortgage and the Environmental Indemnity Agreement shall be read together to maximize the coverage with respect to the subject matter thereof, as determined by Lender.

(i) If prior to the date hereof, it was determined that the Property contains asbestos-containing materials ("ACM's"), Borrower covenants and agrees to institute, within thirty (30) days after the date hereof, an operations and maintenance program (the "Maintenance Program") designed by an environmental consultant, satisfactory to Lender, with respect to ACM's, consistent with "Guidelines for Controlling Asbestos-Containing Materials in Buildings" (USEPA, 1985) and other relevant guidelines, and such Maintenance Program will hereafter continuously remain in effect until the Debt secured hereby is repaid in full. In furtherance of the foregoing, Borrower shall inspect and maintain all ACM's on a regular basis and ensure that all ACM's shall be maintained in a condition that prevents exposure of residents to ACM's at all times. Without limiting the generality of the preceding sentence, Lender may require (i) periodic notices or reports to Lender in form, substance and at such intervals as Lender may specify, (ii) an amendment to such operations and maintenance program to address changing circumstances, laws or other matters, (iii) at Borrower's sole expense, supplemental examination of the Property by consultants specified by Lender, and (iv) variation of the operations and maintenance program in response to the reports provided by any such consultants.

(j) If, prior to the date hereof, it was determined that the Property contains Lead Based Paint, Borrower had prepared an assessment report describing the location and condition of the Lead Based Paint (a "Lead Based Paint Report"). If, at any time hereafter, Lead Based Paint is suspected of being present on the Property, Borrower agrees, at its sole cost and expense and within twenty (20) days thereafter, to cause to be prepared a Lead Based Paint Report prepared by an expert, and in form, scope and substance, acceptable to Lender. Borrower agrees that if it has been, or if at any time hereafter it is, determined that the Property contains Lead Based Paint, on or before thirty (30) days following (i) the date hereof, if such determination was made prior to the date hereof or (ii) such determination, if such determination is hereafter made, as applicable, Borrower shall, at its sole cost and expenses, develop and implement, and thereafter diligently and continuously carry out (or cause to be developed and implemented and thereafter diligently and continually to be carried out), an operations, abatement and maintenance plan for the Lead Based Paint on the Property, which plan shall be prepared by an expert, and be in form, scope and substance, acceptable to Lender (together with any Lead Based Paint Report, the "O&M Plan"). If an O&M Plan has been prepared prior to the date hereof, Borrower agrees to diligently and continually carry out (or cause to be carried out) the provisions thereof. Compliance with the O&M Plan shall require or be deemed to require, without limitation, the proper preparation and maintenance of all records, papers and forms required under the Environmental Laws.

Section 2.28 Indemnification: Subrogation.

(a) Borrower shall indemnify, defend and hold Lender harmless against: (i) any and all claims for brokerage, leasing, finders or similar fees which may be made relating to the Property or the Debt, and (ii) any and all liability, obligations, losses, damages, penalties, claims, actions, suits, costs and expenses (including Lender's reasonable attorneys' fees) of whatever kind or nature which may be asserted against, imposed on or incurred by Lender in connection with the Debt, this Mortgage, the Property, or any part thereof, or the exercise by Lender of any rights or remedies granted to it under this Mortgage or arise from the information provided in accordance with the terms hereof; provided, however, that nothing herein shall be construed to obligate Borrower to indemnify, defend and hold harmless Lender from and against

(b) If Lender is made a party defendant to any litigation or any claim is threatened or brought against Lender concerning the Debt, this Mortgage, the Property, or any part thereof, or any interest therein, or the construction, maintenance, operation or occupancy or use thereof, then Borrower shall indemnify, defend and hold Lender harmless from and against all liability by reason of said litigation or claims, including reasonable attorneys' fees and expenses incurred by Lender in any such litigation or claim, whether or not any such litigation or claim is prosecuted to judgment. If Lender commences an action against Borrower to enforce any of the terms hereof or to prosecute any breach by Borrower of any of the terms hereof or to recover any sum secured hereby, Borrower shall pay to Lender its reasonable attorneys' fees and expenses. The right to such attorneys' fees and expenses shall be deemed to have accrued on the commencement of such action, and shall be enforceable whether or not such action is prosecuted to judgment. If Borrower breaches any term of this Mortgage, Lender may engage the services of an attorney or attorneys to protect its rights hereunder, and in the event of such engagement following any breach by Borrower, Borrower shall pay Lender reasonable attorneys' fees and expenses incurred by Lender, whether or not an action is actually commenced against Borrower by reason of such breach. All references to "attorneys" in this Subsection and elsewhere in this Mortgage shall include, without limitation, any attorney or law firm engaged by Lender and Lender's in-house counsel, and all references to "fees and expenses" in this Subsection and elsewhere in this Mortgage shall include, without limitation, any fees of such attorney or law firm, any appellate counsel fees, if applicable, and any allocation charges and allocation costs of Lender's in-house counsel.

(c) A waiver of subrogation shall be obtained by Borrower from its insurance carrier and, consequently, Borrower waives any and all right to claim or recover against Lender, its officers, employees, agents and representatives, for loss of or damage to Borrower, the Property, Borrower's property or the property of others under Borrower's control from any cause insured against or required to be insured against by the provisions of this Mortgage.

Section 2.29 Covenants with Respect to Existence, Indebtedness, Operations, Fundamental Changes of Borrower.

(a) Borrower, and any general partner or managing member of Borrower, as applicable, have each done since the date of their formation and shall do or cause to be done all things necessary to (i) preserve, renew and keep in full force and effect its existence, rights, and franchises, (ii) continue to engage in the business presently conducted by it, (iii) obtain and maintain all licenses, and (iv) qualify to do business and remain in good standing under the laws of each jurisdiction, in each case as and to the extent required for the ownership, maintenance, management and operation of the Property. Borrower hereby represents, warrants and covenants as of the date hereof and until such time as the Debt is paid in full, that Borrower has been, since the date of its formation, is and shall remain a Single-Purpose Entity (as hereinafter defined). Each general partner or the SPE Member (as hereinafter defined) of Borrower (each, an "SPE Equity Owner"), has since the date of its formation complied and will at all times comply, with each of the representations, warranties and covenants contained in this Section 2.29 as if such

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representation, warranty or covenant was made directly by such SPE Equity Owner. A "Single-Purpose Entity" or "SPE" means a corporation, limited partnership or limited liability company that:

(1) if a corporation, must have at least two Independent Directors (as hereinafter defined), or if requested by Lender (which request Borrower shall comply with within five (5) business days) in connection with a Secondary Market Transaction, two Independent Directors, and must not take any action that, under the terms of any certificate or articles of incorporation, by-laws, or any voting trust agreement with respect to such entity's common stock, requires the unanimous affirmative vote of 100% of the members of the board of directors unless all of the directors, including, without limitation, all Independent Directors, shall have participated in such vote ("SPE Corporation");

(2) if a limited partnership, must have each general partner be an SPE Corporation;

(3) if a limited liability company, must have one managing member (the "SPE Member") and such managing member must be an SPE Corporation. Only the SPE Member may be designated as a manager under Borrower's operating agreement and pursuant to the law where Borrower is organized. Borrower may be a single member Delaware limited liability company without an SPE Corporation managing member so long as Borrower complies with the provisions set forth in Sections 2.29(b) and (c) below;

(4) was and will be organized solely for the purpose of (i) owning an interest in the Property, (ii) acting as a general partner of a limited partnership that owns an interest in the Property, or (iii) acting as the managing member of a limited liability company that owns an interest in the Property;

(5) will not, nor will any partner, limited or general, member or shareholder thereof, as applicable, amend, modify or otherwise change its partnership certificate, partnership agreement, articles of incorporation, by-laws, operating agreement, articles of organization, or other formation agreement or document, as applicable, in any material term or manner, or in a manner which adversely affects Borrower's existence as a Single Purpose Entity;

(6) will not liquidate or dissolve (or suffer any liquidation or dissolution), or enter into any transaction of merger or consolidation, or acquire by purchase or otherwise all or substantially all the business or assets of, or any stock or other evidence of beneficial ownership of any entity;

(7) will not, nor will any partner, limited or general, member or shareholder thereof, as applicable, violate the terms of its partnership certificate, partnership agreement, articles of incorporation, by-laws, operating agreement, articles of organization, or other formation agreement or document, as applicable;

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(8) has not and will not guarantee, pledge its assets for the benefit of, or otherwise become liable on or in connection with, any obligation of any other person or entity;

(9) does not own and will not own any asset other than (i) the Property, and (ii) incidental personal property necessary for the operation of the Property;

(10) is not engaged and will not engage, either directly or indirectly, in any business other than the ownership, management and operation of the Property;

(11) will not enter into any contract or agreement with any general partner, principal, affiliate or member of Borrower, as applicable, or any affiliate of any general partner, principal or member of Borrower, except upon terms and conditions that are intrinsically fair and substantially similar to those that

would be available on an arms-length basis with third parties other than an affiliate;

(12) has not incurred and will not incur any debt, secured or unsecured, direct or contingent (including guaranteeing any obligation), other than (i) the Debt, and (ii) trade payables or accrued expenses incurred in the ordinary course of business of operating the Property customarily satisfied within thirty (30) days not evidenced by a note and in an aggregate amount not to exceed two percent (2.0%) of the existing principal balance of the Note, and no other debt will be secured (senior, subordinate or pari passu) by the Property;

(13) has not made and will not make any loans or advances to any third party (including any affiliate);

(14) is and will be solvent and pay its debts from its assets as the same shall become due;

(15) has done or caused to be done and will do all things necessary to preserve its existence, and will observe all formalities applicable to it;

(16) will conduct and operate its business in its own name and as presently conducted and operated;

(17) will maintain financial statements, books and records and bank accounts separate from those of its affiliates, including, without limitation, its general partners or members, as applicable;

(18) will be, and at all times will hold itself out to the public as, a legal entity separate and distinct from any other entity (including, without limitation, any affiliate, general partner, or member, as applicable, or any affiliate of any general partner or member of Borrower, as applicable) and will correct any known misunderstanding concerning its separate identity;

(19) will file its own tax returns;

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(20) will maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations;

(21) will establish and maintain an office through which its business will be conducted separate and apart from those of its affiliates or shall allocate fairly and reasonably any overhead and expense for shared office space;

(22) will not commingle the funds and other assets of Borrower with those of any general partner, member, affiliate, principal or any other person;

(23) has and will maintain its assets in such a manner that it is not costly or difficult to segregate, ascertain or identify its individual assets from those of any affiliate or any other person;

(24) does not and will not hold itself out to be responsible for the debts or obligations of any other person;

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

(26) will pay any liabilities out of its own funds, including salaries of its employees, not funds of any affiliate; and

(27) will use stationery, invoices, and checks separate from its affiliates.

(b) In the event Borrower is a single-member Delaware limited liability company, the limited liability company agreement of Borrower (the "LLC Agreement") shall provide that (i) upon the occurrence of any event that causes the sole member of Borrower ("Member") to cease to be the member of Borrower (other than (A) upon an assignment by Member of all of its limited liability company interest in Borrower and the admission of the transferee, or (B) the resignation of Member and the admission of an additional member in either case in accordance with the terms of the Loan Documents and the LLC Agreement), any person acting as Independent Director of Borrower shall without any action of any other Person and simultaneously with the Member ceasing to be the member of Borrower, automatically be admitted to Borrower ("Special Member") and shall continue Borrower without dissolution and (ii) Special Member may not resign from Borrower or transfer its rights as Special Member unless (A) a successor Special Member has been admitted to Borrower as Special Member in accordance with requirements of Delaware law and (B) such successor Special Member has also accepted its appointment as an Independent Director. The LLC Agreement shall further provide that (i) Special Member shall automatically cease to be a member of Borrower upon the admission to Borrower of a substitute Member, (ii) Special Member shall be a member of Borrower that has no interest in the profits, losses and capital of Borrower and has no right to receive any distributions of Borrower assets, (iii) pursuant to Section 18-301 of the Delaware Limited Liability Company Act (the "Act"), Special Member shall not be required to make any capital contributions to Borrower and shall not receive a limited liability company interest in Borrower, (iv) Special Member, in its capacity as Special Member, may not bind Borrower, and

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(v) except as required by any mandatory provision of the Act, Special Member, in its capacity as Special Member, shall have no right to vote on, approve or otherwise consent to any action by, or matter relating to, Borrower, including, without limitation, the merger, consolidation or conversion of Borrower; provided, however, such prohibition shall not limit the obligations of Special Member, in its capacity as Independent Director, to vote on such matters required by the Loan Documents or the LLC Agreement. In order to implement the admission to Borrower of Special Member, Special Member shall execute a counterpart to the LLC Agreement. Prior to its admission to Borrower as Special Member, Special Member shall not be a member of Borrower.

(c) Upon the occurrence of any event that causes the Member to cease to be a member of Borrower, to the fullest extent permitted by law, the personal representative of Member shall, within ninety (90) days after the occurrence of the event that terminated the continued membership of Member in Borrower, agree in writing (i) to continue Borrower and (ii) to the admission of the personal representative or its nominee or designee, as the case may be, as a substitute member of Borrower, effective as of the occurrence of the event that terminated the continued membership of Member of Borrower in Borrower. Any action initiated by or brought against Member or

Special Member under any creditors rights laws shall not cause Member or Special Member to cease to be a member of Borrower and upon the occurrence of such an event, the business of Borrower shall continue without dissolution. The LLC Agreement shall provide that each of Member and Special Member waives any right it might have to agree in writing to dissolve Borrower upon the occurrence of any action initiated by or brought against Member or Special Member under any creditors rights laws, or the occurrence of an event that causes Member or Special Member to cease to be a member of Borrower.

As used in this Section 2.29, "Independent Director" shall mean a duly appointed member of the board of directors of any SPE Corporation or board of managers or of a single member Delaware limited liability company which is an SPE who is provided by a nationally-recognized company that provides professional independent directors who shall not have been at the time of initial appointment or at any time while serving as an Independent Director, and may not have been at any time (i) a stockholder, director, officer, employee, partner, attorney or counsel of such SPE Corporation, single member Delaware limited liability company which is an SPE, Borrower or any affiliate of any of them, (ii) a customer, supplier or other Person who derives any of its purchases or revenues from its activities with such SPE Corporation, single member Delaware limited liability company which is an SPE, Borrower or any affiliate of any of them, (iii) a Person or other entity controlling or under common control with any such stockholder, partner, customer, supplier or other Person, or (iv) a member of the immediate family of any such stockholder, director, officer, employee, partner, customer, supplier or other Person. As used in this definition, the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management, policies or activities of a Person, whether through ownership of voting securities, by contract or otherwise. As used herein, the term "affiliate" shall mean: (1) any person or entity directly or indirectly owning, controlling or holding with power to vote ten percent (10%) or more of the outstanding voting securities or interests of such other person or entity; (2) any person or entity ten percent (10%) or more of whose outstanding voting securities are directly or indirectly owned, controlled or held with power to vote by such other person or entity; (3) any person or entity directly or indirectly controlling, controlled by or under common control with such other person or entity; (4) any officer, director or partner of such other person or entity; (5) if such other person or entity is an

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officer, director or partner, any company for which such person or entity acts in any such capacity; and (6) any close relative or spouse of the specified person.

Section 2.30 Embargoed Person. At all times throughout the term of the Loan, including after giving effect to any Sale hereunder, (a) none of the funds or assets of Indemnitator that are used to repay the Loan or of Borrower shall constitute property of, or shall be beneficially owned directly or, to Borrower's best knowledge, indirectly, by any person subject to sanctions or trade restrictions under United States law ("Embargoed Person" or "Embargoed Persons") that are identified on (1) the "List of Specially Designated Nationals and Blocked Persons" maintained by the Office of Foreign Assets Control (OFAC), U.S. Department of the Treasury, and/or to Borrower's best knowledge, as of the date thereof, based upon reasonable inquiry by Borrower, on any other similar list maintained by OFAC pursuant to any authorizing statute including, but not limited to, the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701 et seq., The Trading with the Enemy Act, 50 U.S.C. App. 1 et seq., and any Executive Order or regulation promulgated thereunder, with the result that the investment in Borrower or any Indemnitator, as applicable (whether directly or indirectly), is prohibited by law, or the Loan made by Lender would be in violation of law, or (2) Executive Order 13224 (September 23, 2001) issued by the President of the United States ("Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism"), any related enabling legislation or any other similar Executive Orders, and (b) no Embargoed Person shall have any direct interest, and to Borrower's best knowledge, as of the date hereof, based upon reasonable inquiry by Borrower, indirect interest, of any nature whatsoever in Borrower or any Indemnitator, as applicable, with the result that the investment in Borrower or any Indemnitator, as applicable (whether directly or indirectly), is prohibited by law or the Loan is in violation of law. Notwithstanding the foregoing, Borrower makes no representation, warranty or covenant as to the individual shareholders of Mack-Cali Realty Corporation, a Maryland corporation, a publicly traded company that would otherwise be covered by the foregoing representations, warranties and covenants.

Section 2.31 Anti-Money Laundering. At all times throughout the term of the Loan, including after giving effect to any Transfers permitted pursuant to the Loan Documents, none of the funds of Borrower or any Indemnitator, as applicable, that are used to repay the Loan shall be derived from any unlawful activity, with the result that the investment in Borrower or any Indemnitator, as applicable (whether directly or indirectly), is prohibited by law or the Loan is in violation of law.

Section 2.32 ERISA.

(a) Borrower shall not engage in any transaction which would cause any obligation, or action taken or to be taken, hereunder (or the exercise by Lender of any of its rights under the Note, this Mortgage or any of the other Loan Documents) to be a non-exempt (under a statutory or administrative class exemption) prohibited transaction under ERISA.

(b) Borrower further covenants and agrees to deliver to Lender such certifications or other evidence from time to time throughout the term of this Mortgage, as requested by Lender in its sole discretion, that (i) Borrower is not an "employee benefit plan" as defined in Section 3(3) of ERISA, which is subject to Title I of ERISA, or a "governmental plan"

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within the meaning of Section 3(32) of ERISA; (ii) Borrower is not subject to Federal or state statutes regulating investments and fiduciary obligations with respect to governmental plans; and (iii) one or more of the following circumstances is true:

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

(2) Less than 25 percent of each outstanding class of equity interests in Borrower are held by "benefit plan investors" within the meaning of 29 C.F.R. Section 2510.3-101(f)(2); or

(3) Borrower qualifies as an "operating company" within the meaning of 29 C.F.R. Section 2510.3-101 or an investment company registered under the Investment Company Act of 1940.

(c) Borrower shall indemnify Lender and defend and hold Lender harmless from and against all civil penalties, excise taxes, or other loss, cost damage and expense (including, without limitation, reasonable attorneys' fees and disbursements and costs incurred in the investigation, defense and settlement of claims and losses incurred in correcting any prohibited transaction or in the sale of a prohibited loan, and in obtaining any individual prohibited transaction exemption under ERISA that may be required, in Lender's sole discretion) that Lender may incur, directly or indirectly, as a result of a default under this Section. This indemnity shall survive any termination, satisfaction or foreclosure of this Mortgage.

Section 2.33 Opinion Assumptions. Borrower shall at all times conduct its business so that the assumptions made with respect to Borrower in the Non-Consolidation Opinion shall be true and correct in all respects.

Section 2.34 Certificates of Occupancy. Borrower acknowledges that it is not in possession of certain certificates of occupancy for the Building and/or Improvements located on the Property ("Certificates of Occupancy"). Borrower undertakes, covenants and agrees, to use commercially reasonable efforts to obtain or caused to be obtained any one of the following: (i) copies of all missing Certificates of Occupancy, or if same were never issued, to take any and all required actions in connection therewith in order to obtain the Certificates of Occupancy as may be required by the appropriate municipality or governmental authority, (ii) proof reasonably acceptable to Lender that a Certificate of Occupancy is not required by the applicable municipality for the Property, for which a legal opinion in form and substance reasonably acceptable to Lender shall be deemed to be satisfactory proof thereof, (iii) proof reasonably acceptable to Lender that failure to have a Certificate of Occupancy is not a violation of law and that the buildings missing a Certificate of Occupancy can remain legally occupied, for which a legal opinion in form and substance reasonably acceptable to Lender shall be deemed to be satisfactory proof thereof, (iv) a letter from the municipality stating either (A) that the Property predates any requirement for Certificate of Occupancy or (B) that although it no longer maintains copies of Certificates of Occupancy the Property can remain legally occupied, in either case, with proof reasonably acceptable to Lender that no material zoning code or building code violations exist with respect to the Property, or (v) a letter from the applicable municipality stating that such municipality does not have the Certificates of Occupancy because they have

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been lost, misplaced or purged and that the Property can remain legally occupied ((i)-(v) above, collectively, a "Certificate of Occupancy Satisfaction Event"). Borrower's failure to use commercially reasonable efforts to obtain any of the aforementioned items shall constitute an "Event of Default" under this Security Instrument. Borrower shall keep Lender apprised periodically, which shall be on a basis reasonably acceptable to Lender, on the progress of Borrower's efforts to satisfy the foregoing obligation. Borrower's obligations under this Section 2.34 with respect to each missing Certificate of Occupancy shall be deemed satisfied by the occurrence of a Certificate of Occupancy Satisfaction Event with respect to such missing Certificate of Occupancy.

Section 2.35 Violations. Borrower undertakes, covenants and agrees, to use commercially reasonable efforts to correct and satisfy any and all violations against the Property (including, without limitation, zoning, floor area, building code and fire and safety) (the "Property Violations"). Borrower's failure to use commercially reasonable efforts to correct and satisfy any and all Property Violations shall constitute an "Event of Default" under this Security Instrument. Borrower shall keep Lender apprised periodically, which shall be on a basis reasonably acceptable to Lender, on the progress of the satisfaction and release of the Property Violations.

ARTICLE III

RESERVES AND CASH MANAGEMENT

Section 3.1 Reserves Generally.

(a) As additional security for the payment and performance by Borrower of all duties, responsibilities and obligations under the Note and the other Loan Documents, Borrower hereby unconditionally and irrevocably assigns, conveys, pledges, mortgages, transfers, delivers, deposits, sets over and confirms unto Lender, and hereby grants to Lender a security interest in, (i) the Impound Account, the Immediate Repairs Reserve, the Replacement Reserve, the Outstanding TILC Reserve, the Free Rent Reserve, the Rollover Reserve, as applicable (each as hereinafter defined) and any other reserve or escrow account established pursuant to the terms hereof or of any other Loan Document (collectively, the "Reserves"), (ii) the accounts into which the Reserves have been deposited, (iii) all insurance on said accounts, (iv) all accounts, contract rights and general intangibles or other rights and interests pertaining thereto, (v) all sums now or hereafter therein or represented thereby, (vi) all replacements, substitutions or proceeds thereof, (vii) all instruments and documents now or hereafter evidencing the Reserves or such accounts, (viii) all powers, options, rights, privileges and immunities pertaining to the Reserves (including the right to make withdrawals therefrom), and (ix) all proceeds of the foregoing. Borrower hereby authorizes and consents to the account into which the Reserves have been deposited being held in Lender's name or the name of any entity servicing the Note for Lender and hereby acknowledges and agrees that Lender, or at Lender's election, such servicing agent, shall have exclusive control over said account. Notice of the assignment and security interest granted to Lender herein may be delivered by Lender at any time to the financial institution wherein the Reserves have been established, and Lender, or such servicing entity, shall have possession of all passbooks or other evidences of such accounts. Borrower hereby assumes all risk of loss with respect to amounts on deposit in the Reserves.

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Funds on deposit in the Replacement Reserve, the Outstanding TILC Reserve, the Free Rent Reserve and the Rollover Reserve shall bear interest at a rate equal to the then prevailing commercial money market rate. All amounts deemed earned on funds contributed to the Replacement Reserve, the Outstanding TILC Reserve, the Free Rent Reserve and the Rollover Reserve at the rate referenced in the immediately preceding sentence shall be retained by Lender and accumulated for the benefit of Borrower and added to the balance in the Replacement Reserve, the Outstanding TILC Reserve, the Free Rent Reserve and the Rollover Reserve and shall be disbursed for payment of the items for which other funds in the Replacement Reserve, the Outstanding TILC Reserve, the Free Rent Reserve and the Rollover Reserve are to be disbursed. Borrower shall not be entitled to earn any interest with respect to funds on deposit in the Impound Account and the Immediate Repairs Reserve. Borrower hereby knowingly, voluntarily and intentionally stipulates, acknowledges and agrees that the advancement of the funds from the Reserves as set forth herein is at Borrower's direction and is not the exercise by Lender of any right of set-off or other remedy upon a Default or an Event of Default. Borrower hereby waives all right to withdraw funds from the Reserves except as provided for in this Mortgage. If an Event of Default shall occur hereunder or under any other of the Loan Documents Lender may, without notice or demand on Borrower, at its option: (A) withdraw any or all of the funds (including, without limitation, interest) then remaining in the Reserves and apply the same, after deducting all costs and expenses of safekeeping, collection and delivery (including, but not limited to, reasonable attorneys' fees, costs and expenses) to the Debt or any other obligations of Borrower under the other Loan Documents in such manner as Lender shall deem appropriate in its sole discretion, and the excess, if any, shall be paid to Borrower, (B) exercise any and all rights and remedies of a secured party under any applicable Uniform Commercial Code, or (C) exercise any other remedies available at law or in equity. No such use or application of the funds contained in the Reserves shall be deemed to cure any Default or Event of Default.

(b) The Reserves shall not, unless otherwise explicitly required by applicable law, be or be deemed to be escrow or trust funds, but, at Lender's option and in Lender's discretion, may either be held in a separate account or be commingled by Lender with the general funds of Lender. The Reserves are solely for the protection of Lender and entail no responsibility on Lender's part beyond the payment of the respective items for which they are held following receipt of bills, invoices or statements therefor in accordance with the terms hereof and beyond the allowing of due credit for the sums actually received. Upon assignment of this Mortgage by Lender, any funds in the Reserves shall be turned over to the assignee and any responsibility of Lender, as assignor, with respect thereto shall terminate. If the funds in the applicable Reserve shall exceed the amount of payments actually applied by Lender for the purposes and items for which the applicable Reserve is held, such excess may be credited by Lender on subsequent payments to be made hereunder or, at the option of Lender, refunded to Borrower. If, however, the applicable Reserve shall not contain sufficient funds to pay the sums required by the dates on which such sums are required to be on deposit in such account, Borrower shall, within ten (10) days after receipt of written notice

thereof, deposit with Lender the full amount of any such deficiency. If Borrower shall fail to deposit with Lender the full amount of such deficiency as provided above, Lender shall have the option, but not the obligation, to make such deposit, and all amounts so deposited by Lender, together with interest thereon at the Default Interest Rate from the date so deposited by Lender until actually paid by Borrower, shall be immediately paid by Borrower on demand and shall be secured by this

Mortgage and by all of the other Loan Documents securing all or any part of the Debt. If there is an Event of Default under this Mortgage, Lender may, but shall not be obligated to, apply at any time the balance then remaining in any or all of the Reserves against the Debt in whatever order Lender shall subjectively determine. No such application of any or all of the Reserves shall be deemed to cure any Event of Default. Upon full payment of the Debt in accordance with its terms or at such earlier time as Lender may elect, the balance of any or all of the Reserves then in Lender's possession shall be paid over to Borrower and no other party shall have any right or claim thereto.

Section 3.2 Intentionally Omitted

Section 3.3 Impound Account. Borrower shall establish and maintain at all times while this Mortgage continues in effect an impound account (the "Impound Account") with Lender for payment of real estate taxes and assessments and insurance on the Property and as additional security for the Debt. Simultaneously with the execution hereof, Borrower shall deposit in the Impound Account an amount determined by Lender to be necessary to ensure that there will be on deposit with Lender an amount which, when added to the monthly payments subsequently required to be deposited with Lender hereunder on account of real estate taxes, assessments and insurance premiums, will result in there being on deposit with Lender in the Impound Account an amount sufficient to pay the next due installment of real estate taxes and assessments on the Property at least one (1) month prior to the earlier of (a) the due date thereof or (b) any such date by which Borrower or Lender is required by law to pay same and the next due annual insurance premiums with respect to the Property at least one (1) month prior to the due date thereof. Commencing on the first monthly payment date under the Note and continuing thereafter on each monthly payment date under the Note, Borrower shall pay to Lender, concurrently with and in addition to the monthly payment due under the Note and until the Debt is fully paid and performed, deposits in an amount equal to one-twelfth (1/12) of the amount of the annual real estate taxes and assessments that will next become due and payable on the Property, plus one-twelfth (1/12) of the amount of the annual premiums that will next become due and payable on insurance policies which Borrower is required to maintain hereunder, each as estimated and determined by Lender. So long as no Default or Event of Default has occurred, and no event has occurred or failed to occur which with the passage of time, the giving of notice, or both would constitute an Event of Default (a "Default"), all sums in the Impound Account shall be held by Lender in the Impound Account to pay said taxes, assessments and insurance premiums before the same become delinquent. Borrower shall be responsible for ensuring the receipt by Lender, at least thirty (30) days prior to the respective due date for payment thereof, of all bills, invoices and statements for all taxes, assessments and insurance premiums to be paid from the Impound Account, and so long as no Event of Default has occurred, Lender shall pay the governmental authority or other party entitled thereto directly to the extent funds are available for such purpose in the Impound Account. In making any payment from the Impound Account, Lender shall be entitled to rely on any bill, statement or estimate procured from the appropriate public office or insurance company or agent without any inquiry into the accuracy of such bill, statement or estimate and without any inquiry into the accuracy, validity, enforceability or contestability of any tax, assessment, valuation, sale, forfeiture, tax lien or title or claim thereof.

Notwithstanding the foregoing, so long as an Event of Default has not occurred, Borrower shall not be required to deposit into the Impound Account payments with respect to insurance premiums in connection with the Property so long as Borrower promptly provides Lender with proof of payment of all insurance premiums and other charges in connection with the insurance premiums required in connection with the Property and evidence that such required insurance is in place and is renewed at least thirty (30) days prior to the expiration of any insurance coverage. In the event that (i) an Event of Default occurs, and/or (ii) Borrower fails to provide Lender with the foregoing proof of payment of insurance premiums and/or evidence that the insurance required is in place at least thirty (30) days prior to the due date thereof, Borrower shall be required to deposit payments into the Impound Account with respect to insurance premiums in connection with the Property as set forth in this Section 3.3.

Section 3.4 Immediate Repairs Reserve. Prior to the execution of this Mortgage, Lender has caused the Property to be inspected and such inspection has revealed that the Property is in need of certain maintenance, repairs and/or remedial or corrective work. Contemporaneously with the execution hereof, Borrower has established with Lender a reserve in the amount of \$112,500.00 (the "Immediate Repair Reserve") by depositing such amount with Lender. Borrower shall cause each of the items described in that certain Property Condition Report (the "Deferred Maintenance") to be completed, performed, remediated and corrected to the satisfaction of Lender and as necessary to bring the Property into compliance with all applicable laws, ordinances, rules and regulations on or before the expiration of six (6) months after the effective date hereof, as such time period may be extended by Lender in its sole discretion. So long as no Event of Default has occurred, all sums in the Immediate Repair Reserve shall be held by Lender in the Immediate Repair Reserve to pay the costs and expenses of completing the Deferred Maintenance. So long as no Default or Event of Default has occurred, Lender shall, to the extent funds are available for such purpose in the Immediate Repair Reserve, disburse to Borrower the amount paid or incurred by Borrower in completing, performing, remediating or correcting the Deferred Maintenance upon (a) the receipt by Lender of a written request from Borrower for disbursement from the Immediate Repair Reserve and a certification by Borrower in a form as may be required by Lender that the applicable item of Deferred Maintenance has been completed in accordance with the terms of this Mortgage, (b) delivery to Lender of invoices, receipts or other evidence satisfactory to Lender verifying the costs of the Deferred Maintenance to be reimbursed, (c) delivery to Lender of a certification from an inspecting architect, engineer or other consultant reasonably acceptable to Lender describing the completed work, verifying the completion of the work and the value of the completed work and, if applicable, certifying that the Property is, as a result of such work, in compliance with all applicable laws, ordinances, rules and regulations relating to the Deferred Maintenance so performed, and (d) delivery to Lender of affidavits, lien waivers or other evidence reasonably satisfactory to Lender showing that all materialmen, laborers, subcontractors and any other parties who might or could claim statutory or common law liens and are furnishing or have furnished materials or labor to the Property have been paid all amounts due for such labor and materials furnished to the Property. Lender shall not be required to make advances from the Immediate Repair Reserve more frequently than once in any thirty (30) day period. In making any payment from the Immediate Repair Reserve, Lender shall be entitled to rely on such request from Borrower without any inquiry into the accuracy, validity or contestability of any such amount. Borrower hereby grants to Lender a power-of-attorney, coupled with an interest, to cause the Deferred Maintenance to be completed, performed,

remediated and corrected to the satisfaction of Lender upon Borrower's failure to do so in accordance with the terms and conditions of this Section 3.4, and to apply the amounts on deposit in the Immediate Repair Reserve to the costs associated therewith, all as Lender may determine in its sole and absolute discretion but without obligation to

do so.

Section 3.5 Replacement Reserve. As additional security for the Debt, Borrower shall establish and maintain at all times while this Mortgage continues in effect a repair reserve (the "Replacement Reserve") with Lender for payment of costs and expenses incurred by Borrower in connection with the performance of work to the roofs, chimneys, gutters, downspouts, paving, curbs, ramps, driveways, balconies, porches, patios, exterior walls, exterior doors and doorways, windows, elevators and mechanical and HVAC equipment (collectively, the "Repairs"). Commencing on the first monthly Payment Date under the Note and continuing thereafter on each monthly Payment Date under the Note, Borrower shall pay to Lender, concurrently with and in addition to the monthly payment due under the Note and until the Debt is fully paid and performed, a deposit to the Replacement Reserve in an amount equal to \$3,522.03 per month. So long as no Event of Default has occurred, all sums in the Replacement Reserve shall be held by Lender in the Replacement Reserve to pay the costs and expenses of Repairs. So long as no Default or Event of Default has occurred, Lender shall, to the extent funds are available for such purpose in the Replacement Reserve, disburse to Borrower the amount paid or incurred by Borrower in performing such Repairs within ten (10) days following: (a) the receipt by Lender of a written request from Borrower for disbursement from the Replacement Reserve and a certification by Borrower in a form approved in writing by Lender that the applicable item of Repair has been completed; (b) the delivery to Lender of invoices, receipts or other evidence satisfactory to Lender, verifying the cost of performing the Repairs; (c) for disbursement requests in excess of \$25,000.00, the delivery to Lender of affidavits, lien waivers or other evidence reasonably satisfactory to Lender showing that all materialmen, laborers, subcontractors and any other parties who might or could claim statutory or common law liens and are furnishing or have furnished material or labor to the Property have been paid all amounts due for labor and materials furnished to the Property; (d) for disbursement requests in excess of \$25,000.00, delivery to Lender of a certification from an inspecting architect or other third party acceptable to Lender describing the completed Repairs and verifying the completion of the Repairs and the value of the completed Repairs; and (e) for disbursement requests in excess of \$25,000.00, delivery to Lender of a new certificate of occupancy for the portion of the Improvements covered by such Repairs, if said new certificate of occupancy is required by law, or a certification by Borrower that no new certificate of occupancy is required. Lender shall not be required to make advances from the Replacement Reserve more frequently than once in any thirty (30) day period. In making any payment from the Replacement Reserve, Lender shall be entitled to rely on such request from Borrower without any inquiry into the accuracy, validity or contestability of any such amount. Lender may, at Borrower's expense, make or cause to be made during the term of this Mortgage an annual inspection of the Property to determine the need, as determined by Lender in its reasonable judgment, for further Repairs of the Property. In the event that such inspection reveals that further Repairs of the Property are required, Lender shall provide Borrower with a written description of the required Repairs and Borrower shall complete such Repairs to the reasonable satisfaction of Lender within ninety (90) days after the receipt of such description from Lender, or such later date as may be approved by Lender in its sole discretion.

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Section 3.6 Rollover Reserve. (a) Borrower shall pay to Lender \$11,740.00 on each Payment Date (the "Rollover Reserve") *provided, however*, that Borrower shall not be required to make deposits to the Rollover Reserve in any month to the extent that, after deducting therefrom any pending requests for disbursements from the Rollover Reserve, such deposit would increase the balance in the Rollover Reserve above \$1,127,040.00. Borrower shall also pay to Lender for transfer into the Rollover Reserve all payments received from tenants in connection with the early termination or cancellation of any Leases, including fees, penalties and commissions. If Lender determines in its reasonable judgment that the funds in the Rollover Reserve will be insufficient to pay (or in excess of) the amounts due or to become due for Approved Leasing Expenses (as hereinafter defined), Lender may increase (or decrease) the monthly contribution required to be made by Borrower to the Rollover Reserve. Provided that no Event of Default has occurred and is continuing, Lender shall disburse funds held in the Rollover Reserve to Borrower, within fifteen (15) days after the delivery by Borrower to Lender of a request therefor (but not more often than once per month), in increments of at least \$5,000, provided (i) such disbursement is for an Approved Leasing Expense; (ii) Lender shall have (if it desires) verified (by an inspection conducted at Borrower's expense) performance of any construction work associated with such Approved Leasing Expense; and (iii) the request for disbursement is accompanied by (A) an officer's certificate from an authorized officer of the Borrower certifying (v) that such funds will be used only to pay (or reimburse Borrower for) Approved Leasing Expenses and a description thereof, (w) that all outstanding trade payables (other than those to be paid from the requested disbursement) have been paid in full, (x) that the same has not been the subject of a previous disbursement, (y) that all previous disbursements have been used only to pay (or reimburse Borrower for) the previously identified Approved Leasing Expenses and (z) that any construction work associated with such Approved Leasing Expenses has been completed in a good and workmanlike manner and in accordance with all applicable legal requirements, (B) reasonably detailed supporting documentation as to the amount, necessity and purpose therefor, (C) copies of appropriate lien waivers or other evidence of payment satisfactory to Lender in connection with any construction work associated with such Approved Leasing Expenses and (D) at Lender's option, a title search for the Property indicating that it is free from all liens not previously approved by Lender. Any such disbursement of more than \$10,000 to pay (rather than reimburse) Approved Leasing Expenses may, at Lender's option, be made by joint check payable to Borrower and the payee of such Approved Leasing Expenses. For the purposes hereof an "Approved Leasing Expense" shall mean the actual out-of-pocket expenses incurred by Borrower and payable to third parties that are not affiliates of Borrower or any Indemnitee in leasing space at the Premises pursuant to Leases entered into in accordance with the Loan Documents, including brokerage commissions and tenant improvements, which expenses (i) are (A) specifically approved by Lender in connection with approving the applicable Lease, (B) incurred in the ordinary course of business and on market terms and conditions in connection with Leases which do not require Lender's approval under the Loan Documents, or (C) otherwise approved by Lender, which approval shall not be unreasonably withheld or delayed, and (ii) are substantiated by executed Lease documents and brokerage agreements.

(b) In connection with the sums deposited into the Rollover Reserve pursuant to this Section 3.6, at the end of each calendar year, Borrower shall have the option upon thirty (30) days prior written notice to Lender, to deliver or cause to be delivered to Lender and deposited into the Rollover Reserve a clean, unconditional, irrevocable and freely transferable, sight-draft, issued by a bank having a rating of "AA" or better by Standard & Poor's (or equivalent rating

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agency) and being acceptable to Lender (in its sole and absolute discretion), having an initial expiry date of not earlier than one year after the delivery of such letter of credit, containing an "evergreen" provision for renewals of successive twelve (12) month terms, and otherwise in form and substance acceptable to Lender ("Letter of Credit") equal to the amount of cash then on deposit in the Rollover Reserve. Upon the delivery of the Letter of Credit to Lender, Lender shall, within fifteen (15) days receipt of such Letter of Credit, deliver to Borrower the cash funds then-held in the Rollover Reserve equal to the amount of the Letter of Credit, which disbursement shall in no event be of more funds than Lender then-holds in the Rollover Reserve in cash sums. At any time after delivery of the Letter of Credit, (i) after the occurrence of an Event of Default, Lender shall have the right to draw upon the Letter of Credit, at Lender's option, and, from the proceeds thereof (which shall be deposited in the Rollover Reserve), advance to itself any amounts held therein pursuant to Lender's rights and remedies under the Loan Documents, and (ii) so long as no Event of Default has occurred and is continuing and if Borrower requests a disbursement from the Rollover Reserve in accordance with Section 3.6(a) at a time when there is a Letter of Credit outstanding in the amount of such disbursement request but for which there are insufficient cash funds then-held in the Rollover Reserve, at Borrower's request, Borrower shall have the right to request that Lender draw upon the Letter of Credit, and, from the proceeds thereof (which shall be deposited in the Rollover Reserve), advance to Borrower the amount of the requested disbursement (subject to fulfillment of the conditions related to such disbursement set forth in this Section 3.6) for which there is insufficient cash funds then-held in the Rollover Reserve but sufficient funds held in the Letter of Credit. Notwithstanding anything contained herein to the contrary, the delivery of the Letter of Credit to Lender shall in no way waive Borrower's obligation to continue to make the monthly deposits into the Rollover Reserve in accordance with this Section 3.6, and in no event shall the delivery of a Letter of Credit to Lender be deemed a waiver or termination of such obligation. In connection with the Letter of Credit, Borrower shall enter into a letter of credit agreement with Lender pledging the Letter of Credit to Lender and governing the terms and conditions of such Letter of Credit and otherwise in form and substance satisfactory to Lender, in Lender's sole discretion (the "LC Agreement"). Borrower shall pay any and all fees and costs incurred by Lender in connection with the any of the LC Agreement and/or the Letter of Credit, including, without limitation, the review of the LC Agreement and/or the Letter of Credit and the preparation, execution and delivery of the LC Agreement and/or the Letter of Credit (including, without limitation, attorneys' fees).

Section 3.7 Outstanding TILC Reserve. On the date hereof Borrower has established with Lender a reserve (the "Outstanding TILC Reserve") in the amount of \$2,871,288.57 in connection with certain parking expansion work, leasing commissions and tenant improvement obligations of Borrower that are outstanding as of the date hereof but not yet paid to those certain tenants (each a "Outstanding TILC Tenant", and collectively, the "Outstanding TILC Tenants") and for the parking expansion work as more particularly set forth on Exhibit B annexed hereto. Provided that no Event of Default has occurred and is continuing, Borrower may submit to Lender a written request for disbursement from the Outstanding TILC Reserve in an amount not to exceed the initial deposit made by Borrower into the Outstanding TILC Reserve on the date hereof, relating to space leased by an Outstanding TILC Tenant together with (x) copies of all documentation required to be delivered by the Outstanding TILC Tenant to Borrower under the applicable Leases as a prerequisite to the Outstanding TILC Tenant receiving its tenant allowance, (y) an estoppel by the applicable Outstanding TILC Tenant stating that the tenant allowance due to such Outstanding TILC Tenant is due and payable, that the Outstanding TILC

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Tenant is in possession of its demised premises, is open for business and is paying base rent under its Lease, and that there are no material defaults under the Lease to the Outstanding TILC Tenant and (z) a copy of the check sent by Borrower to the Outstanding TILC Tenant evidencing the payment of the tenant allowance; provided, however, that Borrower shall not be reimbursed for more than a total of \$2,871,288.57. In no event shall Borrower be reimbursed for more than the amount allocated for the applicable Outstanding TILC Tenant as set forth on Exhibit B. All funds deposited into the Outstanding TILC Reserve shall be held by Lender pursuant to the provisions of this Security Instrument and, provided that no Event of Default shall have occurred and be continuing, all such funds shall be applied in payment of leasing commissions and tenant improvement obligations with respect to the Outstanding TILC Tenants. Should an Event of Default occur and be continuing, the sums on deposit in the Outstanding TILC Reserve may be applied by Lender in payment of any leasing commissions or tenant improvements with respect to any Outstanding TILC Tenants or may be applied to the payment of the Debt or any other charges affecting all or any portion of the Property, as Lender, in its sole discretion, may determine; provided, however, that no such application shall be deemed to have been made by operation of law or otherwise until actually made by Lender as herein provided. To the extent there are any excess funds remaining in the Outstanding TILC Reserve after Borrower has paid all of its obligations to all Outstanding TILC Tenants, upon Lender's receipt of a written request, which request shall be delivered with a statement from the Borrower that no further leasing commissions, tenant improvement obligations and/or tenant allowance obligations exist under this Section 3.7, Lender shall within twenty (20) days thereafter, disburse any of the balance of the Outstanding TILC Reserve to Borrower.

Section 3.8 Free Rent Reserve. On the date hereof Borrower has established with Lender a reserve (the "Free Rent Reserve") in the amount of \$2,767,695.35 in connection with the free rent and/or rent concessions due to the tenants set forth on Exhibit C attached hereto (each a "Free Rent Tenant") under those certain leases set forth on Exhibit C. So long as Borrower has made all of Borrower's required monthly debt service payments (including reserves and escrows) to Lender in connection with the Loan Documents and provided that no Event of Default has occurred and is continuing, Borrower may submit to Lender a written request for disbursement from the Free Rent Reserve once each month in the amount set forth on Exhibit C attached hereto for each Free Rent Tenant for each such month for the number of months set forth on Exhibit C.

ARTICLE IV

EVENTS OF DEFAULT

Section 4.1 Events of Default. The occurrence of any of the following events shall be an Event of Default hereunder:

(a) Borrower (x) fails to pay any payments due under the Note or to the Reserves on the date when the same is due and payable, or (y) fails to pay any money to Lender required hereunder at the time or within any applicable grace period set forth herein, or if no grace period is set forth herein, then within seven (7) days of the date such payment is due (except those regarding payments to be made under the Note or to the Reserves, which failure is not subject to any grace or cure period).

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(b) Borrower fails to provide insurance as required by Section 2.3 hereof or fails to perform any covenant, agreement, obligation, term or condition set forth in Section 2.27 or Section 2.29 hereof.

(c) Borrower fails to perform any other covenant, agreement, obligation, term or condition set forth herein, other than those otherwise described in this Section 4.1, and, to the extent such failure or default is susceptible of being cured, the continuance of such failure or default for thirty (30) days after written notice thereof from Lender to Borrower; provided, however, that if such default is susceptible of cure but such cure cannot be accomplished with reasonable diligence within said period of time, and if Borrower commences to cure such default promptly after receipt of notice thereof from Lender, and thereafter prosecutes the curing of such default with reasonable diligence, such period of time shall be extended for such period of time as may be necessary to cure such default with reasonable diligence, but not to exceed an additional sixty (60) days.

(d) Any representation or warranty made herein, in or in connection with any application or commitment relating to the loan evidenced by the Note, or in any of the other Loan Documents to Lender by Borrower, by any principal, general partner, manager or member in Borrower, or by any Indemnitee is determined by Lender to have been false or misleading in any material respect at the time made.

(e) There shall be a sale, conveyance, disposition, alienation, hypothecation, leasing, assignment, pledge, mortgage, granting of a security interest in or other transfer or further encumbering of the Property, Borrower or its general partners or managing members, or any portion thereof or any interest therein, in violation of Section 2.9 hereof.

(f) A default occurs under any of the other Loan Documents which has not been cured within any applicable grace or cure period therein provided.

(g) Borrower, general partner or managing member in Borrower or any Indemnitee becomes insolvent, or makes a transfer in fraud of creditors, or makes an assignment for the benefit of creditors, or files a petition in bankruptcy, or is voluntarily adjudicated insolvent or bankrupt or admits in writing the inability to pay its debts as they mature, or petitions or applies to any tribunal for or consents to or fails to contest the appointment of a receiver, trustee, custodian or similar officer for Borrower, for any such general partner or managing member of Borrower or for any Indemnitee or for a substantial part of the assets of Borrower, of any such general partner or managing member of Borrower or of any Indemnitee, or commences any case, proceeding or other action under any bankruptcy, reorganization, arrangement, readjustment or debt, dissolution or liquidation law or statute of any jurisdiction, whether now or hereafter in effect.

(h) A petition is filed or any case, proceeding or other action is commenced against Borrower, against any general partner or managing member of Borrower or against any Indemnitee seeking to have an order for relief entered against it as debtor or seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of it or its debts or other relief under any law relating to bankruptcy, insolvency, arrangement, reorganization, receivership or other debtor relief under any law or statute of any jurisdiction, whether now or

hereafter in effect, or a court of competent jurisdiction enters an order for relief against Borrower, against any general partner or managing member of Borrower or against any Indemnitator, as debtor, or an order, judgment or decree is entered appointing, with or without the consent of Borrower, of any such general partner or managing member of Borrower or of any Indemnitator, a receiver, trustee, custodian or similar officer for Borrower, for any such general partner or managing member of Borrower or for any Indemnitator, or for any substantial part of any of the properties of Borrower, of any such general partner or managing member of Borrower or of any Indemnitator, and if any such event shall occur, such petition, case, proceeding, action, order, judgment or decree is not dismissed within sixty (60) days after being commenced.

(i) The Property or any part thereof is taken on execution or other process of law in any action against Borrower.

(j) Borrower abandons all or a portion of the Property.

(k) The holder of any lien or security interest on the Property (without implying the consent of Lender to the existence or creation of any such lien or security interest), whether superior or subordinate to this Mortgage or any of the other Loan Documents, declares a default and such default is not cured within any applicable grace or cure period set forth in the applicable document or such holder institutes foreclosure or other proceedings for the enforcement of its remedies thereunder.

(l) The Property, or any part thereof, is subjected to waste or to removal, demolition or material alteration so that the value of the Property is materially diminished thereby and Lender determines that it is not adequately protected from any loss, damage or risk associated therewith.

(m) Any dissolution, termination, partial or complete liquidation, merger or consolidation of Borrower, any general partner or any managing member, or any Indemnitator.

ARTICLE V

REMEDIES

Section 5.1 Remedies Available. If there shall occur an Event of Default under this Mortgage, then this Mortgage is subject to foreclosure as provided by law and Lender may, at its option and by or through a trustee, nominee, assignee or otherwise, to the fullest extent permitted by law, exercise any or all of the following rights, remedies and recourses, either successively or concurrently:

(a) Acceleration. Accelerate the maturity date of the Note and declare any or all of the Debt to be immediately due and payable without any presentment, demand, protest, notice or action of any kind whatever (each of which is hereby expressly waived by Borrower), whereupon the same shall become immediately due and payable. Upon any such acceleration, payment of such accelerated amount shall constitute a prepayment of the principal balance of the Note and any applicable prepayment fee provided for in the Note shall then be immediately due and payable.

(b) Entry on the Property. Either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court and without regard to the adequacy of its security, enter upon and take possession of the Property, or any part thereof, without force or with such force as is permitted by law and without notice or process or with such notice or process as is required by law, unless such notice and process is waivable, in which case Borrower hereby waives such notice and process, and do any and all acts and perform any and all work which may be desirable or necessary in Lender's judgment to complete any unfinished construction on the Premises, to preserve the value, marketability or rentability of the Property, to increase the income therefrom, to manage and operate the Property or to protect the security hereof, and all sums expended by Lender therefor, together with interest thereon at the Default Interest Rate, shall be immediately due and payable to Lender by Borrower on demand and shall be secured hereby and by all of the other Loan Documents securing all or any part of the Debt.

(c) Collect Rents and Profits. With or without taking possession of the Property, sue or otherwise collect the Rents and Profits, including those past due and unpaid.

(d) Appointment of Receiver. Upon, or at any time prior or after, initiating the exercise of any power of sale, instituting any judicial foreclosure or instituting any other foreclosure of the liens and security interests provided for herein or any other legal proceedings hereunder, make application to a court of competent jurisdiction for appointment of a receiver for all or any part of the Property, as a matter of strict right and without notice to Borrower and without regard to the adequacy of the Property for the repayment of the Debt or the solvency of Borrower or any person or persons liable for the payment of the Debt, and Borrower does hereby irrevocably consent to such appointment, waive any and all notices of and defenses to such appointment and agree not to oppose any application therefor by Lender, but nothing herein is to be construed to deprive Lender of any other right, remedy or privilege Lender may now have under the law to have a receiver appointed, provided, however, that the appointment of such receiver, trustee or other appointee by virtue of any court order, statute or regulation shall not impair or in any manner prejudice the rights of Lender to receive payment of the Rents and Profits pursuant to other terms and provisions hereof. Any such receiver shall have all of the usual powers and duties of receivers in similar cases, including, without limitation, the full power to hold, develop, rent, lease, manage, maintain, operate and otherwise use or permit the use of the Property upon such terms and conditions as said receiver may deem to be prudent and reasonable under the circumstances as more fully set forth in Section 5.3 below. Such receivership shall, at the option of Lender, continue until full payment of all of the Debt or until title to the Property shall have passed by foreclosure sale under this Mortgage or deed in lieu of foreclosure.

(e) Foreclosure. Immediately commence an action to foreclose this Mortgage or to specifically enforce its provisions with respect to any of the Debt, pursuant to the statutes in such case made and provided, and sell the Property or cause the Property to be sold in accordance with the requirements and procedures provided by said statutes in a single parcel or in several parcels at the option of Lender. In the event foreclosure proceedings are instituted by Lender, all expenses incident to such proceedings, including, but not limited to, reasonable attorneys' fees and costs, shall be paid by Borrower and secured by this Mortgage and by all of the other Loan Documents securing all or any part of the Debt. The Debt and all other

obligations secured by this Mortgage, including, without limitation, interest at the Default Interest Rate any prepayment charge, fee or premium required to be paid under the Note in order to prepay principal (to the extent permitted by applicable law), reasonable attorneys' fees and any other amounts due and unpaid to Lender under the Loan Documents, may be bid by Lender in the event of a foreclosure sale hereunder. In the event of a judicial sale pursuant to a foreclosure decree, it is understood and agreed that Lender or its assigns may become the purchaser of the Property or any part thereof.

(f) Judicial Remedies. Proceed by suit or suits, at law or in equity, instituted by or on behalf of Lender, to enforce the payment of the Debt or the other obligations of Borrower hereunder or pursuant to the Loan Documents, to foreclose the liens and security interests of this Mortgage as against all or any part of the Property, and to have all or any part of the Property sold under the judgment or decree of a court of competent jurisdiction. This remedy shall be cumulative of any other non-judicial remedies available to Lender with respect to the Loan Documents. Proceeding with the request or receiving a judgment for legal relief shall not be or be deemed to be an election of remedies or bar any available non-judicial remedy of Lender.

(g) Other. Exercise any other right or remedy available hereunder, under any of the other Loan Documents or at law or in equity.

Section 5.2 Application of Proceeds. To the fullest extent permitted by law, the proceeds of any sale under this Mortgage shall be applied, to the extent funds are so available, to the following items in such order as Lender in its discretion may determine:

(a) To payment of the reasonable costs, expenses and fees of taking possession of the Property, and of holding, operating, maintaining, using, leasing, repairing, improving, marketing and selling the same and of otherwise enforcing Lender's rights and remedies hereunder and under the other Loan Documents, including, but not limited to, receivers' fees, court costs, attorneys', accountants', appraisers', managers' and other professional fees, title charges and transfer taxes.

(b) To payment of all sums expended by Lender under the terms of any of the Loan Documents and not yet repaid, together with interest on such sums at the Default Interest Rate.

(c) To payment of the Debt and all other obligations secured by this Mortgage, including, without limitation, interest at the Default Interest Rate and, to the extent permitted by applicable law, any prepayment fee, charge or premium required to be paid under the Note in order to prepay principal, in any order that Lender chooses in its sole discretion.

(d) The remainder, if any, of such funds shall be disbursed to Borrower or to the person or persons legally entitled thereto.

Section 5.3 Right and Authority of Receiver or Lender in the Event of Default; Power of Attorney. Upon the occurrence of an Event of Default, and entry upon the Property pursuant to Section 5.1(b) hereof or appointment of a receiver pursuant to Section 5.1(d) hereof, and under such terms and conditions as may be prudent and reasonable under the circumstances in Lender's

or the receiver's sole discretion, all at Borrower's expense, Lender or said receiver, or such other persons or entities as they shall hire, direct or engage, as the case may be, may do or permit one or more of the following, successively or concurrently: (a) enter upon and take possession and control of any and all of the Property; (b) take and maintain possession of all documents, books, records, papers and accounts relating to the Property; (c) exclude Borrower and its agents, servants and employees wholly from the Property; (d) manage and operate the Property; (e) preserve and maintain the Property; (f) make repairs and alterations to the Property; (g) complete any construction or repair of the Improvements, with such changes, additions or modifications of the plans and specifications or intended disposition and use of the Improvements as Lender may in its sole discretion deem appropriate or desirable to place the Property in such condition as will, in Lender's sole discretion, make it or any part thereof readily marketable or rentable; (h) conduct a marketing or leasing program with respect to the Property, or employ a marketing or leasing agent or agents to do so, directed to the leasing or sale of the Property under such terms and conditions as Lender may in its sole discretion deem appropriate or desirable; (i) employ such contractors, subcontractors, materialmen, architects, engineers, consultants, managers, brokers, marketing agents, or other employees, agents, independent contractors or professionals, as Lender may in its sole discretion deem appropriate or desirable to implement and effectuate the rights and powers herein granted; (j) execute and deliver, in the name of Lender as attorney-in-fact and agent of Borrower or in its own name as Lender, such documents and instruments as are necessary or appropriate to consummate authorized transactions; (k) enter such leases, whether of real or personal property, or tenancy agreements, under such terms and conditions as Lender may in its sole discretion deem appropriate or desirable; (l) collect and receive the Rents and Profits from the Property; (m) eject tenants or repossess personal property, as provided by law, for breaches of the conditions of their leases or other agreements; (n) initiate a cause of action for unpaid Rents and Profits, payments, income or proceeds in the name of Borrower or Lender; (o) maintain actions in forcible entry and detainer, ejectment for possession and actions in distress for rent; (p) compromise or give acquittance for Rents and Profits, payments, income or proceeds that may become due; (q) delegate or assign any and all rights and powers given to Lender by this Mortgage; and (r) do any acts which Lender in its sole discretion deems appropriate or desirable to protect the security hereof and use such measures, legal or equitable, as Lender may in its sole discretion deem appropriate or desirable to implement and effectuate the provisions of this Mortgage. This Mortgage shall constitute a direction to and full authority to any lessee, or other third party who has heretofore dealt or contracted or may hereafter deal or contract with Borrower or Lender, at the request of Lender, to pay all amounts owing under any Lease, contract, concession, license or other agreement to Lender without proof of the Event of Default relied upon. Any such lessee or third party is hereby irrevocably authorized to rely upon and comply with (and shall be fully protected by Borrower in so doing) any request, notice or demand by Lender for the payment to Lender of any Rents and Profits or other sums which may be or thereafter become due under its Lease, contract, concession, license or other agreement, or for the performance of any undertakings under any such Lease, contract, concession, license or other agreement, and shall have no right or duty to inquire whether any Event of Default under this Mortgage or under any of the other Loan Documents has actually occurred or is then existing. Borrower hereby constitutes and appoints Lender, its assignees, successors, transferees and nominees, as Borrower's true and lawful attorney-in-fact and agent, with full power of substitution in the Property, in Borrower's name, place and stead, to do or permit any one or more of the foregoing described rights, remedies, powers and authorities, successively or

concurrently, and said power of attorney shall be deemed a power coupled with an interest and irrevocable so long as any portion of the Debt is outstanding. Any money advanced by Lender in connection with any action taken under this Section 5.3, together with interest thereon at the Default Interest Rate from the date of making such advancement by Lender until actually paid by Borrower, shall be a demand obligation owing by Borrower to Lender and shall be secured by this Mortgage and by every other instrument securing all or any portion of the Debt.

Section 5.4 Occupancy After Foreclosure. In the event there is a foreclosure sale hereunder and at the time of such sale, Borrower or Borrower's representatives, successors or assigns, or any other persons claiming any interest in the Property by, through or under Borrower (except tenants of space in the Improvements subject to leases entered into prior to the date hereof), are occupying or using the Property, or any part thereof, then, to the extent not prohibited by applicable law, each and all shall, at the option of Lender or the purchaser at such sale, as the case may be, immediately become the tenant of the purchaser at such sale, which tenancy shall be a tenancy from day-to-day, terminable at the will of either landlord or tenant, at a reasonable rental per day based upon the value of the Property occupied or used, such rental to be due daily to the purchaser. Further, to the extent permitted by applicable law, in the event the tenant fails to surrender possession of the Property upon the termination of such tenancy, the purchaser shall be entitled to institute and maintain an action for unlawful detainer of the Property in the appropriate court of the county in which the Premises is located.

Section 5.5 Notice to Account Debtors. Lender may, at any time after an Event of Default, notify the account debtors and obligors of any accounts, chattel paper, negotiable instruments or other evidences of indebtedness to Borrower included in the Property to pay Lender directly. Borrower shall at any time or from time to time upon the request of Lender provide to Lender a current list of all such account debtors and obligors and their addresses.

Section 5.6 Cumulative Remedies. All remedies contained in this Mortgage are cumulative and Lender shall also have all other remedies provided at law and in equity or in any other Loan Documents. Such remedies may be pursued separately, successively or concurrently at the sole subjective direction of Lender and may be exercised in any order and as often as occasion therefor shall arise. No act of Lender shall be construed as an election to proceed under any particular provisions of this Mortgage to the exclusion of any other provision of this Mortgage or as an election of remedies to the exclusion of any other remedy which may then or thereafter be available to Lender. No delay or failure by Lender to exercise any right or remedy under this Mortgage shall be construed to be a waiver of that right or remedy or of any Event of Default. Lender may exercise any one or more of its rights and remedies at its option without regard to the adequacy of its security.

Section 5.7 Payment of Expenses. Borrower shall pay on demand all of Lender's expenses incurred in any efforts to enforce any terms of this Mortgage, whether or not any lawsuit is filed and whether or not foreclosure is commenced but not completed, including, but not limited to, reasonable legal fees and disbursements, fees of any Rating Agency, fees related to any No-Downgrade Confirmation, foreclosure costs and title charges, together with interest thereon from and after the date incurred by Lender until actually paid by Borrower at the Default Interest Rate, and the same shall be secured by this Mortgage and by all of the other Loan Documents securing all or any part of the Debt.

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ARTICLE VI

MISCELLANEOUS TERMS AND CONDITIONS

Section 6.1 Time of Essence. Time is of the essence with respect to all provisions of this Mortgage.

Section 6.2 Release of Mortgage. If all of the Debt be paid, then and in that event only, all rights under this Mortgage, except for those provisions hereof which by their terms survive, shall terminate and the Property shall become wholly clear of the liens, security interests, conveyances and assignments evidenced hereby, which shall be promptly released of record by Lender in due form at Borrower's cost. No release of this Mortgage or the lien hereof shall be valid unless executed by Lender.

Section 6.3 Certain Rights of Lender. Without affecting Borrower's liability for the payment of any of the Debt, Lender may from time to time and without notice to Borrower: (a) release any person liable for the payment of the Debt; (b) extend or modify the terms of payment of the Debt; (c) accept additional real or personal property of any kind as security or alter, substitute or release any property securing the Debt; (d) recover any part of the Property; (e) consent in writing to the making of any subdivision map or plat thereof; (f) join in granting any easement therein; or (g) join in any extension agreement of this Mortgage or any agreement subordinating the lien hereof.

Section 6.4 Waiver of Certain Defenses. No action for the enforcement of the lien hereof or of any provision hereof shall be subject to any defense which would not be good and available to the party interposing the same in an action at law upon the Note or any of the other Loan Documents.

Section 6.5 Notices. All notices, demands, requests or other communications to be sent by one party to the other hereunder or required by law shall be in writing and shall be deemed to have been validly given or served by delivery of the same in person to the intended addressee, or by depositing the same with Federal Express or another reputable private courier service for next business day delivery, or by depositing the same in the United States mail, postage prepaid, registered or certified mail, return receipt requested, in any event addressed to the intended addressee at its address set forth on the first page of this Mortgage or at such other address as may be designated by such party as herein provided. All notices, demands and requests shall be effective upon such personal delivery, or one (1) business day after being deposited with the private courier service, or two (2) business days after being deposited in the United States mail as required above. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given as herein required shall be deemed to be receipt of the notice, demand or request sent. By giving to the other party hereto at least fifteen (15) days' prior written notice thereof in accordance with the provisions hereof, the parties hereto shall have the right from time to time to change their respective addresses and each shall have the right to specify as its address any other address within the United States of America.

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Section 6.6 Successors and Assigns; Joint and Several Liability. The terms, provisions, indemnities, covenants and conditions hereof shall be binding upon Borrower and the successors and assigns of Borrower, including all successors in interest of Borrower in and to all or any part of the Property, and shall inure to the benefit of Lender, its directors, officers, shareholders, employees and agents and their respective successors and assigns and shall constitute covenants running with the land. All references in this Mortgage to Borrower or Lender shall be deemed to include all such parties' successors and assigns, and the term "Lender" as used herein shall also mean and refer to any lawful holder or owner, including pledgees and participants, of any of the Debt. If Borrower consists of more than one person or entity, each is jointly and severally liable to perform the obligations of Borrower hereunder and all representations, warranties, covenants and agreements made by Borrower hereunder are joint and several.

Section 6.7 Severability. A determination that any provision of this Mortgage is unenforceable or invalid shall not affect the enforceability or validity of any other provision, and any determination that the application of any provision of this Mortgage to any person or circumstance is illegal or unenforceable shall not affect the enforceability or validity of such provision as it may apply to any other persons or circumstances.

Section 6.8 Gender. Within this Mortgage, words of any gender shall be held and construed to include any other gender, and words in the singular shall be held and construed to include the plural, and vice versa, unless the context otherwise requires.

Section 6.9 Waiver; Discontinuance of Proceedings. Lender may waive any single Event of Default by Borrower hereunder without waiving any other prior or subsequent Event of Default. Lender may remedy any Event of Default by Borrower hereunder without waiving the Event of Default remedied. Neither the failure by Lender to exercise, nor the delay by Lender in exercising, any right, power or remedy upon any Event of Default by Borrower hereunder shall be construed as a waiver of such Event of Default or as a waiver of the right to exercise any such right, power or remedy at a later date. No single or partial exercise by Lender of any right, power or remedy hereunder shall exhaust the same or shall preclude any other or further exercise thereof, and every such right, power or remedy hereunder may be exercised at any time and from time to time. No modification or waiver of any provision hereof nor consent to any departure by Borrower therefrom shall in any event be effective unless the same shall be in writing and signed by Lender, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose given. No notice to nor demand on Borrower in any case shall of itself entitle Borrower to any other or further notice or demand in similar or other circumstances. Acceptance by Lender of any payment in an amount less than the amount then due on any of the Debt shall be deemed an acceptance on account only and shall not in any way affect the existence of an Event of Default. In case Lender shall have proceeded to invoke any right, remedy or recourse permitted hereunder or under the other Loan Documents and shall thereafter elect to discontinue or abandon the same for any reason, Lender shall have the unqualified right to do so and, in such an event, Borrower and Lender shall be restored to their former positions with respect to the Debt, the Loan Documents, the Property and otherwise, and the rights, remedies, recourses and powers of Lender shall continue as if the same had never been invoked.

Section 6.10 Section Headings. The headings of the sections and paragraphs of this Mortgage are for convenience of reference only, are not to be considered a part hereof and shall not limit or otherwise affect any of the terms hereof.

Section 6.11 GOVERNING LAW. THIS MORTGAGE WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE IN WHICH THE PREMISES IS LOCATED, PROVIDED THAT TO THE EXTENT THAT ANY OF SUCH LAWS MAY NOW OR HEREAFTER BE PREEMPTED BY FEDERAL LAW, SUCH FEDERAL LAW SHALL SO GOVERN AND BE CONTROLLING, AND PROVIDED FURTHER THAT THE LAWS OF THE STATE IN WHICH THE PREMISES IS LOCATED SHALL GOVERN AS TO THE CREATION, PRIORITY AND ENFORCEMENT OF LIENS AND SECURITY INTERESTS IN THE PROPERTY LOCATED IN SUCH STATE.

Section 6.12 Counting of Days. The term "days" when used herein shall mean calendar days. If any time period ends on a Saturday, Sunday or holiday officially recognized by the state within which the Premises is located, the period shall be deemed to end on the next succeeding business day. The term "business day" when used herein shall mean a weekday, Monday through Friday, except a legal holiday or a day on which banking institutions in New York, New York are authorized by law to be closed.

Section 6.13 Relationship of the Parties. The relationship between Borrower and Lender is that of a borrower and a lender only and neither of those parties is, nor shall it hold itself out to be, the agent, employee, joint venturer or partner of the other party.

Section 6.14 Application of the Proceeds of the Note. To the extent that proceeds of the Note are used to pay indebtedness secured by any outstanding lien, security interest, charge or prior encumbrance against the Property, such proceeds have been advanced by Lender at Borrower's request and Lender shall be subrogated to any and all rights, security interests and liens owned by any owner or holder of such outstanding liens, security interests, charges or encumbrances, irrespective of whether said liens, security interests, charges or encumbrances are released.

Section 6.15 Unsecured Portion of Indebtedness. If any part of the Debt cannot be lawfully secured by this Mortgage or if any part of the Property cannot be lawfully subject to the lien and security interest hereof to the full extent of such indebtedness, then all payments made shall be applied on said indebtedness first in discharge of that portion thereof which is unsecured by this Mortgage.

Section 6.16 Cross Default. An Event of Default hereunder which has not been cured within any applicable grace or cure period shall be a default under each of the other Loan Documents.

Section 6.17 Interest After Sale. In the event the Property or any part thereof shall be sold upon foreclosure as provided hereunder, to the extent permitted by law, the sum for which the same shall have been sold shall, for purposes of redemption (pursuant to the laws of the state in which the Premises is located), bear interest at the Default Interest Rate.

Section 6.18 Inconsistency with Other Loan Documents. In the event of any inconsistency between the provisions hereof and the provisions in any of the other Loan Documents, it is intended that the provisions of the Note shall control over the provisions of this Mortgage, and that the provisions of this Mortgage shall control over the provisions of the Lease Assignment, the Indemnity and Guaranty Agreement, the Environmental Indemnity Agreement, and the other Loan Documents.

Section 6.19 Construction of this Document. This document may be construed as a mortgage, security deed, deed of trust, chattel mortgage, conveyance, assignment, security agreement, pledge, financing statement, hypothecation or contract, or any one or more of the foregoing, in order to fully effectuate the liens and security interests created hereby and the purposes and agreements herein set forth.

Section 6.20 No Merger. It is the desire and intention of the parties hereto that this Mortgage and the lien hereof do not merge in fee simple title to the Property. It is hereby understood and agreed that should Lender acquire any additional or other interests in or to the Property or the ownership thereof, then, unless a contrary intent is manifested by Lender as evidenced by an appropriate document duly recorded, this Mortgage and the lien hereof shall not merge in such other or additional interests in or to the Property, toward the end that this Mortgage may be foreclosed as if owned by a stranger to said other or additional interests.

Section 6.21 Rights With Respect to Junior Encumbrances. Any person or entity purporting to have or to take a junior mortgage or other lien upon the Property or any interest therein shall be subject to the rights of Lender to amend, modify, increase, vary, alter or supplement this Mortgage, the Note or any of the other Loan Documents, and to extend the maturity date of the Debt, and to increase the amount of the Debt, and to waive or forebear the exercise of any of its rights and remedies hereunder or under any of the other Loan Documents and to release any collateral or security for the Debt, in each and every case without obtaining the consent of the holder of such junior lien and without the lien or security interest of this Mortgage losing its priority over the rights of any such junior lien.

Section 6.22 Lender May File Proofs of Claim. In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other proceedings affecting Borrower or the principals, general partners or managing members in Borrower, or their respective creditors or property, Lender, to the extent permitted by law, shall be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have the claims of Lender allowed in such proceedings for the entire Debt at the date of the institution of such proceedings and for any additional amount which may become due and payable by Borrower hereunder after such date.

Section 6.23 Fixture Filing. This Mortgage shall be effective from the date of its recording as a financing statement filed as a fixture filing with respect to all goods constituting part of the Property which are or are to become fixtures. This Mortgage shall also be effective as a financing statement covering minerals or the like (including oil and gas) and is to be filed for record in the real estate records of the county where the Premises is situated. The mailing address of Borrower and the address of Lender from which information concerning the security interests may be obtained are set forth in Section 2.18 above.

Section 6.24 After-Acquired Property. All property acquired by Borrower after the date of this Mortgage which by the terms of this Mortgage shall be subject to the lien and the security interest created hereby, shall immediately upon the acquisition thereof by Borrower and without further mortgage, conveyance or assignment become subject to the lien and security interest created by this Mortgage. Nevertheless, Borrower shall execute, acknowledge, deliver and record or file, as appropriate, all and every such further mortgages, security agreements, financing statements, assignments and assurances as Lender shall require for accomplishing the purposes of this Mortgage.

Section 6.25 No Representation. By accepting delivery of any item required to be observed, performed or fulfilled or to be given to Lender pursuant to the Loan Documents, including, but not limited to, any officer's certificate, balance sheet, statement of profit and loss or other financial statement, survey, appraisal or insurance policy, Lender shall not be deemed to have warranted, consented to, or affirmed the sufficiency, legality, effectiveness or legal effect of the same, or of any term, provision or condition thereof, and such acceptance of delivery thereof shall not be or constitute any warranty, consent or affirmation with respect thereto by Lender.

Section 6.26 Counterparts. This Mortgage may be executed in any number of counterparts, each of which shall be effective only upon delivery and thereafter shall be deemed an original, and all of which shall be taken to be one and the same instrument, for the same effect as if all parties hereto had signed the same signature page. Any signature page of this Mortgage may be detached from any counterpart of this Mortgage without impairing the legal effect of any signatures thereon and may be attached to another counterpart of this Mortgage identical in form hereto but having attached to it one or more additional signature pages.

Section 6.27 Personal Liability. Notwithstanding anything to the contrary contained in this Mortgage, the liability of Borrower and its officers, directors, general partners, managers, members and principals for the Debt and for the performance of the other agreements, covenants and obligations contained herein and in the Loan Documents shall be limited as set forth in the Note.

Section 6.28 Recording and Filing. Borrower will cause the Loan Documents and all amendments and supplements thereto and substitutions thereof to be recorded, filed, re-recorded and re-filed in such manner and in such places as Lender shall reasonably request, and will pay on demand all such recording, filing, re-recording and re-filing taxes, fees and other charges. Borrower shall reimburse Lender, or its servicing agent, for the costs incurred in obtaining a tax service company to verify the status of payment of taxes and assessments on the Property.

Section 6.29 Entire Agreement and Modifications. This Mortgage and the other Loan Documents contain the entire agreements between the parties relating to the subject matter hereof and thereof and all prior agreements relative hereto and thereto which are not contained herein or therein are terminated. This Mortgage and the other Loan Documents may not be amended, revised, waived, discharged, released or terminated orally but only by a written instrument or instruments executed by the party against which enforcement of the amendment, revision, waiver, discharge, release or termination is asserted. Any alleged amendment, revision, waiver, discharge, release or termination which is not so documented shall not be effective as to any party.

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Section 6.30 Intentionally Reserved.

Section 6.31 Secondary Market. Lender may sell, transfer and deliver the Note and the Loan Documents to one or more investors in the secondary mortgage market (a "Secondary Market Transaction"). In connection with such sale, Lender may retain or assign responsibility for servicing the loan evidenced by the Note or may delegate some or all of such responsibility and/or obligations to a servicer, including, but not limited to, any subservicer or master servicer, on behalf of the Investors (as hereinafter defined). All references to Lender herein shall refer to and include, without limitation, any such servicer, to the extent applicable.

Section 6.32 Dissemination of Information. If Lender determines at any time to sell, transfer or assign the Note, this Mortgage and the other Loan Documents, and any or all servicing rights with respect thereto, or to grant participations therein (the "Participations") or issue mortgage pass-through certificates or other securities evidencing a beneficial interest in a rated or unrated public offering or private placement (the "Securities"), Lender may forward to each purchaser, transferee, Lender, servicer, participant, investor, or their respective successors in such Participations and/or Securities (collectively, the "Investors") or any rating agency rating such Securities (each a "Rating Agency"), each prospective Investor and each of the foregoing's respective counsel, all documents and information which Lender now has or may hereafter acquire relating to the Debt, to Borrower, any guarantor, any indemnitor, and the Property, which shall have been furnished by Borrower and any Indemnitor, as Lender determines necessary or desirable.

Section 6.33 Intentionally Omitted.

Section 6.34 REMIC Opinions. In the event Borrower requests Lender's consent with respect to any proposed action or Borrower proposes to take any action not otherwise requiring Lender's specific consent under the Loan Documents, which Lender determines, in its discretion, may affect (i) the "REMIC" status of Lender, its successors or assigns, or (ii) the status of this Mortgage as a "qualified mortgage" as defined in Section 860G of the Internal Revenue Code of 1986 (or any succeeding provision of such law), Lender reserves the right to require Borrower, at Borrower's sole expense, to obtain, from counsel satisfactory to Lender in its discretion, an opinion, in form and substance satisfactory to Lender in its discretion, that no adverse tax consequences will arise as a result of the proposed course of action.

Section 6.35 Severed Loan Documents. Lender shall have the right from time to time to sever the Note and the other Loan Documents into one or more separate notes, mortgages, deeds of trust and other security documents (the "Severed Loan Documents") in such denominations and priorities as Lender shall determine in its sole discretion, provided, however, that the terms, provisions and clauses of the Severed Loan Documents shall be no more adverse to Borrower than those contained in the Note, this Mortgage and the other Loan Documents. Borrower shall execute and deliver to Lender from time to time, promptly after the request of Lender, a severance agreement and such other documents as Lender shall reasonably request in order to effect the severance described in the preceding sentence, all in form and substance reasonably satisfactory to Lender. Borrower hereby absolutely and irrevocably appoints Lender as its true and lawful attorney, coupled with an interest, in its name and stead to make and execute all documents necessary or desirable to effect the aforesaid severance, Borrower

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ratifying all that its said attorney shall do by virtue thereof; provided, however, that Lender shall not make or execute any such documents under such power until not less than three (3) days has passed after notice has been given to Borrower by Lender of Lender's intent to exercise its rights under such power.

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IN WITNESS WHEREOF, Borrower has executed this Mortgage on the day and year first written above.

BORROWER:

4 BECKER SPE LLC,

a Delaware limited liability company

By: /s/ Mitchell E. Hersh
Name: Mitchell E. Hersh
Title: President and Chief Executive Officer

STATE OF New York

SS:

COUNTY OF New York

BE IT REMEMBERED that on the 9th day of May, 2006, Mitchell E. Hersh personally came before me, and this person acknowledged under oath, to my satisfaction, that he is the President and Chief Executive Officer of 4 Becker SPE LLC, a Delaware limited liability company, the entity named in this document, and this document was signed and delivered by the entity as its voluntary act duly authorized by a proper resolution of the limited liability company.

/s/ Marian J. Abbatepaolo
Marian J. Abbatepaolo
Notary Public, State of New York
01AB4807522
Certificate Filed in New York County
Commission Expires November 30, 2006

EXHIBIT A

Legal Description

All that certain tract, lot and parcel of land lying and being in the Borough of Roseland, County of Essex and State of New Jersey, being more particularly described as follows:

Beginning at a point in the southerly sideline of Eagle Rock Avenue, said point being distant 43.16 feet northeasterly from the intersection of the said southerly sideline of Eagle Rock Avenue with the easterly sideline of Becker Farm Road (if extended) and from said beginning point running; thence

- (1) Along the southerly sideline of said Eagle Rock Avenue in a northeasterly direction a curve to the left, having a radius of 988.37 feet, an arc distance of 121.15 feet to the point of tangency; thence
- (2) Continuing along same North 49 degrees 58 minutes 57 seconds East, a distance of 109.98 feet to a point of curvature; thence
- (3) Continuing along same on a curve to the right, having a radius of 922.37 feet, an arc distance of 303.32 feet to a point of tangency; thence
- (4) Continuing along same North 68 degrees 49 minutes 27 seconds East, a distance of 31.50 feet to a point of curvature; thence
- (5) Continuing along same on a curve to the right, having a radius of 6,567.00 feet an arc distance of 155.19 feet to a concrete monument and corner; thence
- (6) Along the westerly property line of Lot 10 Block 30 South 17 degrees 50 minutes 31 seconds East, a distance of 171.04 feet to a point; thence
- (7) South 85 degrees 44 minutes 31 seconds East, a distance of 253.47 feet to an angle point; thence
- (8) North 62 degrees 45 minutes 29 seconds East, a distance of 337.90 feet to a point; thence
- (9) South 36 degrees 24 minutes 49 seconds East, a distance of 465.25 feet to a point; thence
- (10) South 40 degrees 15 minutes 29 seconds West a distance of 250.00 feet to an angle point; thence
- (11) South 34 degrees 54 minutes 09 seconds West, a distance of 320.00 feet to an angle; thence
- (12) South 26 degrees 23 minutes 49 seconds West, a distance of 235.39 feet to a point in the easterly sideline of Becker Farm Road; thence
- (13) Along same North 65 degrees 32 minutes 11 seconds West a distance of 792.69 feet to a point of curvature; thence
- (14) Continuing along same on a curve to the right having a radius of 637.15 feet, an arc distance of 313.44 feet to a point of tangency; thence
- (15) Continuing along same North 37 degrees 21 minutes 03 seconds West, a distance of 155.75 feet to a point of curvature; thence
- (16) On a curve to the right, having a radius of 40.00 feet, an arc distance of 65.87 feet to the point of beginning.

This description is in accordance with a survey prepared by Earl N. Strom, RPLS for International Land Services, Inc. dated June 15, 2004, job number 04-06-005:005.

FOR INFORMATIONAL PURPOSES ONLY:

*In compliance with Chapter 157, Laws of 1977, premises herein is Lot 4 in Block 30 on the Tax Map of the Borough of Roseland, County of Essex, State of New Jersey.

EXHIBIT B

(Outstanding TILC Tenants and Applicable TILC Amounts)

1. J.H. Cohn LLP	\$	1,816,129.58
2. ADP, Inc.	\$	34,694.04
3. Millennium 3 Capital, Inc.	\$	7,031.20
4. Rothstein, Kass & Company, P.C.	\$	590,092.09
5. Certain parking lot expansion work in connection with the Property.	\$	423,341.66

EXHIBIT C

(Free Rent Tenant / Monthly Allocated Amount)

1. JH Cohn Lease (Allocated Free Rent: \$2,160,000.00)

- Months: 11/1/2005 - 11/30/2007; Allocated Amount: \$120,000.00

2. Rothstein Lease (Allocated Free Rent: \$607,695.35)

- Months: 11/1/2005 - 6/30/2006; Allocated Amount: \$143,046.00
- Months: 7/1/2006 - 10/31/2006 ; Allocated Amount: \$84,275.00
- Months: 11/1/2006 - 3/31/2007; Allocated Amount: \$25,509.87

Loan No.: 502856396

4 Becker Farm Road, Roseland, New Jersey

PROMISSORY NOTE

\$43,000,000.00

May 9, 2006

FOR VALUE RECEIVED, the undersigned, 4 BECKER SPE LLC, a Delaware limited liability company ("Borrower"), having an address c/o Mack-Cali Realty, L.P. at 11 Commerce Drive, Cranford, New Jersey 07016, promises to pay to the order of WACHOVIA BANK, NATIONAL ASSOCIATION, a national banking association (together with its successors and assigns, "Lender"), at the office of Lender at Commercial Real Estate Services, 8739 Research Drive UR — 4, NC 1075, Charlotte, North Carolina 28262, or at such other place as Lender may designate to Borrower in writing from time to time, the principal sum of FORTY-THREE MILLION AND NO/100 DOLLARS (\$43,000,000.00), together with interest on so much thereof as is from time to time outstanding and unpaid, from the date of the advance of the principal evidenced hereby, at the rate of six and twenty-seven hundredths percent (6.27%) (the "Note Rate"), together with all other amounts due hereunder or under the other Loan Documents (as defined herein), in lawful money of the United States of America, which shall at the time of payment be legal tender in payment of all debts and dues, public and private.

ARTICLE I

TERMS AND CONDITIONS

Section 1.1 Computation of Interest. Interest shall be computed hereunder based on a 360-day year and based on the actual number of days elapsed for any period in which interest is being calculated including, without limitation, the Interest Only Period (hereinafter defined), as more particularly set forth on Annex 1 attached hereto and incorporated by this reference. Interest shall accrue from the date on which funds are advanced hereunder (regardless of the time of day) through and including the day on which funds are credited pursuant to Section 1.2 hereof.

Section 1.2 Payment of Principal and Interest. Payments in federal funds immediately available at the place designated for payment received by Lender prior to 2:00 p.m. local time on a day on which Lender is open for business at said place of payment shall be credited prior to close of business, while other payments, at the option of Lender, may not be credited until immediately available to Lender in federal funds at the place designated for payment prior to 2:00 p.m. local time on the next day on which Lender is open for business. Interest only shall be payable in sixty (60) equal consecutive monthly installments in the amount set forth on Annex 1 (the "Interest Only Monthly Payment Amount"), beginning on June 11, 2006 (the "First Payment Date"), and continuing on the eleventh (11th) day of each and every calendar month thereafter through and including May 11, 2011 (the "Interest Only Period") and, thereafter, principal and interest shall be payable in equal consecutive monthly installments of \$265,317.98 each (the "Principal and Interest Monthly Payment Amount" and, together, with the

Interest Only Monthly Payment Amount, the "Monthly Payment Amount"), beginning on June 11, 2011 and continuing on the eleventh (11th) day of each and every calendar month thereafter through and including April 11, 2016 (each, a "Payment Date"). On May 11, 2016 (the "Maturity Date") (provided that in the event that there is a Defeasance of the Loan pursuant to Section 1.5(d) hereof, the Maturity Date shall automatically be the Lockout Expiration Date), the entire outstanding principal balance hereof, together with all accrued but unpaid interest thereon, shall be due and payable in full.

Section 1.3 Application of Payments. So long as no Event of Default (as hereinafter defined) exists hereunder or under any other Loan Document, each such monthly installment shall be applied, first, to any amounts hereafter advanced by Lender hereunder or under any other Loan Document, second, to any late fees and other amounts payable to Lender, third, to the payment of accrued interest and last to reduction of principal.

Section 1.4 Payment of "Short Interest." If the advance of the principal amount evidenced by this Note is made on a date other than a Payment Date, Borrower shall pay to Lender contemporaneously with the execution hereof interest at the Note Rate for a period from the date hereof through and including the tenth (10th) day of either (x) this month, in the event that the date hereof is on or prior to the 11th of the month, and (y) the immediately succeeding month, in the event that the date hereof is after the 11th of the month.

Section 1.5 Prepayment; Defeasance.

(a) This Note may not be prepaid, in whole or in part (except as otherwise specifically provided herein), at any time prior to the Payment Date occurring three (3) Payment Dates immediately prior to the Maturity Date (the "Lockout Expiration Date"). In the event that Borrower wishes to have the Property (as hereinafter defined) released from the lien of the Security Instrument prior to the Lockout Expiration Date, Borrower's sole option shall be a Defeasance (as hereinafter defined) upon satisfaction of the terms and conditions set forth in Section 1.5(d) hereof. This Note may be prepaid in whole but not in part without premium or penalty on any Payment Date occurring on or after the Lockout Expiration Date provided (i) written notice of such prepayment is received by Lender not more than ninety (90) days and not less than thirty (30) days prior to the date of such prepayment, and (ii) such prepayment is accompanied by all interest accrued hereunder through and including the date of such prepayment and all other sums due hereunder or under the other Loan Documents. If, upon any such permitted prepayment on any Payment Date occurring on or after the Lockout Expiration Date, the aforesaid prior written notice has not been timely received by Lender, there shall be due a prepayment fee equal to the lesser of (i) thirty (30) days' interest computed at the Note Rate on the outstanding principal balance of this Note so prepaid and (ii) interest computed at the Note Rate on the outstanding principal balance of this Note so prepaid that would have been payable for the period from, and including, the date of prepayment through the Maturity Date, as though such prepayment had not occurred.

(b) If, prior to the Lockout Expiration Date, the indebtedness evidenced by this Note shall have been declared due and payable by Lender pursuant to Article II hereof or the provisions of any other Loan Document due to a default by Borrower, then, in addition to the indebtedness evidenced by this Note being immediately due and payable, there shall also then be

immediately due and payable a prepayment fee in an amount equal to the Yield Maintenance Premium (as hereinafter defined) based on the entire indebtedness on the date of such acceleration. In addition to the amounts described in the preceding sentence, in the event of any such acceleration or tender of payment of such indebtedness occurs or is made on or prior to the first (1st) anniversary of the date of this Note, there shall also then be immediately due and payable an additional prepayment fee of three percent (3%) of the principal balance of this Note. The term "Yield Maintenance Premium" shall mean an amount equal to the greater of (A) one percent (1%) of the principal amount being prepaid, and (B) the present value of a series of payments each equal to the Payment Differential (as hereinafter defined) and payable on each Payment Date over the remaining original term of this Note and on the Maturity Date, discounted at the Reinvestment Yield (as hereinafter defined) for the number of months remaining as of the date of such prepayment to each such Payment Date and the Maturity Date. The term "Payment Differential" shall mean an amount equal to (i) the Note Rate less the Reinvestment Yield, divided by (ii) twelve (12) and multiplied by (iii) the principal sum outstanding under this Note after application of the constant monthly payment due

under this Note on the date of such prepayment, provided that the Payment Differential shall in no event be less than zero. The term “Reinvestment Yield” shall mean an amount equal to the lesser of (i) the yield on the U.S. Treasury issue (primary issue) with a maturity date closest to the Maturity Date, or (ii) the yield on the U.S. Treasury issue (primary issue) with a term equal to the remaining average life of the indebtedness evidenced by this Note, with each such yield being based on the bid price for such issue as published in the Wall Street Journal on the date that is fourteen (14) days prior to the date of such prepayment (or, if such bid price is not published on that date, the next preceding date on which such bid price is so published) and converted to a monthly compounded nominal yield. In the event that any prepayment fee is due hereunder, Lender shall deliver to Borrower a statement setting forth the amount and determination of the prepayment fee, and, provided that Lender shall have in good faith applied the formula described above, Borrower shall not have the right to challenge the calculation or the method of calculation set forth in any such statement in the absence of manifest error, which calculation may be made by Lender on any day during the fifteen (15) day period preceding the date of such prepayment. Lender shall not be obligated or required to have actually reinvested the prepaid principal balance at the Reinvestment Yield or otherwise as a condition to receiving the prepayment fee.

(c) Partial prepayments of this Note shall not be permitted, except for partial prepayments resulting from Lender’s election to apply insurance or condemnation proceeds to reduce the outstanding principal balance of this Note as provided in the Security Instrument, in which event no prepayment fee or premium shall be due unless, at the time of either Lender’s receipt of such proceeds or the application of such proceeds to the outstanding principal balance of this Note, an Event of Default, or an event which, with notice or the passage of time, or both, would constitute an Event of Default, shall have occurred, which default or Event of Default is unrelated to the applicable casualty or condemnation, in which event the applicable prepayment fee or premium shall be due and payable based upon the amount of the prepayment. No notice of prepayment shall be required under the circumstances specified in the preceding sentence. No principal amount repaid may be reborrowed. Any such partial prepayments of principal shall be applied to the unpaid principal balance evidenced hereby but such application shall not reduce the amount of the fixed monthly installments required to be paid pursuant to Section 1.2 above. Except as otherwise expressly provided in this Section, the prepayment fees provided above shall be due, to the extent permitted by applicable law, under any and all circumstances where all or

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any portion of this Note is paid prior to the Maturity Date, whether such prepayment is voluntary or involuntary, including, without limitation, if such prepayment results from Lender’s exercise of its rights upon Borrower’s default and acceleration of the Maturity Date of this Note (irrespective of whether foreclosure proceedings have been commenced), and shall be in addition to any other sums due hereunder or under any of the other Loan Documents. No tender of a prepayment of this Note with respect to which a prepayment fee is due shall be effective unless such prepayment is accompanied by the applicable prepayment fee.

(d) (i) On any Payment Date on or after the earlier to occur of (x) three (3) years following the first Payment Date hereunder, and (y) the day immediately following the date which is two (2) years after the “startup day,” within the meaning of Section 860G(a) (9) of the Internal Revenue Code of 1986, as amended from time to time or any successor statute (the “Code”), of a “real estate mortgage investment conduit,” within the meaning of Section 860D of the Code (a “REMIC Trust”), that holds this Note, and provided no Event of Default has occurred and is continuing hereunder or under any of the other Loan Documents, at Borrower’s option, Lender shall cause the release of the Property from the lien of the Security Instrument and the other Loan Documents (a “Defeasance”) upon the satisfaction of the following conditions:

(A) Borrower shall give not more than ninety (90) days’ or less than sixty (60) days’ prior written notice to Lender specifying the date Borrower intends for the Defeasance to be consummated (the “Release Date”), which date shall be a Payment Date.

(B) All accrued and unpaid interest and all other sums due under this Note and under the other Loan Documents up to and including the Release Date shall be paid in full on or prior to the Release Date.

(C) Borrower shall deliver to Lender on or prior to the Release Date:

(1) a sum of money in immediately available funds (the “Defeasance Deposit”) equal to the outstanding principal balance of this Note plus an amount, if any, which together with the outstanding principal balance of this Note, shall be sufficient to enable Lender to purchase, through means and sources customarily employed and available to Lender, for the account of Borrower, (x) direct, non-callable, fixed rate obligations of the United States of America or (y) non-callable, fixed rate obligations, other than U.S. Treasury Obligations, that are “government securities” within the meaning of Section 2(a)(16) of the Investment Company Act of 1940, as amended, that provide for payments prior, but as close as possible, to all successive monthly Payment Dates occurring after the Release Date and to the Lockout Expiration Date, with each such payment being equal to or greater than the amount of the corresponding installment of principal and/or interest required to be paid under this Note (including, but not limited to, the scheduled outstanding principal balance of the Loan due on the Maturity Date based upon payments of principal and interest through the Lockout Expiration Date) for the balance of the term hereof

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(the “Defeasance Collateral”), each of which shall be duly endorsed by the holder thereof as directed by Lender or accompanied by a written instrument of transfer in form and substance satisfactory to Lender in its sole discretion (including, without limitation, such instruments as may be required by the depository institution holding such securities or the issuer thereof, as the case may be, to effectuate book-entry transfers and pledges through the book-entry facilities of such institution) in order to perfect upon the delivery of the Defeasance Security Agreement (as hereinafter defined) the first priority security interest in the Defeasance Collateral in favor of Lender in conformity with all applicable state and federal laws governing granting of such security interests.

(2) a pledge and security agreement, in form and substance satisfactory to Lender, creating a first priority security interest in favor of Lender in the Defeasance Collateral (the “Defeasance Security Agreement”);

(3) a certificate of Borrower certifying that all of the requirements set forth in this subsection 1.5(d)(i) have been satisfied;

(4) one or more opinions of counsel for Borrower in form and substance and delivered by counsel which would be satisfactory to Lender stating, among other things, that (i) Lender has a perfected first priority security interest in the Defeasance Collateral and that the Defeasance Security Agreement is enforceable against Borrower in accordance with its terms, (ii) in the event of a bankruptcy proceeding or similar occurrence with respect to Borrower, none of the Defeasance Collateral nor any proceeds thereof will be property of Borrower’s estate under Section 541 of the U.S. Bankruptcy Code, as amended, or any similar statute and the grant of security interest therein to Lender shall not constitute an avoidable preference under Section 547 of the U.S. Bankruptcy Code, as amended, or applicable state law, (iii) the release of the lien of the Security Instrument and the pledge of Defeasance Collateral will not directly or indirectly result in or cause any REMIC Trust that then holds this Note to fail to maintain its status as a REMIC Trust and (iv) the defeasance will not cause any REMIC Trust to be an “investment company” under the Investment Company Act of 1940;

(5) evidence in writing from any applicable Rating Agency (as defined in the Security Instrument) to the effect that the Defeasance will not result in a downgrading, withdrawal or qualification of the respective ratings in effect immediately prior to such Defeasance for any Securities (as hereinafter defined) issued in connection with the securitization which are then outstanding; provided, however, no evidence from a Rating Agency shall be required if this Note does not meet the then-current review requirements of such Rating Agency.

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(6) a certificate in form and scope acceptable to Lender in its sole discretion from an acceptable independent accountant certifying that the Defeasance Collateral will generate amounts sufficient to make all payments of principal and interest due under this Note through the Lockout Expiration Date and the outstanding principal balance of the Loan due on the Maturity Date based upon payments of principal and interest through the Lockout Expiration Date;

(7) Borrower and any guarantor or indemnitor of Borrower's obligations under the Loan Documents for which Borrower has personal liability executes and delivers to Lender such documents and agreements as Lender shall reasonably require to evidence and effectuate the ratification of such personal liability and guaranty or indemnity, respectively;

(8) such other certificates, documents or instruments as Lender may reasonably require; and

(9) payment of all fees, costs, expenses and charges incurred by Lender in connection with the Defeasance of the Property and the purchase of the Defeasance Collateral, including, without limitation, all legal fees and costs and expenses incurred by Lender or its agents in connection with release of the Property, review of the proposed Defeasance Collateral and preparation of the Defeasance Security Agreement and related documentation, any revenue, documentary, stamp, intangible or other taxes, charges or fees due in connection with transfer of the Note, assumption of the Note, or substitution of collateral for the Property shall be paid on or before the Release Date. Without limiting Borrower's obligations with respect thereto, Lender shall be entitled to deduct all such fees, costs, expenses and charges from the Defeasance Deposit to the extent of any portion of the Defeasance Deposit which exceeds the amount necessary to purchase the Defeasance Collateral.

(D) In connection with the Defeasance Deposit, Borrower hereby authorizes and directs Lender using the means and sources customarily employed and available to Lender to use the Defeasance Deposit to purchase for the account of Borrower the Defeasance Collateral. Furthermore, the Defeasance Collateral shall be arranged such that payments received from such Defeasance Collateral shall be paid directly to Lender to be applied on account of the indebtedness of this Note. Any part of the Defeasance Deposit in excess of the amount necessary to purchase the Defeasance Collateral and to pay the other and related costs Borrower is obligated to pay under this Section 1.5 shall be refunded to Borrower.

(ii) Upon compliance with the requirements of subsection 1.5(d)(i), the Property shall be released from the lien of the Security Instrument and the other Loan Documents, and the Defeasance Collateral shall constitute collateral which shall secure this Note and all other obligations under the Loan Documents. Lender will, at

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Borrower's expense, execute and deliver any agreements reasonably requested by Borrower to release the lien of the Security Instrument from the Property.

(iii) Upon the release of the Property in accordance with this Section 1.5(d), Borrower shall assign all its obligations and rights under this Note, together with the pledged Defeasance Collateral, to a newly created successor entity which complies with the terms of Section 2.29 of the Security Instrument designated by Lender in its sole discretion. Such successor entity shall execute an assumption agreement in form and substance satisfactory to Lender in its sole discretion pursuant to which it shall assume Borrower's obligations under this Note and the Defeasance Security Agreement. As conditions to such assignment and assumption, Borrower shall (x) deliver to Lender an opinion of counsel in form and substance satisfactory to a prudent lender and delivered by counsel satisfactory to a prudent lender stating, among other things, that such assumption agreement is enforceable against Borrower and such successor entity in accordance with its terms and that this Note and the Defeasance Security Agreement as so assumed, are enforceable against such successor entity in accordance with their respective terms, and (y) pay all costs and expenses (including, but not limited to, legal fees) incurred by Lender or its agents in connection with such assignment and assumption (including, without limitation, the review of the proposed transferee and the preparation of the assumption agreement and related documentation). Upon such assumption, Borrower shall be relieved of its obligations hereunder, under the other Loan Documents other than as specified in Section 1.5(d)(i)(C)(7) above and under the Defeasance Security Agreement (or other Defeasance document).

Section 1.6 Security. The indebtedness evidenced by this Note and the obligations created hereby are secured by, among other things, that certain mortgage, deed of trust or deed to secure debt, security agreement and fixture filing (the "Security Instrument") from Borrower for the benefit of Lender, dated of even date herewith, covering the Property. The Security Instrument, together with this Note and all other documents to or of which Lender is a party or beneficiary now or hereafter evidencing, securing, guarantying, modifying or otherwise relating to the indebtedness evidenced hereby, are herein referred to collectively as the "Loan Documents". All of the terms and provisions of the Loan Documents are incorporated herein by reference. Some of the Loan Documents are to be filed for record on or about the date hereof in the appropriate public records.

ARTICLE II

DEFAULT

Section 2.1 Events of Default. It is hereby expressly agreed that should any default occur in the payment of principal or interest as stipulated above and such payment is not made on the date such payment is due, or should any other default occur under any other Loan Document and not be cured within any applicable grace or notice period (if any), then an Event of Default (an "Event of Default") shall exist hereunder, and in such event the indebtedness evidenced hereby, including all sums advanced or accrued hereunder or under any other Loan Document, and all unpaid interest accrued thereon, shall, at the option of Lender and without

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notice to Borrower, at once become due and payable and may be collected forthwith, whether or not there has been a prior demand for payment and regardless of the stipulated date of maturity.

Section 2.2 Late Charges. In the event that any payment is not received by Lender on the date when due (subject to any applicable grace period), then, in addition to any default interest payments due hereunder, Borrower shall also pay to Lender a late charge in an amount equal to five percent (5%) of the amount of such overdue payment.

Section 2.3 Default Interest Rate. So long as any Event of Default exists hereunder or under any other Loan Document, regardless of whether or not there has been an acceleration of the indebtedness evidenced hereby, and at all times after maturity of the indebtedness evidenced hereby (whether by acceleration or otherwise), interest shall accrue on the outstanding principal balance of this Note, from the date due until the date credited, at a rate per annum equal to five percent (5%) in excess of the Note Rate, or, if such increased rate of interest may not be collected under applicable law, then at the maximum rate of interest, if any, which may be collected from Borrower under applicable law (as applicable, the "Default Interest Rate"), and such default interest shall be immediately due and payable.

Section 2.4 Borrower's Agreements. Borrower acknowledges that it would be extremely difficult or impracticable to determine Lender's actual damages resulting from any late payment or default, and such late charges and default interest are reasonable estimates of those damages and do not constitute a penalty. The remedies of Lender in this Note or in the Loan Documents, or at law or in equity, shall be cumulative and concurrent, and may be pursued singly, successively or together, in Lender's discretion.

Section 2.5 Borrower to Pay Costs. In the event that this Note, or any part hereof, is collected by or through an attorney-at-law, Borrower agrees to pay all costs of collection, including, but not limited to, reasonable attorneys' fees.

Section 2.6 Exculpation. Notwithstanding anything in this Note or the Loan Documents to the contrary, but subject to the qualifications hereinbelow set forth, Lender agrees that:

(a) Borrower shall be liable upon the indebtedness evidenced hereby and for the other obligations arising under the Loan Documents to the full extent (but only to the extent) of the security therefor, the same being all properties (whether real or personal), rights, estates and interests now or at any time hereafter securing the payment of this Note and/or the other obligations of Borrower under the Loan Documents (collectively, the "Property");

(b) if a default occurs in the timely and proper payment of all or any part of such indebtedness evidenced hereby or in the timely and proper performance of the other obligations of Borrower under the Loan Documents, any judicial proceedings brought by Lender against Borrower shall be limited to the preservation, enforcement and foreclosure, or any thereof, of the liens, security titles, estates, assignments, rights and security interests now or at any time hereafter securing the payment of this Note and/or the other obligations of Borrower under the Loan Documents, and no attachment, execution or other writ of process shall be

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sought, issued or levied upon any assets, properties or funds of Borrower other than the Property, except with respect to the liability described below in this section; and

(c) in the event of a foreclosure of such liens, security titles, estates, assignments, rights or security interests securing the payment of this Note and/or the other obligations of Borrower under the Loan Documents, no judgment for any deficiency upon the indebtedness evidenced hereby shall be sought or obtained by Lender against Borrower, except with respect to the liability described below in this section; provided, however, that, notwithstanding the foregoing provisions of this section, Borrower shall be fully and personally liable and subject to legal action (i) for proceeds paid under any insurance policies (or paid as a result of any other claim or cause of action against any person or entity) by reason of damage, loss or destruction to all or any portion of the Property, to the full extent of such proceeds not previously delivered to Lender, but which, under the terms of the Loan Documents, should have been delivered to Lender, (ii) for proceeds or awards resulting from the condemnation or other taking in lieu of condemnation of all or any portion of the Property, to the full extent of such proceeds or awards not previously delivered to Lender, but which, under the terms of the Loan Documents, should have been delivered to Lender, (iii) for all tenant security deposits or other refundable deposits paid to or held by Borrower or any other person or entity in connection with leases of all or any portion of the Property which are not applied in accordance with the terms of the applicable lease or other agreement, except if Lender receives such tenant security deposits or other refundable deposits and fails to refund same to the applicable tenant(s) in accordance with such tenant's lease, (iv) for rent and other payments received from tenants under leases of all or any portion of the Property paid more than one (1) month in advance, provided that with respect to any taxes and/or operating expenses paid by any tenants in other than monthly installments under the applicable lease, such payments shall not be paid more than one installment in advance, (v) for rents, issues, profits and revenues of all or any portion of the Property received or applicable to a period after the occurrence of any Event of Default hereunder or under the Loan Documents which are not either applied to the ordinary and necessary expenses of owning and operating the Property or paid to Lender, (vi) for waste committed on the Property, damage to the Property as a result of the intentional misconduct or gross negligence of Borrower or any of its principals, officers, general partners or members, any guarantor, any indemnitor, or any agent or employee of any such person, or any removal of all or any portion of the Property in violation of the terms of the Loan Documents, to the full extent of the losses or damages incurred by Lender on account of such occurrence, (vii) for failure to pay any valid taxes, assessments, mechanic's liens, materialmen's liens or other liens which could create liens on any portion of the Property which would be superior to the lien or security title of the Security Instrument or the other Loan Documents, to the full extent of the amount claimed by any such lien claimant except, with respect to any such taxes or assessments, to the extent that funds have been deposited with Lender pursuant to the terms of the Security Instrument specifically for the applicable taxes or assessments and not applied by Lender to pay such taxes and assessments, (viii) for all obligations and indemnities of Borrower under the Loan Documents relating to Hazardous Substances (as defined in the Security Instrument) or radon or compliance with Environmental Laws (as defined in the Security Instrument) and regulations to the full extent of any losses or damages (including those resulting from diminution in value of any Property) incurred by Lender and/or any of its affiliates as a result of the existence of such Hazardous Substances or radon or failure to comply with such Environmental Laws or regulations, and (ix) for fraud, material misrepresentation or failure to disclose a material fact,

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any untrue statement of a material fact or omission to state a material fact in the written materials and/or information provided to Lender or any of its affiliates by or on behalf of Borrower or any of its affiliates, principals, officers, general partners or members, any guarantor, any indemnitor or any agent, employee or other person authorized or apparently authorized to make statements, representations or disclosures on behalf of Borrower, any affiliate, principal, officer, general partner or member of Borrower, any guarantor or any indemnitor, to the full extent of any losses, damages and expenses of Lender and/or any of its affiliates on account thereof. References herein to particular sections of the Loan Documents shall be deemed references to such sections as affected by other provisions of the Loan Documents relating thereto. Nothing contained in this section shall (1) be deemed to be a release or impairment of the indebtedness evidenced by this Note or the other obligations of Borrower under the Loan Documents or the lien of the Loan Documents upon the Property, or (2) preclude Lender from foreclosing the Loan Documents in case of any default or from enforcing any of the other rights of Lender except as stated in this section, or (3) limit or impair in any way whatsoever (A) the Indemnity and Guaranty Agreement (the "Indemnity Agreement") or (B) the Environmental Indemnity Agreement (the "Environmental Indemnity Agreement"), each of even date herewith executed and delivered in connection with the indebtedness evidenced by this Note or release, relieve, reduce, waive or impair in any way whatsoever, any obligation of any party to the Indemnity Agreement or the Environmental Indemnity Agreement.

Notwithstanding the foregoing, the agreement of Lender not to pursue recourse liability as set forth in this Section 2.6 SHALL BECOME NULL AND VOID and shall be of no further force and effect in the event of (i) a default by Borrower, Indemnitor (as defined in the Security Instrument) or any general partner, manager or managing member of Borrower of any of the covenants set forth in Section 2.9 of the Security Instrument or a default by Borrower, Indemnitor or any general partner,

manager or managing member of Borrower which is a Single-Purpose Entity (as defined in the Security Instrument) (if any) of the covenants set forth in Section 2.29 of the Security Instrument, or (ii) if the Property or any part thereof shall become an asset in (A) a voluntary bankruptcy or insolvency proceeding of Borrower or Indemnitor, or (B) an involuntary bankruptcy or insolvency proceeding of Borrower or Indemnitor in which the Borrower or the Indemnitor colludes or any of their affiliates with creditors in such bankruptcy or insolvency proceeding and which is not dismissed within sixty (60) days of filing or (C) Borrower or Indemnitor or any of their affiliates intentionally interferes in any material respect, directly or indirectly, with Lender's exercise and/or realization of Lender's remedies under and as set forth in the Loan Documents other than by the assertion of a good faith defense based upon a failure by Lender to observe the provisions of this Section 2.6 of this Note.

Notwithstanding anything to the contrary in this Note, the Security Instrument or any of the other Loan Documents, Lender shall not be deemed to have waived any right which Lender may have under Section 506(a), 506(b), 1111(b) or any other provisions of the U.S. Bankruptcy Code to file a claim for the full amount of the indebtedness evidenced hereby or secured by the Security Instrument or any of the other Loan Documents or to require that all collateral shall continue to secure all of the indebtedness owing to Lender in accordance with this Note, the Security Instrument and the other Loan Documents.

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ARTICLE III

GENERAL CONDITIONS

Section 3.1 No Waiver; Amendment. No failure to accelerate the indebtedness evidenced hereby by reason of default hereunder, acceptance of a partial or past due payment, or indulgences granted from time to time shall be construed (i) as a novation of this Note or as a reinstatement of the indebtedness evidenced hereby or as a waiver of such right of acceleration or of the right of Lender thereafter to insist upon strict compliance with the terms of this Note, or (ii) to prevent the exercise of such right of acceleration or any other right granted hereunder or by any applicable laws; and Borrower hereby expressly waives the benefit of any statute or rule of law or equity now provided, or which may hereafter be provided, which would produce a result contrary to or in conflict with the foregoing. No extension of the time for the payment of this Note or any installment due hereunder made by agreement with any person now or hereafter liable for the payment of this Note shall operate to release, discharge, modify, change or affect the original liability of Borrower under this Note, either in whole or in part, unless Lender agrees otherwise in writing. This Note may not be changed orally, but only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

Section 3.2 Waivers. Presentment for payment, demand, protest and notice of demand, protest and nonpayment and all other notices are hereby waived by Borrower. Borrower hereby further waives and renounces, to the fullest extent permitted by law, all rights to the benefits of any moratorium, reinstatement, marshaling, forbearance, valuation, stay, extension, redemption, appraisal, exemption and homestead now or hereafter provided by the Constitution and laws of the United States of America and of each state thereof, both as to itself and in and to all of its property, real and personal, against the enforcement and collection of the obligations evidenced by this Note or the other Loan Documents.

Section 3.3 Limit of Validity. The provisions of this Note and of all agreements between Borrower and Lender, whether now existing or hereafter arising and whether written or oral, including, but not limited to, the Loan Documents, are hereby expressly limited so that in no contingency or event whatsoever, whether by reason of demand or acceleration of the maturity of this Note or otherwise, shall the amount contracted for, charged, taken, reserved, paid or agreed to be paid ("Interest") to Lender for the use, forbearance or detention of the money loaned under this Note exceed the maximum amount permissible under applicable law. If, from any circumstance whatsoever, performance or fulfillment of any provision hereof or of any agreement between Borrower and Lender shall, at the time performance or fulfillment of such provision shall be due, exceed the limit for Interest prescribed by law or otherwise transcend the limit of validity prescribed by applicable law, then, ipso facto, the obligation to be performed or fulfilled shall be reduced to such limit, and if, from any circumstance whatsoever, Lender shall ever receive anything of value deemed Interest by applicable law in excess of the maximum lawful amount, an amount equal to any excessive Interest shall be applied to the reduction of the principal balance owing under this Note in the inverse order of its maturity (whether or not then due) or, at the option of Lender, be paid over to Borrower, and not to the payment of Interest. All Interest (including any amounts or payments judicially or otherwise under the law deemed to be Interest) contracted for, charged, taken,

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reserved, paid or agreed to be paid to Lender shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the full term of this Note, including any extensions and renewals hereof until payment in full of the principal balance of this Note so that the Interest thereon for such full term will not exceed at any time the maximum amount permitted by applicable law. To the extent United States federal law permits a greater amount of interest than is permitted under the law of the State in which the Property is located, Lender will rely on United States federal law for the purpose of determining the maximum amount permitted by applicable law. Additionally, to the extent permitted by applicable law now or hereafter in effect, Lender may, at its option and from time to time, implement any other method of computing the maximum lawful rate under the law of the State in which the Property is located or under other applicable law by giving notice, if required, to Borrower as provided by applicable law now or hereafter in effect. This Section 3.3 will control all agreements between Borrower and Lender.

Section 3.4 Use of Funds. Borrower hereby warrants, represents and covenants that no funds disbursed hereunder shall be used for personal, family or household purposes.

Section 3.5 Unconditional Payment. Borrower is and shall be obligated to pay principal, interest and any and all other amounts which become payable hereunder or under the other Loan Documents absolutely and unconditionally and without any abatement, postponement, diminution or deduction and without any reduction for counterclaim or setoff. In the event that at any time any payment received by Lender hereunder shall be deemed by a court of competent jurisdiction to have been a voidable preference or fraudulent conveyance under any bankruptcy, insolvency or other debtor relief law, then the obligation to make such payment shall survive any cancellation or satisfaction of this Note or return thereof to Borrower and shall not be discharged or satisfied with any prior payment thereof or cancellation of this Note, but shall remain a valid and binding obligation enforceable in accordance with the terms and provisions hereof, and such payment shall be immediately due and payable upon demand.

Section 3.6 Governing Law. THIS NOTE SHALL BE INTERPRETED, CONSTRUED AND ENFORCED ACCORDING TO THE LAWS OF THE STATE IN WHICH THE PROPERTY IS LOCATED.

Section 3.7 Waiver of Jury Trial. BORROWER, TO THE FULL EXTENT PERMITTED BY LAW, HEREBY KNOWINGLY, INTENTIONALLY AND VOLUNTARILY, WITH AND UPON THE ADVICE OF COMPETENT COUNSEL, WAIVES, RELINQUISHES AND FOREVER FORGOES THE RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATING TO THE DEBT EVIDENCED BY THIS NOTE OR ANY CONDUCT, ACT OR OMISSION OF LENDER OR BORROWER, OR ANY OF THEIR RESPECTIVE DIRECTORS, OFFICERS, PARTNERS, MEMBERS, EMPLOYEES, AGENTS OR ATTORNEYS, OR ANY OTHER PERSONS AFFILIATED WITH LENDER OR BORROWER, IN EACH OF THE FOREGOING CASES, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE.

ARTICLE IV

MISCELLANEOUS PROVISIONS

Section 4.1 Successors and Assigns; Joint and Several; Interpretation. The terms and provisions hereof shall be binding upon and inure to the benefit of Borrower and Lender and their respective heirs, executors, legal representatives, successors, successors in title and assigns, whether by voluntary action of the parties or by operation of law. As used herein, the terms "Borrower" and "Lender" shall be deemed to include their respective heirs, executors, legal representatives, successors, successors in title and assigns, whether by voluntary action of the parties or by operation of law. If Borrower consists of more than one person or entity, each shall be jointly and severally liable to perform the obligations of Borrower under this Note. All personal pronouns used herein, whether used in the masculine, feminine or neuter gender, shall include all other genders; the singular shall include the plural and vice versa. Titles of articles and sections are for convenience only and in no way define, limit, amplify or describe the scope or intent of any provisions hereof. Time is of the essence with respect to all provisions of this Note. This Note and the other Loan Documents contain the entire agreements between the parties hereto relating to the subject matter hereof and thereof and all prior agreements relative hereto and thereto which are not contained herein or therein are terminated.

Section 4.2 Taxpayer Identification. Borrower's Tax Identification Number is 34-2004593.

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IN WITNESS WHEREOF, Borrower has executed this Note as of the date first written above.

BORROWER:

4 BECKER SPE LLC,
a Delaware limited liability company

By: /s/ Mitchell E. Hersh
Name: Mitchell E. Hersh
Title: President and Chief Executive Officer

STATE OF New Jersey

SS:

COUNTY OF Union

BE IT REMEMBERED that on the 8th day of May, 2006, Mitchell E. Hersh personally came before me, and this person acknowledged under oath, to my satisfaction, that he is the President and Chief Executive Officer of 4 Becker SPE LLC, a Delaware limited liability company, the entity named in this document, and this document was signed and delivered by the entity as its voluntary act duly authorized by a proper resolution of the limited liability company.

/s/ Beverly E. Sturr
Beverly E. Sturr
Notary Public of New Jersey
My Commission expires on March 30, 2010

INTEREST ONLY

ANNEX 1 TO \$43,000,000 PROMISSORY NOTE
BY 4 BECKER SPE LLC
TO WACHOVIA BANK, NATIONAL ASSOCIATION

[SEE ATTACHED]

LOAN TERMS

Note Rate % (Per Annum)	6.270%
Original Amortization Term (Months)	360
Monthly Payment Amount (Excluding IO Period)	\$ 265,317.98
Note Date	5/9/2006
First Pay Date	6/11/2006
Original Loan Term (Months)	120
Scheduled Maturity Date	5/11/2016
Interest Accrual Basis During Amortization Periods	ACTUAL/360
Interest Only (IO) Periods (Months)	60
Interest Accrual Basis During IO Period	ACTUAL/360

4 BECKER FARM ROAD

502856396

Pay Period	Pay Date	Accrual Days in Period	Scheduled Payment	Interest Component of Scheduled Payment	Principal Component of Scheduled Payment	Ending Unpaid Principal Balance
0	5/11/2006	2	\$ 0.00	\$ 14,978.34	\$ 0.00	\$ 43,000,000.00
1	6/11/2006	31	\$ 232,164.17	\$ 232,164.17	\$ 0.00	\$ 43,000,000.00
2	7/11/2006	30	\$ 224,675.00	\$ 224,675.00	\$ 0.00	\$ 43,000,000.00
3	8/11/2006	31	\$ 232,164.17	\$ 232,164.17	\$ 0.00	\$ 43,000,000.00
4	9/11/2006	31	\$ 232,164.17	\$ 232,164.17	\$ 0.00	\$ 43,000,000.00
5	10/11/2006	30	\$ 224,675.00	\$ 224,675.00	\$ 0.00	\$ 43,000,000.00
6	11/11/2006	31	\$ 232,164.17	\$ 232,164.17	\$ 0.00	\$ 43,000,000.00
7	12/11/2006	30	\$ 224,675.00	\$ 224,675.00	\$ 0.00	\$ 43,000,000.00
8	1/11/2007	31	\$ 232,164.17	\$ 232,164.17	\$ 0.00	\$ 43,000,000.00
9	2/11/2007	31	\$ 232,164.17	\$ 232,164.17	\$ 0.00	\$ 43,000,000.00
10	3/11/2007	28	\$ 209,696.67	\$ 209,696.67	\$ 0.00	\$ 43,000,000.00
11	4/11/2007	31	\$ 232,164.17	\$ 232,164.17	\$ 0.00	\$ 43,000,000.00
12	5/11/2007	30	\$ 224,675.00	\$ 224,675.00	\$ 0.00	\$ 43,000,000.00
13	6/11/2007	31	\$ 232,164.17	\$ 232,164.17	\$ 0.00	\$ 43,000,000.00

14	7/11/2007	30	\$ 224,675.00	\$ 224,675.00	\$ 0.00	\$ 43,000,000.00
15	8/11/2007	31	\$ 232,164.17	\$ 232,164.17	\$ 0.00	\$ 43,000,000.00
16	9/11/2007	31	\$ 232,164.17	\$ 232,164.17	\$ 0.00	\$ 43,000,000.00
17	10/11/2007	30	\$ 224,675.00	\$ 224,675.00	\$ 0.00	\$ 43,000,000.00
18	11/11/2007	31	\$ 232,164.17	\$ 232,164.17	\$ 0.00	\$ 43,000,000.00
19	12/11/2007	30	\$ 224,675.00	\$ 224,675.00	\$ 0.00	\$ 43,000,000.00
20	1/11/2008	31	\$ 232,164.17	\$ 232,164.17	\$ 0.00	\$ 43,000,000.00
21	2/11/2008	31	\$ 232,164.17	\$ 232,164.17	\$ 0.00	\$ 43,000,000.00
22	3/11/2008	29	\$ 217,185.83	\$ 217,185.83	\$ 0.00	\$ 43,000,000.00
23	4/11/2008	31	\$ 232,164.17	\$ 232,164.17	\$ 0.00	\$ 43,000,000.00
24	5/11/2008	30	\$ 224,675.00	\$ 224,675.00	\$ 0.00	\$ 43,000,000.00
25	6/11/2008	31	\$ 232,164.17	\$ 232,164.17	\$ 0.00	\$ 43,000,000.00
26	7/11/2008	30	\$ 224,675.00	\$ 224,675.00	\$ 0.00	\$ 43,000,000.00
27	8/11/2008	31	\$ 232,164.17	\$ 232,164.17	\$ 0.00	\$ 43,000,000.00
28	9/11/2008	31	\$ 232,164.17	\$ 232,164.17	\$ 0.00	\$ 43,000,000.00
29	10/11/2008	30	\$ 224,675.00	\$ 224,675.00	\$ 0.00	\$ 43,000,000.00
30	11/11/2008	31	\$ 232,164.17	\$ 232,164.17	\$ 0.00	\$ 43,000,000.00
31	12/11/2008	30	\$ 224,675.00	\$ 224,675.00	\$ 0.00	\$ 43,000,000.00
32	1/11/2009	31	\$ 232,164.17	\$ 232,164.17	\$ 0.00	\$ 43,000,000.00
33	2/11/2009	31	\$ 232,164.17	\$ 232,164.17	\$ 0.00	\$ 43,000,000.00
34	3/11/2009	28	\$ 209,696.67	\$ 209,696.67	\$ 0.00	\$ 43,000,000.00
35	4/11/2009	31	\$ 232,164.17	\$ 232,164.17	\$ 0.00	\$ 43,000,000.00
36	5/11/2009	30	\$ 224,675.00	\$ 224,675.00	\$ 0.00	\$ 43,000,000.00
37	6/11/2009	31	\$ 232,164.17	\$ 232,164.17	\$ 0.00	\$ 43,000,000.00
38	7/11/2009	30	\$ 224,675.00	\$ 224,675.00	\$ 0.00	\$ 43,000,000.00
39	8/11/2009	31	\$ 232,164.17	\$ 232,164.17	\$ 0.00	\$ 43,000,000.00
40	9/11/2009	31	\$ 232,164.17	\$ 232,164.17	\$ 0.00	\$ 43,000,000.00
41	10/11/2009	30	\$ 224,675.00	\$ 224,675.00	\$ 0.00	\$ 43,000,000.00
42	11/11/2009	31	\$ 232,164.17	\$ 232,164.17	\$ 0.00	\$ 43,000,000.00
43	12/11/2009	30	\$ 224,675.00	\$ 224,675.00	\$ 0.00	\$ 43,000,000.00
44	1/11/2010	31	\$ 232,164.17	\$ 232,164.17	\$ 0.00	\$ 43,000,000.00
45	2/11/2010	31	\$ 232,164.17	\$ 232,164.17	\$ 0.00	\$ 43,000,000.00
46	3/11/2010	28	\$ 209,696.67	\$ 209,696.67	\$ 0.00	\$ 43,000,000.00
47	4/11/2010	31	\$ 232,164.17	\$ 232,164.17	\$ 0.00	\$ 43,000,000.00
48	5/11/2010	30	\$ 224,675.00	\$ 224,675.00	\$ 0.00	\$ 43,000,000.00

49	6/11/2010	31	\$	232,164.17	\$	232,164.17	\$	0.00	\$	43,000,000.00
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50	7/11/2010	30	\$	224,675.00	\$	224,675.00	\$	0.00	\$	43,000,000.00
51	8/11/2010	31	\$	232,164.17	\$	232,164.17	\$	0.00	\$	43,000,000.00
52	9/11/2010	31	\$	232,164.17	\$	232,164.17	\$	0.00	\$	43,000,000.00
53	10/11/2010	30	\$	224,675.00	\$	224,675.00	\$	0.00	\$	43,000,000.00
54	11/11/2010	31	\$	232,164.17	\$	232,164.17	\$	0.00	\$	43,000,000.00
55	12/11/2010	30	\$	224,675.00	\$	224,675.00	\$	0.00	\$	43,000,000.00
56	1/11/2011	31	\$	232,164.17	\$	232,164.17	\$	0.00	\$	43,000,000.00
57	2/11/2011	31	\$	232,164.17	\$	232,164.17	\$	0.00	\$	43,000,000.00
58	3/11/2011	28	\$	209,696.67	\$	209,696.67	\$	0.00	\$	43,000,000.00
59	4/11/2011	31	\$	232,164.17	\$	232,164.17	\$	0.00	\$	43,000,000.00
60	5/11/2011	30	\$	224,675.00	\$	224,675.00	\$	0.00	\$	43,000,000.00
61	6/11/2011	31	\$	265,317.98	\$	232,164.17	\$	33,153.81	\$	42,966,846.19
62	7/11/2011	30	\$	265,317.98	\$	224,501.77	\$	40,816.21	\$	42,926,029.98
63	8/11/2011	31	\$	265,317.98	\$	231,764.79	\$	33,553.19	\$	42,892,476.79
64	9/11/2011	31	\$	265,317.98	\$	231,583.63	\$	33,734.35	\$	42,858,742.44
65	10/11/2011	30	\$	265,317.98	\$	223,936.93	\$	41,381.05	\$	42,817,361.39
66	11/11/2011	31	\$	265,317.98	\$	231,178.07	\$	34,139.91	\$	42,783,221.48
67	12/11/2011	30	\$	265,317.98	\$	223,542.33	\$	41,775.65	\$	42,741,445.83
68	1/11/2012	31	\$	265,317.98	\$	230,768.19	\$	34,549.79	\$	42,706,896.04
69	2/11/2012	31	\$	265,317.98	\$	230,581.65	\$	34,736.33	\$	42,672,159.71
70	3/11/2012	29	\$	265,317.98	\$	215,529.97	\$	49,788.01	\$	42,622,371.70
71	4/11/2012	31	\$	265,317.98	\$	230,125.29	\$	35,192.69	\$	42,587,179.01
72	5/11/2012	30	\$	265,317.98	\$	222,518.01	\$	42,799.97	\$	42,544,379.04
73	6/11/2012	31	\$	265,317.98	\$	229,704.19	\$	35,613.79	\$	42,508,765.25
74	7/11/2012	30	\$	265,317.98	\$	222,108.30	\$	43,209.68	\$	42,465,555.57
75	8/11/2012	31	\$	265,317.98	\$	229,278.61	\$	36,039.37	\$	42,429,516.20
76	9/11/2012	31	\$	265,317.98	\$	229,084.03	\$	36,233.95	\$	42,393,282.25
77	10/11/2012	30	\$	265,317.98	\$	221,504.90	\$	43,813.08	\$	42,349,469.17
78	11/11/2012	31	\$	265,317.98	\$	228,651.84	\$	36,666.14	\$	42,312,803.03
79	12/11/2012	30	\$	265,317.98	\$	221,084.40	\$	44,233.58	\$	42,268,569.45
80	1/11/2013	31	\$	265,317.98	\$	228,215.05	\$	37,102.93	\$	42,231,466.52
81	2/11/2013	31	\$	265,317.98	\$	228,014.73	\$	37,303.25	\$	42,194,163.27
82	3/11/2013	28	\$	265,317.98	\$	205,766.87	\$	59,551.11	\$	42,134,612.16
83	4/11/2013	31	\$	265,317.98	\$	227,491.79	\$	37,826.19	\$	42,096,785.97
84	5/11/2013	30	\$	265,317.98	\$	219,955.71	\$	45,362.27	\$	42,051,423.70
85	6/11/2013	31	\$	265,317.98	\$	227,042.65	\$	38,275.33	\$	42,013,148.37

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86	7/11/2013	30	\$	265,317.98	\$	219,518.70	\$	45,799.28	\$	41,967,349.09
87	8/11/2013	31	\$	265,317.98	\$	226,588.71	\$	38,729.27	\$	41,928,619.82
88	9/11/2013	31	\$	265,317.98	\$	226,379.61	\$	38,938.37	\$	41,889,681.45
89	10/11/2013	30	\$	265,317.98	\$	218,873.59	\$	46,444.39	\$	41,843,237.06
90	11/11/2013	31	\$	265,317.98	\$	225,918.61	\$	39,399.37	\$	41,803,837.69
91	12/11/2013	30	\$	265,317.98	\$	218,425.05	\$	46,892.93	\$	41,756,944.76
92	1/11/2014	31	\$	265,317.98	\$	225,452.70	\$	39,865.28	\$	41,717,079.48
93	2/11/2014	31	\$	265,317.98	\$	225,237.46	\$	40,080.52	\$	41,676,998.96
94	3/11/2014	28	\$	265,317.98	\$	203,244.83	\$	62,073.15	\$	41,614,925.81
95	4/11/2014	31	\$	265,317.98	\$	224,685.92	\$	40,632.06	\$	41,574,293.75
96	5/11/2014	30	\$	265,317.98	\$	217,225.68	\$	48,092.30	\$	41,526,201.45
97	6/11/2014	31	\$	265,317.98	\$	224,206.88	\$	41,111.10	\$	41,485,090.35
98	7/11/2014	30	\$	265,317.98	\$	216,759.60	\$	48,558.38	\$	41,436,531.97
99	8/11/2014	31	\$	265,317.98	\$	223,722.74	\$	41,595.24	\$	41,394,936.73
100	9/11/2014	31	\$	265,317.98	\$	223,498.16	\$	41,819.82	\$	41,353,116.91
101	10/11/2014	30	\$	265,317.98	\$	216,070.04	\$	49,247.94	\$	41,303,868.97
102	11/11/2014	31	\$	265,317.98	\$	223,006.47	\$	42,311.51	\$	41,261,557.46
103	12/11/2014	30	\$	265,317.98	\$	215,591.64	\$	49,726.34	\$	41,211,831.12
104	1/11/2015	31	\$	265,317.98	\$	222,509.54	\$	42,808.44	\$	41,169,022.68
105	2/11/2015	31	\$	265,317.98	\$	222,278.41	\$	43,039.57	\$	41,125,983.11
106	3/11/2015	28	\$	265,317.98	\$	200,557.71	\$	64,760.27	\$	41,061,222.84
107	4/11/2015	31	\$	265,317.98	\$	221,696.39	\$	43,621.59	\$	41,017,601.25
108	5/11/2015	30	\$	265,317.98	\$	214,316.97	\$	51,001.01	\$	40,966,600.24
109	6/11/2015	31	\$	265,317.98	\$	221,185.50	\$	44,132.48	\$	40,922,467.76
110	7/11/2015	30	\$	265,317.98	\$	213,819.89	\$	51,498.09	\$	40,870,969.67
111	8/11/2015	31	\$	265,317.98	\$	220,669.18	\$	44,648.80	\$	40,826,320.87
112	9/11/2015	31	\$	265,317.98	\$	220,428.11	\$	44,889.87	\$	40,781,431.00
113	10/11/2015	30	\$	265,317.98	\$	213,082.98	\$	52,235.00	\$	40,729,196.00
114	11/11/2015	31	\$	265,317.98	\$	219,903.72	\$	45,414.26	\$	40,683,781.74

115	12/11/2015	30	\$	265,317.98	\$	212,572.76	\$	52,745.22	\$	40,631,036.52
116	1/11/2016	31	\$	265,317.98	\$	219,373.74	\$	45,944.24	\$	40,585,092.28
117	2/11/2016	31	\$	265,317.98	\$	219,125.68	\$	46,192.30	\$	40,538,899.98
118	3/11/2016	29	\$	265,317.98	\$	204,755.23	\$	60,562.75	\$	40,478,337.23
119	4/11/2016	31	\$	265,317.98	\$	218,549.29	\$	46,768.69	\$	40,431,568.54
120	5/11/2016	30	\$	40,642,823.49	\$	211,254.95	\$	40,431,568.54	\$	0.00

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120		3,653	\$	69,971,802.77	\$	26,971,802.77	\$	43,000,000.00		
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I-6

PREPARED BY AND UPON RECORDATION
RETURN TO:

Winston & Strawn LLP
200 Park Avenue
New York, New York
Attention: Corey A. Tessler, Esq.

Loan No.: 502856398

210 Clay Avenue, Lyndhurst, New Jersey

210 CLAY SPE LLC,
as Borrower

to

WACHOVIA BANK, NATIONAL ASSOCIATION,
as Lender

MORTGAGE, SECURITY AGREEMENT AND FIXTURE FILING

Date: May 9, 2006

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MORTGAGE, SECURITY AGREEMENT AND FIXTURE FILING

THIS MORTGAGE, SECURITY AGREEMENT AND FIXTURE FILING(as the same may be from time to time amended, consolidated, renewed or replaced, this "Mortgage") is made as of May 9, 2006 by 210 CLAY SPE LLC, a Delaware limited liability company, as grantor ("Borrower"), whose address c/o Mack-Cali Realty, L.P. at 11 Commerce Drive, Cranford, New Jersey 07016, to WACHOVIA BANK, NATIONAL ASSOCIATION, a national banking association, as beneficiary (together with its successors and assigns, "Lender"), whose address is Commercial Real Estate Services, 8739 Research Drive URP — 4, NC 1075, Charlotte, North Carolina 28262.

WITNESSETH:

THAT FOR AND IN CONSIDERATION OF THE SUM OF TEN AND NO/100 DOLLARS (\$10.00), AND OTHER VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH ARE HEREBY ACKNOWLEDGED, BORROWER HEREBY IRREVOCABLY MORTGAGES, GRANTS, BARGAINS, SELLS, CONVEYS, TRANSFERS, PLEDGES, SETS OVER AND ASSIGNS, with power of sale, all of Borrower's estate, right, title and interest in, to and under any and all of the following described property, whether now owned or hereafter acquired by Borrower (collectively, the "Property"):

(A) All that certain real property situated in the County of Bergen, State of New Jersey, more particularly described on Exhibit A attached hereto and incorporated herein by this reference (the "Premises"), together with all of the easements, rights, privileges, franchises, tenements, hereditaments and appurtenances now or hereafter thereunto belonging or in any way appertaining thereto, and all of the estate, right, title, interest, claim and demand whatsoever of Borrower therein or thereto, either at law or in equity, in possession or in expectancy, now or hereafter acquired;

(B) All structures, buildings and improvements of every kind and description now or at any time hereafter located or placed on the Premises (the "Improvements");

(C) All furniture, furnishings, fixtures, goods, equipment, inventory or personal property owned by Borrower and now or hereafter located on, attached to or used in and about the Improvements, including, but not limited to, all machines, engines, boilers, dynamos, elevators, stokers, tanks, cabinets, awnings, screens, shades, blinds, carpets, draperies, lawn mowers, and all appliances, plumbing, heating, air conditioning, lighting, ventilating, refrigerating, disposal and incinerating equipment, and all fixtures and appurtenances thereto, and such other goods and chattels and personal property owned by Borrower as are now or hereafter used or furnished in operating the Improvements, or the activities conducted therein, and all building materials and equipment hereafter situated on or about the Premises or Improvements, and all warranties and guaranties relating thereto, and all additions thereto and substitutions and replacements therefor (exclusive of any of the foregoing owned or leased by tenants of space in the Improvements);

(D) All easements, rights-of-way, strips and gores of land, vaults, streets, ways, alleys, passages, sewer rights, and other emblements now or hereafter located on the Premises or under or above the same or any part or parcel thereof, and all estates, rights, titles, interests, tenements, hereditaments and appurtenances, reversions and remainders whatsoever, in any way belonging, relating or appertaining to the Property or any part thereof, or which hereafter shall in any way belong, relate or be appurtenant thereto, whether now owned or hereafter acquired by Borrower;

(E) All water, ditches, wells, reservoirs and drains and all water, ditch, well, reservoir and drainage rights which are appurtenant to, located on, under or above or used in connection with the Premises or the Improvements, or any part thereof, whether now existing or hereafter created or acquired;

(F) All minerals, crops, timber, trees, shrubs, flowers and landscaping features now or hereafter located on, under or above the Premises;

(G) All cash funds, deposit accounts and other rights and evidence of rights to cash, now or hereafter created or held by Lender pursuant to this Mortgage or any other of the Loan Documents (as hereinafter defined), including, without limitation, all funds now or hereafter on deposit in the Reserves (as hereinafter defined);

(H) All leases (including, without limitation, oil, gas and mineral leases), licenses, concessions and occupancy agreements of all or any part of the Premises or the Improvements (each, a "Lease" and collectively, "Leases"), whether written or oral, now or hereafter entered into and all rents, royalties, issues, profits, bonus money, revenue, income, rights and other benefits (collectively, the "Rents and Profits") of the Premises or the Improvements, now or hereafter arising from the use or enjoyment of all or any portion thereof or from any present or future Lease or other agreement pertaining thereto or arising from any of the Leases or any of the General Intangibles (as hereinafter defined) and all cash or securities deposited to secure performance by the tenants, lessees or licensees (each, a "Tenant" and collectively, "Tenants"), as applicable, of their obligations under any such Leases, whether said cash or securities are to be held until the expiration of the terms of said Leases or applied to one or more of the installments of rent coming due prior to the expiration of said terms, subject, however, to the provisions contained in Section 2.7 hereinbelow;

(I) All contracts and agreements now or hereafter entered into covering any part of the Premises or the Improvements (collectively, the "Contracts") and all revenue, income and other benefits thereof, including, without limitation, management agreements, service contracts, maintenance contracts, equipment leases, personal property leases and any contracts or documents relating to construction on any part of the Premises or the Improvements (including plans, drawings, surveys, tests, reports, bonds and governmental approvals) or to the management or operation of any part of the Premises or the Improvements;

(J) All present and future monetary deposits given to any public or private utility with respect to utility services furnished to any part of the Premises or the Improvements;

(K) All present and future funds, accounts, instruments, accounts receivable, documents, causes of action, claims, general intangibles (including, without limitation, trademarks, trade names, service marks and symbols now or hereafter used in connection with any part of the Premises or the Improvements, all names by which the Premises or the Improvements may be operated or known, all rights to carry on business under such names, and all rights, interest and privileges which Borrower has or may have as developer or declarant under any covenants, restrictions or declarations now or hereafter relating to the Premises or the Improvements) and all notes or chattel paper now or hereafter arising from or by virtue of any transactions related to the Premises or the Improvements (collectively, the "General Intangibles");

(L) All water taps, sewer taps, certificates of occupancy, permits, licenses, franchises, certificates, consents, approvals and other rights and privileges now or hereafter obtained in connection with the Premises or the Improvements and all present and future warranties and guaranties relating to the Improvements or to any equipment, fixtures, furniture, furnishings, personal property or components of any of the foregoing now or hereafter located or installed on the Premises or the Improvements;

(M) All building materials, supplies and equipment now or hereafter placed on the Premises or in the Improvements and all architectural renderings, models, drawings, plans, specifications, studies and data now or hereafter relating to the Premises or the Improvements;

(N) All right, title and interest of Borrower in any insurance policies or binders now or hereafter relating to the Property, including any unearned premiums thereon;

(O) All proceeds, products, substitutions and accessions (including claims and demands therefor) of the conversion, voluntary or involuntary, of any of the foregoing into cash or liquidated claims, including, without limitation, proceeds of insurance and condemnation awards; and

(P) All other or greater rights and interests of every nature in the Premises or the Improvements and in the possession or use thereof and income therefrom, whether now owned or hereafter acquired by Borrower.

FOR THE PURPOSE OF SECURING:

(1) The loan (the "Loan") evidenced by that certain Promissory Note (such Promissory Note, together with any and all renewals, amendments, modifications, consolidations and extensions thereof, is hereinafter referred to as the "Note") of even date with this Mortgage, made by Borrower payable to the order of Lender in the principal face amount of SIXTEEN MILLION AND NO/100 DOLLARS (\$16,000,000.00), together with interest as therein provided;

(2) The full and prompt payment and performance of all of the provisions, agreements, covenants and obligations herein contained and contained in any other agreements, documents or instruments now or hereafter evidencing, securing or otherwise relating to the Debt (as hereinafter defined), the Environmental Indemnity Agreement (as hereinafter defined) and the Indemnity and Guaranty Agreement (as hereinafter defined) (the Note, this Mortgage, and such other agreements, documents and instruments, together with any and all renewals, amendments, extensions and modifications thereof, are hereinafter collectively referred to as the "Loan Documents") and the payment of all other sums herein or therein covenanted to be paid;

(3) Any and all additional advances made by Lender to protect or preserve the Property or the lien or security interest created hereby on the Property, or for taxes, assessments or insurance premiums as hereinafter provided or for performance of any of Borrower's obligations hereunder or under the other Loan Documents or for any other purpose provided herein or in the other Loan Documents (whether or not the original Borrower remains the owner of the Property at the time of such advances); and

(4) Any and all other indebtedness now owing or which may hereafter be owing by Borrower to Lender, including, without limitation, all prepayment fees, however and whenever incurred or evidenced, whether express or implied, direct or indirect, absolute or contingent, or due or to become due, and all renewals, modifications, consolidations, replacements and extensions thereof, it being contemplated by Borrower and Lender that Borrower may hereafter become so indebted to Lender.

(All of the sums referred to in Paragraphs (1) through (4) above are herein referred to as the "Debt").

TO HAVE AND TO HOLD the Property unto Lender, its successors and assigns forever, and Borrower does hereby bind itself, its successors and assigns, to WARRANT AND FOREVER DEFEND the title to the Property, subject to the Permitted Encumbrances (as hereinafter defined), to Lender against every person whomsoever lawfully claiming or to claim the same or any part thereof;

PROVIDED, HOWEVER, that if the principal and interest and all other sums due or to become due under the Note or under the other Loan Documents, including, without limitation, any prepayment fees required pursuant to the terms of the Note, shall have been paid at the time and in the manner stipulated therein and the Debt shall have been paid and all other covenants contained in the Loan Documents shall have been performed, then, in such case, the liens, security interests, estates and rights granted by this Mortgage shall be satisfied and the estate, right, title and interest of Lender in the Property shall cease, and upon payment to Lender of all costs and expenses incurred for the preparation of the release hereinafter referenced and all recording costs if allowed by law, Lender shall promptly satisfy and release this Mortgage of record and the lien hereof by proper instrument.

ARTICLE I

REPRESENTATIONS AND WARRANTIES OF BORROWER

Borrower, for itself and its successors and assigns, does hereby represent, warrant and covenant to and with Lender, its successors and assigns, that:

Section 1.1 Organization: Special Purpose. Borrower has been duly organized and is validly existing and in good standing under the laws of the state of its formation, with requisite power and authority, and all rights, licenses, permits and authorizations, governmental or otherwise, necessary to own its properties and to transact the business in which it is now engaged. Borrower is duly qualified to do business and is in good standing in each jurisdiction where it is required to be so qualified in connection with its properties, business and operations. Borrower possesses all franchises, patents, copyrights, trademarks, trade names, licenses and permits necessary for the conduct of its business substantially as now conducted. Borrower is a Single-Purpose Entity in compliance with the provisions of Section 2.29 hereof. All of the assumptions made in that certain substantive non-consolidation opinion letter dated the date hereof, delivered by Borrower's counsel in connection with the Loan and any subsequent non-consolidation opinion delivered in accordance with the terms and conditions of this Mortgage (the "Non-Consolidation Opinion"), including, but not limited to, any exhibits attached thereto, are true and correct in all respects.

Section 1.2 Title. Borrower has good, marketable and indefeasible fee simple title to the Property, subject only to those matters expressly set forth as exceptions to or subordinate matters in the title insurance policy insuring the lien of this Mortgage delivered as of the date hereof which Lender has agreed to accept, excepting therefrom all preprinted and/or standard exceptions (such items being the "Permitted Encumbrances"), and has full power and lawful authority to grant, bargain, sell, convey, assign, transfer, encumber and mortgage its interest in the Property in the manner and form hereby done or intended. Borrower will preserve its interest in and title to the Property and will forever warrant and defend the same to Lender against any and all claims whatsoever and will forever warrant and defend the validity and priority of the lien and security interest created herein against the claims of all persons and parties whomsoever, subject to the Permitted Encumbrances. This Mortgage creates (i) a valid, perfected lien on the Premises, subject only to Permitted Encumbrances and the liens created by the Loan Documents and (ii) perfected security interests in and to, and perfected collateral assignments of, all personalty, all in accordance with the terms thereof, in each case subject only to any applicable Permitted Encumbrances, such other liens as are permitted pursuant to the Loan Documents and the liens created by the Loan Documents. There are no security agreements or financing statements affecting all or any portion of the Property other than (i) as disclosed in writing by Borrower to Lender prior to the date hereof and (ii) the security agreements and financing statements created in favor of Lender. There are no claims for payment for work, labor or materials affecting the Premises which are or may become a lien prior to, or of equal priority with, the liens created by the Loan Documents. None of the Permitted Encumbrances, individually or in the aggregate, materially interfere with the benefits of the security intended to be provided by this Mortgage, materially and adversely affect the value of the Premises, impair the use or operations of the Premises or impair Borrower's ability to pay its obligations in a timely manner. The foregoing warranty of title shall survive the foreclosure of this Mortgage

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and shall inure to the benefit of and be enforceable by Lender in the event Lender acquires title to the Property pursuant to any foreclosure.

Section 1.3 No Bankruptcy Filing. No bankruptcy, insolvency proceedings or liquidation of all or a substantial portion of the Property is pending or contemplated by Borrower or, to the best knowledge of Borrower, against Borrower or by or against any endorser or cosigner of the Note or of any portion of the Debt, or any guarantor or indemnitor under any guaranty or indemnity agreement, including, without limitation, that certain Indemnity and Guaranty Agreement, dated the date hereof, executed by Mack-Cali Realty, L.P., a Delaware limited partnership, in favor of Lender (the "Guaranty Agreement"), executed in connection with the Note or the loan evidenced thereby and secured hereby (an "Indemnitor"). No petition in bankruptcy has been filed against Borrower or any general partner, manager, sole member, managing member or majority shareholder of Borrower, as applicable (collectively, the "Borrower Parties", each a "Borrower Party"), and neither Borrower Party or any principal of a Borrower Party has ever made an assignment for the benefit of creditors or taken advantage of any insolvency act for the benefit of debtors.

Section 1.4 Full and Accurate Disclosure. No statement of fact made by Borrower in any Loan Documents contains any untrue statement of a material fact or omits to state any material fact necessary to make statements contained therein not misleading. There is no material fact presently known to Borrower that has not been disclosed to Lender which adversely affects, or, as far as Borrower can foresee, might adversely affect, the Property or the business, operations or condition (financial or otherwise) of Borrower. All financial data, including the statements of cash flow and income and operating expense, that have been delivered to Lender in respect of Borrower and the Property (i) are true, complete and correct in all material respects, (ii) accurately represent the financial condition of Borrower and the Property as of the date of such reports, and (iii) to the extent prepared by an independent certified public accounting firm, have been prepared in accordance with generally accepted accounting principles consistently applied throughout the periods covered, except as disclosed therein. Borrower has no contingent liabilities, liabilities for taxes, unusual forward or long-term commitments, unrealized or anticipated losses from any unfavorable commitments or any liabilities or obligations not expressly permitted by this Mortgage. Since the date of such financial statements, there has been no materially adverse change in the financial condition, operations or business of Borrower or the Property from that set forth in said financial statements.

Section 1.5 Proceedings: Enforceability. The execution, delivery and performance of this Mortgage, the Note and all of the other Loan Documents have been duly authorized by all necessary action to be, and are, binding and enforceable against Borrower in accordance with the respective terms thereof and do not contravene, result in a breach of or constitute a default (nor upon the giving of notice or the passage of time or both will same constitute a default) under the partnership agreement, articles of incorporation, operating agreement or other organizational documents of Borrower or any contract or agreement of any nature to which Borrower is a party or by which Borrower or any of its property may be bound and do not violate or contravene any law, order, decree, rule or regulation to which Borrower is subject. The Loan Documents are not subject to, and Borrower has not asserted, any right of rescission, set-off, counterclaim or defense, including the defense of usury.

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Section 1.6 No Conflicts. Borrower is not required to obtain any consent, approval or authorization from or to file any declaration or statement with, any governmental authority or agency in connection with or as a condition to the execution, delivery or performance of this Mortgage, the Note or the other Loan Documents which has not been so obtained or filed. Borrower has obtained or made all necessary (i) consents, approvals and authorizations and registrations and filings of or with all governmental authorities or agencies and (ii) consents, approvals, waivers and notifications of partners, stockholders, members, creditors, lessors and other non-governmental persons and/or entities, in each case, which are required to be obtained or made by Borrower in connection with the execution and delivery of, and the performance by Borrower of its obligations under, the Loan Documents.

Section 1.7 Federal Reserve Regulations: Investment Company Act. No part of the proceeds of the Loan will be used for the purpose of purchasing or acquiring any "margin stock" within the meaning of Regulation T, U or X of the Board of Governors of the Federal Reserve System or for any other purpose that would be inconsistent with such Regulation T, U or X or any other regulation of such Board of Governors, or for any purpose prohibited by law or any Loan Document. Borrower is not (i) an "investment company" or a company "controlled" by an "investment company," within the meaning of the Investment Company Act of 1940, as amended; (ii) a "holding company" or a "subsidiary company" of a "holding company" or an "affiliate" of either a "holding company" or a "subsidiary company" within the meaning of the Public Utility Holding Company Act of 1935, as amended; or (iii) subject to any other federal or state law or regulation which purports to restrict or regulate its ability to borrow money.

Section 1.8 Taxes. Borrower and any general partner or managing member of Borrower, if any, has filed all federal, state and local tax returns required to be filed as of the date hereof and has paid or made adequate provision for the payment of all federal, state and local taxes, charges and assessments payable by Borrower and any general partner or managing member, if any, as of the date hereof. Borrower and any general partner or managing member, if any, believe that their respective tax returns

properly reflect the income and taxes of Borrower and said general partner or managing member, if any, for the periods covered thereby, subject only to reasonable adjustments required by the Internal Revenue Service or other applicable tax authority upon audit. Borrower and the Property are free from any past due obligations for sales and payroll taxes.

Section 1.9 ERISA. Borrower (i) has no knowledge of any material liability that has been incurred or is expected to be incurred by Borrower that is or remains unsatisfied for any taxes or penalties with respect to any "employee benefit plan", as defined in section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or any "plan" within the meaning of Section 4975(e)(1) of the Internal Revenue Code of 1986, as amended (the "Code") or any other benefit plan (other than a multi-employer plan) maintained, contributed to, or required to be contributed to by Borrower or by any entity that is under the common control with Borrower within the meaning of ERISA Section 4001(a)(14) (collectively, a "Plan") or any plan that would be a Plan but for the fact that it is a multi-employer plan within the meaning of ERISA Section 3(37) and (ii) has made and shall continue to make when due all required contributions to all such Plans, if any. Each such Plan, if any, has been and will be administered in compliance with its terms and the applicable provisions of ERISA, the Code and any other applicable Federal or state law and no action shall be taken or fail to be taken that would result in

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the disqualification or loss of the tax-exempt status of any such Plan, if any, intended to be qualified or tax-exempt. The assets of Borrower do not constitute "plan assets" of one or more such plans within the meaning of 29 C.F.R. Section 2510.3-101.

Section 1.10 Property Compliance. The Premises and the Improvements and the current intended use thereof by Borrower comply in all material respects with all applicable restrictive covenants, zoning ordinances, subdivision and building codes, flood disaster laws, health and environmental laws and regulations and all other ordinances, orders or requirements issued by any state, federal or municipal authorities having or claiming jurisdiction over the Property, except as otherwise previously disclosed to Lender in writing. In the event that all or any part of the Improvements are destroyed or damaged, said Improvements can be legally reconstructed to their condition prior to such damage or destruction, and thereafter exist for the same use without violating any zoning or other ordinances applicable thereto and without the necessity of obtaining any variances or special permits. No legal proceedings are pending or, to the knowledge of Borrower, threatened with respect to the zoning of the Premises. Neither the zoning nor any other right to construct, use or operate the Premises is in any way dependent upon or related to any property other than the Premises. All certifications, permits, licenses and approvals, including certificates of completion and occupancy permits required for the legal use, occupancy and operation of the Premises have been obtained and are in full force and effect. The Premises and Improvements constitute one or more separate tax parcels for purposes of ad valorem taxation. The Premises and Improvements do not require any rights over, or restrictions against, other property in order to comply with any of the aforesaid governmental ordinances, orders or requirements.

Section 1.11 Utilities. All utility services necessary and sufficient for the full use, occupancy, operation and disposition of the Premises and the Improvements for their intended purposes are available to the Property, including water, storm sewer, sanitary sewer, gas, electric, cable and telephone facilities, through public rights-of-way or perpetual private easements approved by Lender. The Property is free from delinquent water charges, sewer rents, taxes and assessments.

Section 1.12 Public Access. All streets, roads, highways, bridges and waterways necessary for access to and full use, occupancy, operation and disposition of the Premises and the Improvements have been completed, have been dedicated to and accepted by the appropriate municipal authority and are open and available to the Premises and the Improvements without further condition or cost to Borrower. All curb cuts, driveways and traffic signals shown on the survey delivered to Lender prior to the execution and delivery of this Mortgage are existing and have been fully approved by the appropriate governmental authority.

Section 1.13 Litigation; Agreements. There are no judicial, administrative, mediation or arbitration actions, suits or proceedings pending or threatened against or affecting Borrower (or, if Borrower is a partnership or a limited liability company, any of its general partners or members) or the Property which, if adversely determined, would materially impair either the Property or Borrower's ability to perform the covenants or obligations required to be performed under the Loan Documents. Borrower is not a party to any agreement or instrument or subject to any restriction which might adversely affect Borrower or the Property, or Borrower's business, properties, operations or condition, financial or otherwise. Borrower is not in default in any

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material respect in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any Permitted Encumbrance or any other agreement or instrument to which it is a party or by which it or the Property is bound.

Section 1.14 Physical Condition. As of the date of this Mortgage, (i) the Property is free from unrepaired damage caused by fire, flood, accident or other casualty, (ii) no part of the Premises or the Improvements has been taken in condemnation, eminent domain or like proceeding nor is any such proceeding pending or, to Borrower's knowledge and belief, threatened or contemplated, (iii) except as may otherwise be disclosed in that certain Property Condition Report (the "Property Condition Report") dated May 5, 2006 and prepared by IVI Due Diligence Services, Inc., the Improvements are structurally sound, in good repair and free of defects in materials and workmanship and have been constructed and installed in substantial compliance with the plans and specifications relating thereto, and (iv) all major building systems located within the Improvements, including, without limitation, the heating and air conditioning systems and the electrical and plumbing systems, are in good working order and condition.

Section 1.15 Contracts. Borrower has delivered to Lender true, correct and complete copies of all Contracts and all amendments thereto or modifications thereof. Each Contract constitutes the legal, valid and binding obligation of Borrower and, to the best of Borrower's knowledge and belief, is enforceable against any other party thereto. No default exists, or with the passing of time or the giving of notice or both would exist, under any Contract which would, in the aggregate, have a material adverse effect on Borrower or the Property. No Contract provides any party with the right to obtain a lien or encumbrance upon the Property superior to the lien of this Mortgage. All Contracts affecting the Property have been entered into at arms-length in the ordinary course of Borrower's business and provide for the payment of fees in amounts and upon terms comparable to existing market rates.

Section 1.16 Leases. Borrower has delivered (i) a true, correct and complete schedule (the "Rent Roll") of all Leases affecting the Property as of the date hereof, which accurately and completely sets forth in all material respects for each such Lease, the following: the name of the Tenant, the Lease expiration date, extension and renewal provisions, the base rent payable, the security deposit held thereunder and any other material provisions of such Lease and (ii) true, correct and complete copies of all Leases described in the Rent Roll. Each Lease constitutes the legal, valid and binding obligation of Borrower and, to the best of Borrower's knowledge and belief, is enforceable against the Tenant thereof. No default exists, or with the passing of time or the giving of notice or both would exist, under any Lease which would, in the aggregate, have a material adverse effect on Borrower or the Property. No Tenant under any Lease has, as of the date hereof, paid rent more than thirty (30) days in advance, and the rents under such Leases have not been waived, released, or otherwise discharged or compromised. All security deposits required under such Leases have been fully funded and are held by Borrower as permitted by applicable law. All work to be performed by Borrower under the Leases has been substantially performed, all contributions to be made by Borrower to the Tenants thereunder have been made and all other conditions precedent to each such Tenant's obligations thereunder have been satisfied. Each Tenant under a Lease has entered into occupancy of the demised premises. To the best of Borrower's knowledge and belief, each Tenant is free from bankruptcy, reorganization or arrangement proceedings or a general assignment for the benefit of creditors.

No Lease provides any party with the right to obtain a lien or encumbrance upon the Property superior to the lien of this Mortgage.

Section 1.17 Foreign Person. Borrower is not a “foreign person” within the meaning of §1445(f)(3) of the Code, and the related Treasury Department regulations, including temporary regulations.

Section 1.18 Management Agreement. The property management agreement relating to the Premises (the “Management Agreement”) is in full force and effect and to the best of Borrower’s knowledge, there is no default, breach or violation existing thereunder by any party thereto beyond the expiration of applicable notice and grace periods thereunder and no event has occurred (other than payments due but not yet delinquent) that, with the passage of time or the giving of notice, or both, would constitute a default, breach or violation by any party thereunder. The fee due under the Management Agreement, and the terms and provisions of the Management Agreement, are subordinate to this Mortgage.

Section 1.19 Fraudulent Transfer. Borrower has not entered into the Loan or any Loan Document with the actual intent to hinder, delay, or defraud any creditor, and Borrower has received reasonably equivalent value in exchange for its obligations under the Loan Documents. Giving effect to the transactions contemplated by the Loan Documents, the fair saleable value of Borrower’s assets exceeds and will, immediately following the execution and delivery of the Loan Documents, exceed Borrower’s total liabilities, including subordinated, unliquidated, disputed or contingent liabilities, including the maximum amount of its contingent liabilities or its debts as such debts become absolute and matured. Borrower’s assets do not and, immediately following the execution and delivery of the Loan Documents will not, constitute unreasonably small capital to carry out its business as conducted or as proposed to be conducted. Borrower does not intend to, and does not believe that it will, incur debts and liabilities (including contingent liabilities and other commitments) beyond its ability to pay such debts as they mature (taking into account the timing and amounts to be payable on or in respect of obligations of Borrower).

All of the representations and warranties in this Article I and elsewhere in the Loan Documents (i) shall survive for so long as any portion of the Debt remains owing to Lender and (ii) shall be deemed to have been relied upon by Lender notwithstanding any investigation heretofore or hereafter made by Lender or on its behalf.

ARTICLE II

COVENANTS OF BORROWER

For the purposes of further securing the Debt and for the protection of the security of this Mortgage, for so long as the Debt or any part thereof remains unpaid, Borrower covenants and agrees as follows:

Section 2.1 Defense of Title. If, while this Mortgage is in force, the title to the Property or the interest of Lender therein shall be the subject, directly or indirectly, of any action at law or in equity, or be attached directly or indirectly, or endangered, clouded or adversely

affected in any manner, Borrower, at Borrower’s expense, shall take all necessary and proper steps for the defense of said title or interest, including the employment of counsel approved by Lender, the prosecution or defense of litigation, and the compromise or discharge of claims made against said title or interest. Notwithstanding the foregoing, in the event that Lender determines that Borrower is not adequately performing its obligations under this Section, Lender may, without limiting or waiving any other rights or remedies of Lender hereunder, take such steps with respect thereto as Lender shall deem necessary or proper and any and all costs and expenses incurred by Lender in connection therewith, together with interest thereon at the Default Interest Rate (as defined in the Note) from the date incurred by Lender until actually paid by Borrower, shall be immediately paid by Borrower on demand and shall be secured by this Mortgage and by all of the other Loan Documents securing all or any part of the indebtedness evidenced by the Note.

Section 2.2 Performance of Obligations. Borrower shall pay when due the principal of and the interest on the Debt in accordance with the terms of the Note. Borrower shall also pay all charges, fees and other sums required to be paid by Borrower as provided in the Loan Documents, in accordance with the terms of the Loan Documents, and shall observe, perform and discharge all obligations, covenants and agreements to be observed, performed or discharged by Borrower set forth in the Loan Documents in accordance with their terms. Further, Borrower shall promptly and strictly perform and comply with all covenants, conditions, obligations and prohibitions required of Borrower in connection with any other document or instrument affecting title to the Property, or any part thereof, regardless of whether such document or instrument is superior or subordinate to this Mortgage.

Section 2.3 Insurance. Borrower shall, at Borrower’s expense, maintain in force and effect on the Property at all times while this Mortgage continues in effect the following insurance:

(a) Insurance against loss or damage to the Property by fire, lightning, windstorm, tornado, hail, terrorism, riot and civil commotion, vandalism, malicious mischief, burglary and theft and against loss and damage by such other, further and additional risks as may be now or hereafter embraced by a “special causes of loss” type of insurance policy. The amount of such insurance shall be not less than one hundred percent (100%) of the full replacement cost (insurable value) of the Improvements (as established by a Member of the Appraisal Institute appraisal), without reduction for depreciation. The determination of the replacement cost amount shall be adjusted annually to comply with the requirements of the insurer issuing such coverage or, at Lender’s election, by reference to such indices, appraisals or information as Lender determines in its reasonable discretion in order to reflect increased value due to inflation. Absent such annual adjustment, each policy shall contain inflation guard coverage insuring that the policy limit will be increased over time to reflect the effect of inflation. “Full replacement cost,” as used herein and elsewhere in this Section 2.3, means, with respect to the Improvements, the cost of replacing the Improvements without regard to deduction for depreciation, exclusive of the cost of excavations, foundations and footings below the lowest basement floor. Borrower shall also maintain insurance against loss or damage to furniture, furnishings, fixtures, equipment and other items (whether personalty or fixtures) included in the Property and owned by Borrower from time to time to the extent applicable. Each policy shall contain a waiver of any co-

(b) If the “special causes of loss” policy required in subsection (a) above excludes coverage for wind damage, Borrower shall maintain separate coverage for such risk. Furthermore, if the Property is located in the State of Florida, or within twenty five (25) miles of the ocean coast of the states of Texas, Louisiana, Mississippi, Alabama, Georgia, North Carolina, Hawaii or South Carolina, windstorm insurance must be maintained in an amount equal to the lesser of (i) the full replacement cost of the Property or (ii) the maximum limit of coverage available with respect to the Improvements and Equipment. If available, a minimum of eighteen (18) months general business income coverage specifically relating to wind damage shall be required. The maximum deductible shall be \$100,000.00, which deductible shall only apply to “tier one” coverages.

(c) Ordinance and law insurance is required if the Property is “non-conforming” with respect to any zoning requirements. Borrower shall maintain “Coverage A” against loss on value to the undamaged portion of the Improvements for the full replacement cost of the Improvements. Borrower shall also maintain “Coverage B” against the cost of demolition in an amount equal to ten percent (10%) of the total value of the Improvements and “Coverage C” against increased cost of reconstruction in an amount equal to twenty percent (20%) of the total value of the Improvements. The maximum deductible shall be \$100,000.00; provided that if the insurance required under this Section 2.3(c) is fully covered by the insurance required in Section 2.3(a) above, then no separate deductible shall be required, and the maximum deductible of \$100,000.00 shall apply for the combined insurance for Section 2.3(a) and Section 2.3(c).

(d) Commercial General Liability Insurance against claims for personal injury, bodily injury, death and property damage occurring on, in or about the Premises or the Improvements in amounts not less than \$1,000,000.00 per occurrence and \$2,000,000.00 in the aggregate plus umbrella coverage in an amount not less than \$25,000,000. Lender hereby retains the right to periodically review the amount of said liability insurance being maintained by Borrower and to require an increase in the amount of said liability insurance should Lender deem an increase to be reasonably prudent under then existing circumstances. The maximum deductible shall be \$25,000.00.

(e) Equipment breakdown (also known as boiler and machinery) insurance is required if steam boilers or other pressure-fired vessels are in operation at the Premises. Minimum liability coverage per accident must equal the greater of the replacement cost (insurable value) of the Improvements housing such boiler or pressure-fired machinery or \$2,000,000.00. If one or more large HVAC units is in operation at the Premises, “Systems Breakdowns” coverage shall be required, as determined by Lender. Minimum liability coverage per accident must equal the value of such unit(s). If available, a minimum of eighteen (18) months general business income coverage specifically relating to boiler and machinery damage shall be required. The maximum deductible shall be \$100,000.00. Co-insurance is prohibited.

(f) If the Improvements or any part thereof is situated in an area designated by the Federal Emergency Management Agency (“FEMA”) as a special flood hazard area (Zone A or Zone V), flood insurance in an amount equal to the lesser of: (i) the minimum amount

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required, under the terms of coverage, to compensate for any damage or loss on a replacement basis (or the unpaid balance of the Debt if replacement cost coverage is not available for the type of building insured), or (ii) the maximum insurance available under the appropriate National Flood Insurance Administration program. If available, a minimum of eighteen (18) months general business income coverage specifically relating to flood damage shall be required. The maximum deductible shall be \$5,000.00 per building or a higher minimum amount as required by FEMA or other applicable law.

(g) If the Property is situated in an area designated by FEMA as a high probability earthquake area (Zone 2b or greater), Lender may require a Probable Maximum Loss (“PML”) study to be conducted at the Property. If the PML study reveals a PML equal to or exceeding twenty percent (20%) of the full replacement cost of the Improvements, Borrower shall be required to maintain earthquake insurance in an amount equal to the PML percentage of full replacement cost of the Improvements. If available, a minimum of eighteen (18) months Business Income coverage specifically relating to earthquake damage shall be required. The maximum deductible shall be no more than five percent (5%) of the value at risk or the lowest deductible available in the State in which the Property is located.

(h) During the period of any construction, renovation or alteration of the existing Improvements which exceeds the lesser of 10% of the principal amount of the Note or \$500,000, at Lender’s request, a completed value, “All Risk” Builder’s Risk form or “Course of Construction” insurance policy in non-reporting form, in an amount approved by Lender, may be required. During the period of any construction of any addition to the existing Improvements, a completed value, “All Risk” Builder’s Risk form or “Course of Construction” insurance policy in non-reporting form, in an amount approved by Lender, shall be required. The maximum deductible shall be \$100,000.00.

(i) When required by applicable law, ordinance or other regulation, Worker’s Compensation and Employer’s Liability Insurance covering all persons subject to the worker’s compensation laws of the state in which the Property is located. Additionally, if Borrower has direct employees, Hired and Non-Owned Auto Insurance is required in an amount equal to \$1,000,000 per occurrence. The maximum deductible shall be \$25,000.00.

(j) In addition to the specific risk coverages required herein, general business income (loss of rents) insurance in amounts sufficient to compensate Borrower for all Rents and Profits or income during a period of not less than eighteen (18) months. The “actual loss” amount of coverage shall be adjusted annually to reflect the greater of (i) estimated Rents and Profits or income payable during the succeeding eighteen (18) month period or (ii) the projected operating expenses, capital expenses and debt service for the Property as approved by Lender in its sole discretion. The maximum deductible shall be \$100,000.00.

(k) Such other insurance on the Property or on any replacements or substitutions thereof or additions thereto as may from time to time be required by Lender against other insurable hazards or casualties which at the time are commonly insured against in the case of property similarly situated including, without limitation, Sinkhole, Mine Subsidence and Environmental insurance, due regard being given to the height and type of buildings, their construction, location, use and occupancy.

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(l) At Borrower’s election, in lieu of the maximum deductible required for insurance coverage required under Sections 2.3(d) of the Mortgage, Borrower shall be required to maintain a Self-insured Retention in connection with its General Liability Insurance coverage, in an amount not to exceed \$150,000.00, provided that Borrower shall be personally liable for the payment of all claims within the limits of the Self-insured Retention, as if such obligation of Borrower were included as an exception to the Exculpation provisions in Section 2.6(c) of the Note and the Indemnitor shall also be liable for the payment of such claims pursuant to its Indemnity and Guaranty Agreement of even date herewith for the benefit of Lender.

(m) Borrower shall maintain insurance against damage resulting from acts of terrorism, or an insurance policy without an exclusion for damages resulting from terrorism, on terms consistent with the commercial property insurance policy required under subsections (a) and (j) above, provided, however, that in the event the commercial property and business income insurance required under subsection (a) and (j) above excludes perils of terrorism and acts of terrorism, then Borrower shall maintain a separate commercial property and business income insurance policy for loss resulting from perils and acts of terrorism on terms (including amounts, except as provided for below) consistent with those required under subsection (a) and (j) above (a “Stand Alone Terrorism Insurance Policy”) all times during the term of the Loan; provided, that, Borrower shall not be required to maintain terrorism coverage for amounts in excess of the amount of coverage that, could be obtained under a Stand Alone Terrorism Insurance Policy upon the payment of an annual premium in an amount (the “Terrorism Insurance Cap”) equal to two hundred fifty percent (250%) of the cost of obtaining a Stand Alone Terrorism Insurance Policy as of the date hereof and in the event the annual premium for terrorism coverage satisfying the requirements of this

Section 2.3 shall exceed the Terrorism Insurance Cap, Borrower shall only be required to obtain and maintain terrorism coverage for as much of the coverage as is available for a premium equal to the Terrorism Insurance Cap.

All such insurance shall (i) be with insurers fully licensed and authorized to do business in the state within which the Premises is located and who have and maintain a rating of at least (A) A or higher from Standard & Poors and (B) AX or higher from A.M. Best, (ii) contain the complete address of the Premises (or a complete legal description), (iii) be for terms of at least one year, with premium prepaid, and (iv) be subject to the approval of Lender as to insurance companies, amounts, content, forms of policies, method by which premiums are paid and expiration dates, and (v) include a standard, non-contributory, mortgagee clause naming EXACTLY:

Wachovia Bank, National Association,
its Successors and Assigns ATIMA
c/o Wachovia Bank, National Association, as Servicer
P.O. Box 563956
Charlotte, North Carolina 28256-3956

(A) as an additional insured under all liability insurance policies, (B) as the first mortgagee on all property insurance policies and (C) as the loss payee on all loss of rents or loss of business income insurance policies.

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Borrower shall, as of the date hereof, deliver to Lender evidence that said insurance policies have been prepaid as required above and certified copies of such insurance policies and original certificates of insurance signed by an authorized agent of the applicable insurance companies evidencing such insurance satisfactory to Lender. Borrower shall renew all such insurance and deliver to Lender an Acord 28 certificate for proof of commercial property insurance and an Acord 25 certificate for proof of liability insurance, together with such other certificates reasonably requested by Lender. Borrower further agrees that each such insurance policy: (i) shall provide for at least thirty (30) days' prior written notice to Lender prior to any policy reduction or cancellation for any reason other than non-payment of premium and at least ten (10) days' prior written notice to Lender prior to any cancellation due to non-payment of premium; (ii) shall contain an endorsement or agreement by the insurer that any loss shall be payable to Lender in accordance with the terms of such policy notwithstanding any act or negligence of Borrower which might otherwise result in forfeiture of such insurance; (iii) shall waive all rights of subrogation against Lender; and (iv) may be in the form of a blanket policy provided that, in the event that any such coverage is provided in the form of a blanket policy, Borrower hereby acknowledges and agrees that failure to pay any portion of the premium therefor which is not allocable to the Property or by any other action not relating to the Property which would otherwise permit the issuer thereof to cancel the coverage thereof, would require the Property to be insured by a separate, single-property policy. The blanket policy must properly identify and fully protect the Property as if a separate policy were issued for 100% of Replacement Cost at the time of loss and otherwise meet all of Lender's applicable insurance requirements set forth in this Section 2.3. The delivery to Lender of the insurance policies or the certificates of insurance as provided above shall constitute an assignment of all proceeds payable under such insurance policies relating to the Property by Borrower to Lender as further security for the Debt. In the event of foreclosure of this Mortgage, or other transfer of title to the Property in extinguishment in whole or in part of the Debt, all right, title and interest of Borrower in and to all proceeds payable under such policies then in force concerning the Property shall thereupon vest in the purchaser at such foreclosure, or in Lender or other transferee in the event of such other transfer of title. Approval of any insurance by Lender shall not be a representation of the solvency of any insurer or the sufficiency of any amount of insurance. In the event Borrower fails to provide, maintain, keep in force or deliver and furnish to Lender the policies of insurance required by this Mortgage or evidence of their renewal as required herein, Lender may, but shall not be obligated to, procure such insurance and Borrower shall pay all amounts advanced by Lender therefor, together with interest thereon at the Default Interest Rate from and after the date advanced by Lender until actually repaid by Borrower, promptly upon demand by Lender. Any amounts so advanced by Lender, together with interest thereon, shall be secured by this Mortgage and by all of the other Loan Documents securing all or any part of the Debt. Lender shall not be responsible for nor incur any liability for the insolvency of the insurer or other failure of the insurer to perform, even though Lender has caused the insurance to be placed with the insurer after failure of Borrower to furnish such insurance. Borrower shall not obtain insurance for the Property in addition to that required by Lender without the prior written consent of Lender, which consent will not be unreasonably withheld provided that (i) Lender is a named insured on such insurance, (ii) Lender receives complete copies of all policies evidencing such insurance, and (iii) such insurance complies with all of the applicable requirements set forth herein.

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Section 2.4 Payment of Taxes. Borrower shall pay or cause to be paid, except to the extent provision is actually made therefor pursuant to Section 3.3 of this Mortgage, all taxes and assessments which are or may become a lien on the Property or which are assessed against or imposed upon the Property. Borrower shall furnish Lender with receipts (or if receipts are not immediately available, with copies of canceled checks evidencing payment with receipts to follow promptly after they become available) showing payment of such taxes and assessments at least fifteen (15) days prior to the applicable delinquency date therefor. Notwithstanding the foregoing, Borrower may, in good faith, by appropriate proceedings and upon notice to Lender, contest the validity, applicability or amount of any asserted tax or assessment so long as (a) such contest is diligently pursued, (b) Lender determines, in its subjective opinion, that such contest suspends the obligation to pay the tax and that nonpayment of such tax or assessment will not result in the sale, loss, forfeiture or diminution of the Property or any part thereof or any interest of Lender therein, and (c) prior to the earlier of the commencement of such contest or the delinquency date of the asserted tax or assessment, Borrower deposits in the Impound Account (as hereinafter defined) an amount determined by Lender to be adequate to cover the payment of such tax or assessment and a reasonable additional sum to cover possible interest, costs and penalties; provided, however, that Borrower shall promptly cause to be paid any amount adjudged by a court of competent jurisdiction to be due, with all interest, costs and penalties thereon, promptly after such judgment becomes final; and provided further that in any event each such contest shall be concluded and the taxes, assessments, interest, costs and penalties shall be paid prior to the date any writ or order is issued under which the Property may be sold, lost or forfeited.

Section 2.5 Casualty and Condemnation. Borrower shall give Lender prompt written notice of (i) the occurrence of any casualty affecting the Property or any portion thereof, (ii) the institution of any proceedings for eminent domain or for the condemnation of the Property or any portion thereof or (iii) any written notification threatening the institution of any proceedings for eminent domain or for the condemnation of the Property or any portion thereof or any written request to execute a deed in lieu of condemnation affecting the Property or any portion thereof. All insurance proceeds on the Property, and all causes of action, claims, compensation, awards and recoveries for any damage, condemnation or taking, or any deed in lieu of condemnation, affecting all or any part of the Property or for any damage or injury to it for any loss or diminution in value of the Property, are hereby assigned to and shall be paid to Lender. Lender may participate in any suits or proceedings relating to any such proceeds, causes of action, claims, compensation, awards or recoveries, and Lender is hereby authorized, in its own name or in Borrower's name, to adjust any loss covered by insurance or any condemnation claim or cause of action, and to settle or compromise any claim or cause of action in connection therewith, and Borrower shall from time to time deliver to Lender any instruments required to permit such participation; provided, however, that, so long as no Event of Default has occurred, and no event has occurred or failed to occur which with the passage of time, the giving of notice, or both would constitute an Event of Default (a "Default"), Lender shall not have the right to participate in the adjustment of any loss which is not in excess of the lesser of (i) five percent (5%) of the then outstanding principal balance of the Note and (ii) \$250,000. Lender shall apply any sums received by it under this Section first to the payment of all of its costs and expenses (including, but not limited to, reasonable legal fees and disbursements) incurred in obtaining those sums, and then, as follows:

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(a) In the event that less than (x) — fifteen percent (15%), in the case of condemnation, or thirty percent (30%), in the case of casualty, of the fair market value or net rentable square footage of the Improvements located on the Premises have been taken or destroyed and (y) Leases covering in the aggregate at least sixty-five percent (65%) of the total rentable space in the Property which has been demised under executed and delivered Leases in effect as of the date of the occurrence of such casualty or condemnation, whichever the case may be, and each Major Lease (as hereinafter defined) in effect as of such date shall remain in full force and effect during and after the completion of the restoration without abatement of rent beyond the time required for restoration, then if and so long as:

- (1) no Default or Event of Default has occurred hereunder or under any of the other Loan Documents, and
- (2) the Property can, in Lender's judgment, with diligent restoration or repair, be returned to a condition at least equal to the condition thereof that existed prior to the casualty or partial taking causing the loss or damage within the earlier to occur of (A) nine (9) months after the initial receipt of any insurance proceeds or condemnation awards by either Borrower or Lender but in any event prior to the expiration or lapse of rent loss or general business income necessary to satisfy current obligations of the Loan, and (B) six (6) months prior to the stated maturity date of the Note, and
- (3) all necessary governmental approvals can be obtained to allow the rebuilding and reoccupancy of the Property as described in Section (a)(2) above, and
- (4) there are sufficient sums available (through insurance proceeds or condemnation awards and contributions by Borrower, the full amount of which shall, at Lender's option, have been deposited with Lender) for such restoration or repair (including, without limitation, for any costs and expenses of Lender to be incurred in administering said restoration or repair) and for payment of principal and interest to become due and payable under the Note during such restoration or repair, and
- (5) the economic feasibility of the Improvements after such restoration or repair will be such that income from their operation is reasonably anticipated to be sufficient to pay operating expenses of the Property and debt service on the Debt in full with the same coverage ratio considered by Lender in its determination to make the loan secured hereby, and
- (6) in the event that the insurance proceeds or condemnation awards received as a result of such casualty or partial taking exceed the lesser of (i) five percent (5%) of the then outstanding principal balance of the Note and (ii) \$250,000, Borrower shall have delivered to Lender, at Borrower's sole cost and expense, an appraisal report in form and substance satisfactory to Lender appraising the value of the Property as proposed to be restored or repaired to be not less than the appraised value of the Property considered by Lender in its determination to make the loan secured hereby, and
- (7) Borrower so elects by written notice delivered to Lender within five (5) days after settlement of the aforesaid insurance or condemnation claim.

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Lender shall, solely for the purposes of such restoration or repair, advance so much of the remainder of such sums as may be required for such restoration or repair, and any funds deposited by Borrower therefor, to Borrower in the manner and upon such terms and conditions as would be required by a prudent interim construction lender, including, but not limited to, the prior approval by Lender of plans and specifications, contractors and form of construction contracts and the furnishing to Lender of permits, bonds, lien waivers, invoices, receipts and affidavits from contractors and subcontractors, in form and substance satisfactory to Lender in its discretion, with any remainder being applied by Lender for payment of the Debt in whatever order Lender directs in its absolute sole discretion, or at the discretion of Lender, the same may be paid, either in whole or in part, to, or for the benefit of, Borrower for such purposes as Lender shall designate in its discretion.

(b) In all other cases, namely, in the event that (x) more than fifteen percent (15%), in the case of condemnation, or thirty percent (30%), in the case of casualty, of the fair market value or net rentable square footage of the Improvements located on the Premises have been taken or destroyed (y) Leases covering in the aggregate at least sixty-five percent (65%) of the total rentable space in the Property which has been demised under executed and delivered Leases in effect as of the date of the occurrence of such casualty or condemnation, whichever the case may be, and each Major Lease (as hereinafter defined) in effect as of such date will not remain in full force and effect during and after the completion of the restoration without abatement of rent beyond the time required for restoration, or (z) Borrower does not elect to restore or repair the Property pursuant to clause (a) above or otherwise fails to meet the requirements of clause (a) above, then, in any of such events, Lender shall elect, in Lender's absolute discretion and without regard to the adequacy of Lender's security to do either of the following: (1) accelerate the maturity date of the Note and declare any and all of the Debt to be immediately due and payable and apply the remainder of such sums received pursuant to this Section to the payment of the Debt in whatever order Lender directs in its absolute discretion, with any remainder being paid to Borrower, or (2) notwithstanding that Borrower may have elected not to restore or repair the Property pursuant to the provisions of Section 2.5(a)(7) above, so long as the proceeds of any such award with respect to any casualty or condemnation are made available to the Borrower for restoration, require Borrower to restore or repair the Property in the manner and upon such terms and conditions as would be required by a prudent interim construction lender, including, but not limited to, the deposit by Borrower with Lender, within thirty (30) days after demand therefor, of any deficiency reasonably determined by Lender to be necessary in order to assure the availability of sufficient funds to pay for such restoration or repair, including Lender's costs and expenses to be incurred in connection therewith, the prior approval by Lender of plans and specifications, contractors and form of construction contracts and the furnishing to Lender of permits, bonds, lien waivers, invoices, receipts and affidavits from contractors and subcontractors, in form and substance satisfactory to Lender in its discretion, and apply the remainder of such sums toward such restoration and repair, with any balance thereafter remaining being applied by Lender for payment of the Debt in whatever order Lender directs in its absolute sole discretion, or at the discretion of Lender, the same may be paid, either in whole or in part, to, or for the benefit of, Borrower for such purposes as Lender shall designate in its discretion. No such prepayment of the Debt in connection with this Section 2.5(b) shall occasion prepayment penalties or premiums of any kind subject to and in accordance with Section 1.5(c) of the Note.

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Any reduction in the Debt resulting from Lender's application of any sums received by it hereunder shall take effect only when Lender actually receives such sums and elects to apply such sums to the Debt and, in any event, the unpaid portion of the Debt shall remain in full force and effect and Borrower shall not be excused in the payment thereof. Partial payments received by Lender, as described in the preceding sentence, shall be applied first to the final payment due under the Note and thereafter to installments due under the Note in the inverse order of their due date. If Borrower elects or Lender directs Borrower to restore or repair the Property after the occurrence of a casualty or partial taking of the Property as provided above, Borrower shall promptly and diligently, at Borrower's sole cost and expense and regardless of whether the insurance proceeds or condemnation award, as appropriate, shall be sufficient for the purpose, restore, repair, replace and rebuild the Property as nearly as possible to its value, condition and character immediately prior to such casualty or partial taking in accordance with the foregoing provisions and Borrower shall pay to Lender all costs and expenses of Lender incurred in administering said rebuilding, restoration or repair, provided that Lender makes such proceeds or award available for such purpose. Borrower agrees to execute and

deliver from time to time such further instruments as may be requested by Lender to confirm the foregoing assignment to Lender of any award, damage, insurance proceeds, payment or other compensation. Lender is hereby irrevocably constituted and appointed the attorney-in-fact of Borrower (which power of attorney shall be irrevocable so long as any portion of the Debt is outstanding, shall be deemed coupled with an interest, shall survive the voluntary or involuntary dissolution of Borrower and shall not be affected by any disability or incapacity suffered by Borrower subsequent to the date hereof), with full power of substitution, subject to the terms of this Section, to settle for, collect and receive any such awards, damages, insurance proceeds, payments or other compensation from the parties or authorities making the same, to appear in and prosecute any proceedings therefor and to give receipts and acquittances therefor.

Section 2.6 Construction Liens. Borrower shall pay when due all claims and demands of mechanics, materialmen, laborers and others for any work performed or materials delivered for the Premises or the Improvements; provided, however, that, Borrower shall have the right to contest in good faith any such claim or demand, so long as it does so diligently, by appropriate proceedings and without prejudice to Lender and provided that neither the Property nor any interest therein would be in any danger of sale, loss or forfeiture as a result of such proceeding or contest. In the event Borrower shall contest any such claim or demand, Borrower shall promptly notify Lender of such contest and thereafter shall, upon Lender's request, promptly provide a bond, cash deposit or other security satisfactory to Lender to protect Lender's interest and security should the contest be unsuccessful. If Borrower shall fail to immediately discharge or provide security against any such claim or demand as aforesaid, Lender may do so and any and all expenses incurred by Lender, together with interest thereon at the Default Interest Rate from the date incurred by Lender until actually paid by Borrower, shall be immediately paid by Borrower on demand and shall be secured by this Mortgage and by all of the other Loan Documents securing all or any part of the Debt.

Section 2.7 Rents and Profits. As additional and collateral security for the payment of the Debt and cumulative of any and all rights and remedies herein provided for, Borrower hereby absolutely and presently assigns to Lender all existing and future Rents and Profits. Borrower hereby grants to Lender the sole, exclusive and immediate right, without taking possession of the Property, to demand, collect (by suit or otherwise), receive and give valid and sufficient receipts

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for any and all of said Rents and Profits, for which purpose Borrower does hereby irrevocably make, constitute and appoint Lender its attorney-in-fact with full power to appoint substitutes or a trustee to accomplish such purpose (which power of attorney shall be irrevocable so long as any portion of the Debt is outstanding, shall be deemed to be coupled with an interest, shall survive the voluntary or involuntary dissolution of Borrower and shall not be affected by any disability or incapacity suffered by Borrower subsequent to the date hereof). Lender shall be without liability for any loss which may arise from a failure or inability to collect Rents and Profits, proceeds or other payments. However, until the occurrence of an Event of Default under this Mortgage or under any other of the Loan Documents, Borrower shall have a license to collect, receive, use and enjoy the Rents and Profits when due and prepayments thereof for not more than one (1) month prior to due date thereof. Upon the occurrence of an Event of Default, Borrower's license shall automatically terminate without notice to Borrower and Lender may thereafter, without taking possession of the Property, collect the Rents and Profits itself or by an agent or receiver. From and after the termination of such license, Borrower shall be the agent of Lender in collection of the Rents and Profits, and all of the Rents and Profits so collected by Borrower shall be held in trust by Borrower for the sole and exclusive benefit of Lender, and Borrower shall, within one (1) business day after receipt of any Rents and Profits, pay the same to Lender to be applied by Lender as hereinafter set forth. Neither the demand for or collection of Rents and Profits by Lender shall constitute any assumption by Lender of any obligations under any agreement relating thereto. Lender is obligated to account only for such Rents and Profits as are actually collected or received by Lender. Borrower irrevocably agrees and consents that the respective payors of the Rents and Profits shall, upon demand and notice from Lender of an Event of Default, pay said Rents and Profits to Lender without liability to determine the actual existence of any Event of Default claimed by Lender. Borrower hereby waives any right, claim or demand which Borrower may now or hereafter have against any such payor by reason of such payment of Rents and Profits to Lender, and any such payment shall discharge such payor's obligation to make such payment to Borrower. All Rents collected or received by Lender may be applied against all expenses of collection, including, without limitation, reasonable attorneys' fees, against costs of operation and management of the Property and against the Debt, in whatever order or priority as to any of the items so mentioned as Lender directs in its sole subjective discretion and without regard to the adequacy of its security. Neither the exercise by Lender of any rights under this Section nor the application of any Rents to the Debt shall cure or be deemed a waiver of any Event of Default. The assignment of Rents and Profits hereinabove granted shall continue in full force and effect during any period of foreclosure or redemption with respect to the Property. Borrower has executed an Assignment of Leases and Rents dated of even date herewith (the "Lease Assignment") in favor of Lender covering all of the right, title and interest of Borrower, as landlord, lessor or licensor, in and to any Leases. All rights and remedies granted to Lender under the Lease Assignment shall be in addition to and cumulative of all rights and remedies granted to Lender hereunder.

Section 2.8 Leases. Borrower covenants and agrees that it shall not enter into any Lease (i) affecting 6,000 square feet or more of the Property or (ii) having a term of five (5) years or more (inclusive of any renewals or extensions) (each, a "Major Lease") without the prior written approval of Lender, which approval shall not be unreasonably withheld. The request for approval of each such proposed new Lease shall be made to Lender in writing and shall state that, pursuant to the terms of this Mortgage, failure to approve or disapprove such proposed Lease within fifteen (15) business days is deemed approval and Borrower shall furnish to Lender

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(and any loan servicer specified from time to time by Lender): (i) such biographical and financial information about the proposed Tenant as Lender may reasonably require in conjunction with its review, (ii) a copy of the proposed form of Lease, and (iii) a summary of the material terms of such proposed Lease (including, without limitation, rental terms and the term of the proposed lease and any options). It is acknowledged that Lender intends to include among its criteria for approval of any such proposed Lease the following: (i) such Lease shall be with a bona-fide arm's-length Tenant; (ii) such Lease shall not contain any rental or other concessions which are not then customary and reasonable for similar properties and Leases in the market area of the Premises; (iii) such Lease shall provide that the Tenant pays for its expenses; (iv) the rental shall be at least at the market rate then prevailing for similar properties and leases in the market areas of the Premises; and (v) such Lease shall contain subordination and attornment provisions in form and content reasonably acceptable to Lender. Failure of Lender to approve or disapprove any such proposed Lease within fifteen (15) business days after receipt of such written request and all the documents and information required to be furnished to Lender with such request shall be deemed approval, provided that the written request for approval specifically mentioned the same.

(a) Prior to execution of any Leases of space in the Improvements after the date hereof, Borrower shall submit to Lender, for Lender's prior approval, which approval shall not be unreasonably withheld, a copy of the form Lease Borrower plans to use in leasing space in the Improvements or at the Property. All such Leases of space in the Improvements or at the Property shall be on terms consistent with the terms for similar leases in the market area of the Premises, shall provide for free rent only if the same is consistent with prevailing market conditions and shall provide for market rents then prevailing in the market area of the Premises. Such Leases shall also provide for security deposits in reasonable amounts consistent with prevailing market conditions. Borrower shall also submit to Lender for Lender's approval, which approval shall not be unreasonably withheld, prior to the execution thereof, any proposed Lease of the Improvements or any portion thereof that differs materially and adversely from the aforementioned form Lease. Borrower shall not execute any Lease for all or a substantial portion of the Property, except for an actual occupancy by the Tenant, lessee or licensee thereunder, and shall at all times promptly and faithfully perform, or cause to be performed, all of the covenants, conditions and agreements contained in all Leases with respect to the Property, now or hereafter existing, on the part of the landlord, lessor or licensor thereunder to be kept and performed. Borrower shall furnish to Lender, within ten (10) days after a request by Lender to do so, but in any event by January 1 of each year, a current Rent Roll, certified by Borrower as being true and correct, containing the names of all Tenants with respect to the Property, the terms of their respective Leases, the spaces occupied and the rentals or fees payable thereunder and the amount of each Tenant's security deposit. Upon the request of Lender, Borrower shall deliver to Lender a copy of each such Lease. Borrower shall not do or suffer to be done any act, or omit to take any action, that might result in a default by the landlord, lessor or licensor under any such Lease or allow the Tenant thereunder to withhold payment of rent or cancel or terminate same and shall not further assign any such Lease or any such Rents and Profits. Borrower, at no cost or expense to Lender, shall enforce, short of termination, the performance and observance of each and every condition and covenant of each of the parties under such Leases and Borrower shall not anticipate, discount,

release, waive, compromise or otherwise discharge any rent payable under any of the Leases. Borrower shall not, without the prior written consent of Lender, modify any of the Leases, terminate or accept the surrender of any Leases, waive or release any other party

from the performance or observance of any obligation or condition under such Leases except, with respect only to Leases which are not Major Leases, in the normal course of business in a manner which is consistent with sound and customary leasing and management practices for similar properties in the community in which the Property is located. Lender reserves the right to condition its consent to any termination or surrender of any Lease upon the payment to Lender of any lease termination or other payment due from the applicable tenant in connection with such termination or surrender. Borrower and Lender agree that all such sums paid to Lender shall be held by Lender as a tenant improvement and leasing commission reserve and shall be considered a "Reserve" as described in Section 3.1 hereof and all such amounts shall be held, maintained, applied and disbursed in accordance with Lender's standard procedures relating to similar reserves. Borrower shall not permit the prepayment of any rents under any of the Leases for more than one (1) month prior to the due date thereof.

(b) Each Lease executed after the date hereof affecting any of the Premises or the Improvements must provide, in a manner approved by Lender, that the Tenant will recognize as its landlord, lessor or licensor, as applicable, and attorn to any person succeeding to the interest of Borrower upon any foreclosure of this Mortgage or deed in lieu of foreclosure. Each such Lease shall also provide that, upon request of said successor-in-interest, the Tenant shall execute and deliver an instrument or instruments confirming its attornment as provided for in this Section; provided, however, that neither Lender nor any successor-in-interest shall be bound by any payment of rent for more than one (1) month in advance, or any amendment or modification of said Lease made without the express written consent of Lender or said successor-in-interest.

(c) Upon the occurrence of an Event of Default under this Mortgage, whether before or after the whole principal sum secured hereby is declared to be immediately due or whether before or after the institution of legal proceedings to foreclose this Mortgage, forthwith, upon demand of Lender, Borrower shall surrender to Lender, and Lender shall be entitled to take actual possession of, the Property or any part thereof personally, or by its agent or attorneys. In such event, Lender shall have, and Borrower hereby gives and grants to Lender, the right, power and authority to make and enter into Leases with respect to the Property or portions thereof for such rents and for such periods of occupancy and upon conditions and provisions as Lender may deem desirable in its sole discretion, and Borrower expressly acknowledges and agrees that the term of any such Lease may extend beyond the date of any foreclosure sale of the Property, it being the intention of Borrower that in such event Lender shall be deemed to be and shall be the attorney-in-fact of Borrower for the purpose of making and entering into Leases of parts or portions of the Property for the rents and upon the terms, conditions and provisions deemed desirable to Lender in its sole discretion and with like effect as if such Leases had been made by Borrower as the owner in fee simple of the Property free and clear of any conditions or limitations established by this Mortgage. The power and authority hereby given and granted by Borrower to Lender shall be deemed to be coupled with an interest, shall not be revocable by Borrower so long as any portion of the Debt is outstanding, shall survive the voluntary or involuntary dissolution of Borrower and shall not be affected by any disability or incapacity suffered by Borrower subsequent to the date hereof. In connection with any action taken by Lender pursuant to this Section, Lender shall not be liable for any loss sustained by Borrower resulting from any failure to let the Property, or any part thereof, or from any other act or omission of Lender in managing the Property, nor shall Lender be obligated to perform or discharge any obligation, duty or liability under any Lease covering the Property or any part

thereof or under or by reason of this instrument or the exercise of rights or remedies hereunder. Borrower shall, and does hereby, indemnify Lender for, and hold Lender harmless from, any and all claims, actions, demands, liabilities, loss or damage which may or might be incurred by Lender under any such Lease or under this Mortgage or by the exercise of rights or remedies hereunder and from any and all claims and demands whatsoever which may be asserted against Lender by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in any such Lease other than those finally determined by a court of competent jurisdiction to have resulted solely from the gross negligence or willful misconduct of Lender. Should Lender incur any such liability, the amount thereof, including, without limitation, costs, expenses and reasonable attorneys' fees, together with interest thereon at the Default Interest Rate from the date incurred by Lender until actually paid by Borrower, shall be immediately due and payable to Lender by Borrower on demand and shall be secured hereby and by all of the other Loan Documents securing all or any part of the Debt. Nothing in this Section shall impose on Lender any duty, obligation or responsibility for the control, care, management or repair of the Property, or for the carrying out of any of the terms and conditions of any such Lease, nor shall it operate to make Lender responsible or liable for any waste committed on the Property by the Tenants or by any other parties or for any dangerous or defective condition of the Property, or for any negligence in the management, upkeep, repair or control of the Property. Borrower hereby assents to, ratifies and confirms any and all actions of Lender with respect to the Property taken under this Section.

(d) If requested by Lender, Borrower shall furnish, or shall cause the applicable tenant to furnish, to Lender financial data and/or financial statements in accordance with Regulation AB (as defined herein) for any tenant of any Property if, in connection with a securitization, Lender expects there to be, with respect to such tenant or group of affiliated tenants, a concentration within all of the mortgage loans included or expected to be included, as applicable, in such securitization such that such tenant or group of affiliated tenants would constitute a Significant Obligor (as defined herein); provided, however, that in the event the related lease does not require the related tenant to provide the foregoing information, Borrower shall use commercially reasonable efforts to cause the applicable tenant to furnish such information.

Section 2.9 Alienation and Further Encumbrances.

(a) Borrower acknowledges that Lender has relied upon the principals of Borrower and their experience in owning and operating the Property and properties similar to the Property in connection with the closing of the loan evidenced by the Note. Accordingly, except as specifically allowed hereinbelow in this Section and notwithstanding anything to the contrary contained in Section 6.6 hereof, in the event that the Property or any part thereof or direct or indirect interest therein or direct or indirect interest in Borrower shall be sold, conveyed, disposed of, alienated, hypothecated, leased (except to Tenants of space in the Improvements in accordance with the provisions of Section 2.8 hereof), assigned, pledged, mortgaged, further encumbered or otherwise transferred or Borrower shall be divested of its title to the Property or any direct or indirect interest therein, in any manner or way, whether voluntarily or involuntarily (each, a "Transfer"), without the prior written consent of Lender being first obtained, which consent may be withheld in Lender's sole discretion, then the same shall constitute an Event of Default and Lender shall have the right, at its option, to declare any or all of the Debt,

irrespective of the maturity date specified in the Note, immediately due and payable and to otherwise exercise any of its other rights and remedies contained in Article V hereof.

(b) A Transfer within the meaning of this Section 2.9 shall be deemed to include, among other things: (i) an installment sales agreement wherein

Borrower agrees to sell the Property or any part thereof for a price to be paid in installments; and (ii) an agreement by Borrower leasing all or a substantial part of the Property for other than actual occupancy by a space tenant thereunder or a sale, assignment or other transfer of, or the grant of a security interest in, Borrower's right, title and interest in and to any Leases or any Rents and Profits.

(c) Notwithstanding the foregoing, the following Transfers shall be permitted under this Section 2.9 without the prior consent of Lender: (i) a Transfer of corporate stock, limited partnership interests and/or non-managing member interests in Borrower, or in any partner or member of Borrower, or any direct or indirect legal or beneficial owner of Borrower, so long as following such Transfer (whether in one or a series of transactions) or, with respect to any creation or issuance of new limited partnership interests or membership interests, not more than 49% of the beneficial economic interest in Borrower (whether directly or indirectly) has been transferred in the aggregate, there is no Change of Control and the persons responsible for the day to day management of the Property and Borrower remain unchanged following such Transfer, (ii) any involuntary Transfer caused by the death of Borrower, or any partner, shareholder, joint venturer, member or beneficial owner of a trust, or any direct or indirect legal or beneficial owner of Borrower, so long as Borrower is promptly reconstituted, if required, following such death and so long as there is no Change of Control and those persons responsible for the day to day management of the Property and Borrower remain unchanged as a result of such death or any replacement management or controlling parties are approved by Lender, and (iii) a Transfer comprised of gifts for estate planning purposes of any individual's interests in Borrower, or in any of Borrower's partners, members, shareholders, beneficial owners of a trust or joint venturers, or any direct or indirect legal or beneficial owner of Borrower, to the spouse or any lineal descendant of such individual, or to a trust for the benefit of any one or more of such individual, spouse or lineal descendant, so long as Borrower is reconstituted promptly, if required, following such gift and so long as there is no Change of Control and those persons responsible for the day to day management of the Property and Borrower remain unchanged following such gift. Notwithstanding any provision of this Mortgage to the contrary, no person or entity may become an owner of a direct or indirect interest in Borrower, which interest exceeds forty-nine (49%) percent, without Lender's prior written consent unless Borrower has complied with the provisions set forth in Section 2.9(d) below. For purposes of this Section 2.9(c), "Change of Control" shall mean a change in the identity of the individual or entities or group of individuals or entities who have the right, by virtue of any partnership agreement, articles of incorporation, by-laws, articles of organization, operating agreement or any other agreement, with or without taking any formative action, to cause Borrower to take some action or to prevent, restrict or impede Borrower from taking some action which, in either case, Borrower could take or could refrain from taking were it not for the rights of such individuals. Notwithstanding any provision of this Mortgage to the contrary, provided no Event of Default has occurred and is continuing, Lender's prior consent shall not be required with respect to any of the following: (i) the creation, issuance or transfer of limited partnership interests in Mack-Cali Realty, L.P., a Delaware limited partnership ("Mack-Cali Partnership"), so long as (x) Mack-Cali Realty Corporation, a Maryland corporation ("Mack-Cali Realty"), maintains at least a 51%

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limited partnership interest in Mack-Cali Partnership and remains as the general partner of Mack-Cali Partnership, and (y) the managerial control of Mack-Cali Partnership remains unchanged; provided, that to the extent such transfer of interests in Mack-Cali Partnership results in a change in the managerial control of Mack-Cali Partnership, unless due to a public offering of stock of Mack-Cali Realty, merger, reorganization or consolidation, such transfer of interests in Mack-Cali Partnership shall comply with the conditions of 1.13(d) below; and (ii) so long as the securities of Mack-Cali Realty are publicly traded, the acquisition, issuance or transfer (whether in one transaction or in a series of transactions) of securities in Mack-Cali Realty which does not result in a Change in Control of Borrower, Mack-Cali Partnership or Mack-Cali Realty, provided further that (x) Mack-Cali Realty shall not merge, reorganize or consolidate into another entity (i.e., where Mack-Cali Realty is not the surviving entity) (a "Merger"), and (y) any transfer of interests or series of transfers in interests in Mack-Cali Realty shall not result in more than 49% of Mack-Cali Realty being owned by any single person or entity (or related group of people or entities) (a "Majority Transfer"); provided, however, that a Merger or Majority Transfer shall not be prohibited, or constitute an Event of Default under the Loan Documents so long as, with respect to such Merger or Majority Transfer (a) to the extent permitted by law, Lender receives not less than thirty (30) days prior written notice of any such proposed Merger or Majority Transfer, (b) the surviving entity executes any and all documents as are reasonably necessary to evidence the assumption of Mack-Cali Realty's obligations relative to the loan evidenced by the Note and delivers such certificates and opinions covering such subjects (including, but not limited to, nonconsolidation) as may be reasonably required by Lender, (c) the surviving entity shall have a net worth of not less than \$200,000,000.00 as of the date of the completion of such Merger or Majority Transfer, (d) if, as a result of such Merger or Majority Transfer, the manager of the Property changes, the replacement manager is a "Qualified Manager" (as defined below) or such replacement manager is approved by Lender, and (e) Borrower satisfies the provisions of paragraph (12) of Section 1.13(d) below and causes to be delivered to Lender a substantive non-consolidation opinion, in form and substance satisfactory to Lender and prepared by counsel reasonably acceptable to Lender with respect to the transferee and such of its constituent entities and/or affiliates, as Lender may in its discretion require. As used herein, the term "Qualified Manager" shall mean a property manager of the Property which (i) is a reputable management company having at least five (5) years' experience in the management of commercial properties with similar uses as the Property and in the jurisdiction in which the Property are located, (ii) has, for at least five (5) years prior to its engagement as property manager, managed at least (5) properties of the same property type as the Property, (iii) at the time of its engagement as property manager has leasable square footage of the same property type as the Property equal to the lesser of (A) 1,000,000 leasable square feet and (B) five (5) times the leasable square feet of the Property and (iv) is not the subject of a bankruptcy or similar insolvency proceeding. So long as the provisions of this Section 2.9(c) are fully satisfied in all respects and provided that there is no Change in Control of Borrower, Mack-Cali Realty or Mack-Cali Partnership, (A) at any time after the execution of this Mortgage, Gale SLG NJ Mezz LLC ("Mezz") may merge into Gale SLG NJ Operating Partnership, L.P. ("OP") and the surviving entity ("Surviving OP") may be renamed, and (B) at any time after May 1, 2007 and/or following the merger described above in part (A), Surviving OP may make an in-kind distribution of its direct or indirect ownership interest in Borrower to its partners in proportion to their respective percentage ownership interests (as such percentage interests may be reduced to reflect the cash-out of one or more of the limited partners (other than Mack-Green-Gale LLC ("MGG")) and MGG may make an in-

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kind distribution of its direct or indirect ownership interest in Borrower to (i) Mack Cali Ventures, L.L.C. ("MCV") or Gale SLG NJ LLC ("Gale SLG") in accordance with the same percentage interests set forth in the operating agreement of MGG or (ii) one or more limited liability companies owned by MCV and Gale SLG in accordance with the same percentage interests set forth in the operating agreement of MGG (i.e. the ninety-five percent (95%) Class A interests in MGG shall not be reduced and shall be distributed to MCV or a limited liability company owned by MCV).

(d) Notwithstanding the foregoing provisions of this Section, Lender shall consent to (x) one or more Transfers of the Property in its entirety, or (y) one or more Transfers of direct or indirect interests in the Borrower for which consent is required under this Section 2.9 (any such hereinafter, a "Sale") to any person or entity provided that, for each Sale, each of the following terms and conditions are satisfied:

(1) No Default and no Event of Default is then continuing hereunder or under any of the other Loan Documents;

(2) Borrower gives Lender written notice of the terms of such prospective Sale not less than sixty (60) days before the date on which such Sale is scheduled to close and, concurrently therewith, gives Lender all such information concerning the proposed transferee of the Property or the proposed owner of the direct or indirect interest in the Borrower for which consent is required under this Section 2.9, as applicable (hereinafter, "Buyer") as Lender would require in evaluating an initial extension of credit to a borrower and pays to Lender a non-refundable application fee in the amount of \$5,000. Lender shall have the right to approve or disapprove the proposed Buyer. In determining whether to give or withhold its approval of the proposed Buyer, Lender shall consider the Buyer's experience and track record in owning and operating facilities similar to the Property, the Buyer's financial strength, the Buyer's general business standing and the Buyer's relationships and experience with contractors, vendors, tenants, lenders and other business entities; provided, however, that, notwithstanding Lender's agreement to consider the foregoing factors in determining whether to give or withhold such approval, such approval shall be given or withheld based on what Lender determines to be commercially reasonable in Lender's sole discretion and, if given, may be given subject to such conditions as Lender may deem appropriate;

(3) Borrower pays Lender, concurrently with the closing of such Sale, a non-refundable assumption fee in an amount equal to all out-of-pocket costs and expenses, including, without limitation, reasonable attorneys' fees and Rating Agency fees, incurred by Lender in connection with the Sale, plus an amount equal to one-half of one percent (0.5%) of the then outstanding principal balance of the Note on the first Sale, and one percent (1.0%) of the then outstanding principal balance of the Note on each Sale thereafter;

(4) In the event that such Sale is a Transfer of the Property in its entirety, the Buyer assumes and agrees to pay the Debt subject to the provisions of Section 6.27 hereof and, in all cases (whether such Sale is a Transfer of the Property in its entirety or a Transfer of direct or indirect interests in the Borrower for which consent is

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required under this Section 2.9), prior to or concurrently with the closing of such Sale, the Buyer executes, without any cost or expense to Lender, such documents and agreements as Lender shall reasonably require to evidence and effectuate said assumption and delivers such legal opinions (including, without limitation, a REMIC opinion) as Lender may require;

(5) A party associated with the Buyer approved by Lender in its sole discretion assumes the obligations of the current Indemnitor under its guaranty or indemnity agreement and environmental indemnity agreement and such party associated with the Buyer executes, without any cost or expense to Lender, a substitution agreement or a new guaranty or indemnity agreement or environmental indemnity agreement in form and substance satisfactory to Lender and delivers such legal opinions as Lender may require;

(6) Borrower and the Buyer execute, without any cost or expense to Lender, new financing statements or financing statement amendments (and new financing statements as may be necessary) and any additional documents reasonably requested by Lender;

(7) Borrower delivers to Lender, without any cost or expense to Lender, such replacement policy or endorsements to Lender's title insurance policy, hazard insurance policy endorsements or certificates and other similar materials as Lender may deem necessary at the time of the Sale, all in form and substance satisfactory to Lender, including, without limitation, a replacement policy or an endorsement or endorsements to Lender's title insurance policy insuring the lien of this Mortgage, extending the effective date of such policy to the date of execution and delivery (or, if later, of recording) of the assumption agreement referenced above in subparagraph (4) of this Section, with no additional exceptions added to such policy, and, in the event that such Sale is a Transfer of the Property in its entirety, insuring that fee simple title to the Property is vested in the Buyer;

(8) Borrower and any current Indemnitor execute and deliver to Lender, without any cost or expense to Lender, a release of Lender, its officers, directors, employees and agents, from all claims and liability relating to the transactions evidenced by the Loan Documents, through and including the date of the closing of the Sale, which agreement shall be in form and substance satisfactory to Lender and shall be binding upon the Buyer and any new Indemnitor;

(9) Subject to the provisions of Section 6.27 hereof, such Sale is not construed so as to relieve Borrower of any personal liability under the Note or any of the other Loan Documents for any acts or events occurring or obligations arising prior to or simultaneously with the closing of such Sale, whether or not same is discovered prior or subsequent to the closing of such Sale, and Borrower executes, without any cost or expense to Lender, such documents and agreements as Lender shall reasonably require to evidence and effectuate the ratification of said personal liability. In the event that such Transfer is a Sale of the Property in its entirety, Borrower shall be released from and relieved of any personal liability under the Note or any of the other Loan Documents for

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any acts or events occurring or obligations arising after the closing of such Sale which are not caused by or arising out of any acts or events occurring or obligations arising prior to or simultaneously with the closing of such Sale;

(10) Such Sale is not construed so as to relieve any current Indemnitor of its obligations under any guaranty or indemnity agreement for any acts or events occurring or obligations arising prior to or simultaneously with the closing of such Sale, and each such current Indemnitor executes, without any cost or expense to Lender, such documents and agreements as Lender shall reasonably require to evidence and effectuate the ratification of each such guaranty and indemnity agreement. In the event that such Sale is a Transfer of the Property in its entirety, each such current Indemnitor shall be released from and relieved of any of its obligations under any guaranty or indemnity agreement executed in connection with the loan secured hereby for any acts or events occurring or obligations arising after the closing of such Sale which are not caused by or arising out of any acts or events occurring or obligations arising prior to or simultaneously with the closing of such Sale;

(11) The Buyer shall furnish, if the Buyer is a corporation, partnership or other entity, all appropriate papers evidencing the Buyer's capacity and good standing, and the qualification of the signers to execute the assumption of the Debt, which papers shall include certified copies of all documents relating to the organization and formation of the Buyer and of the entities, if any, which are partners of the Buyer. In the event that such Sale is a Transfer of the Property in its entirety, the Buyer shall be a Single Purpose Entity whose formation documents shall be approved by counsel to Lender, and who shall comply with the requirements set forth in Section 2.29 hereof;

(12) Borrower delivers to Lender confirmation in writing (a "No-Downgrade Confirmation") from each Rating Agency that such Sale will not result in a qualification, downgrade or withdrawal of any ratings issued in connection with any Secondary Market Transaction (as hereinafter defined) or, in the event the Secondary Market Transaction has not yet occurred, Lender shall, in its sole discretion, have approved the Sale;

(13) The applicable transfer will not result in an increase in the real property taxes for the Premises and Improvements that would cause the debt service coverage ratio of the Debt with respect to the immediately succeeding twelve (12) month period to be less than the debt service coverage ratio of the Debt for the twelve (12) month period immediately preceding such transfer, in each case as determined by Lender; and

(14) Borrower delivers to Lender an opinion with respect to substantive non-consolidation opinion after giving effect to such transfer in form and substance and from a law firm acceptable to Lender and the Rating Agencies.

Section 2.10 Payment of Utilities, Assessments, Charges, Etc. Borrower shall pay when due all utility charges which are incurred by Borrower or which may become a charge or lien against any portion of the Property for gas, electricity, water and sewer services furnished to

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the Premises and/or the Improvements and all other assessments or charges of a similar nature, or assessments payable pursuant to any restrictive covenants, whether public or private, affecting the Premises and/or the Improvements or any portion thereof, whether or not such assessments or charges are or may become liens thereon.

Section 2.11 Access Privileges and Inspections. Lender and the agents, representatives and employees of Lender shall, subject to the rights of Tenants, have full and free access to the Premises and the Improvements and any other location where books and records concerning the Property are kept at all reasonable times and, except in the event of an emergency, upon not less than 24 hours prior notice (which notice may be telephonic) for the purposes of inspecting the Property and of examining, copying and making extracts from the books and records of Borrower relating to the Property. Borrower shall lend assistance to all such agents, representatives and employees of Lender.

Section 2.12 Waste; Alteration of Improvements. Borrower shall not commit, suffer or permit any waste on the Property nor take any actions that might invalidate any insurance carried on the Property. Borrower shall maintain the Property in good condition and repair. No part of the Improvements may be removed, demolished or materially altered, without the prior written consent of Lender other than in connection with non-structural day to day maintenance and except for tenant improvements under Leases. Without the prior written consent of Lender, Borrower shall not commence construction of any improvements on the Premises other than improvements required for the maintenance or repair of the Property. Lender reserves the right to condition its consent to any material alteration, removal, demolition or new construction on the following: (i) such conditions as would be required by a prudent interim construction lender, including, but not limited to, the prior approval by Lender of plans and specifications, construction budgets, contractors and form of construction contracts and the furnishing to Lender of evidence regarding funds, permits, approvals bonds, insurance, lien waivers, title endorsements, appraisals, surveys, certificates of occupancy, certificates regarding completion, invoices, receipts and affidavits from contractors and subcontractors, in form and substance satisfactory to Lender in its discretion, (ii) the delivery of an opinion from counsel satisfactory to Lender in its discretion and in form and substance satisfactory to Lender in its discretion opining as to such matters as Lender may reasonably require, including, without limitation, an opinion that such alteration, removal, demolition or new construction will not have an adverse effect on the status of any trust formed in connection with a Secondary Market Transaction a "real estate mortgage investment conduit" within the meaning of Section 860D of the Code ("REMIC"), and (iii) Borrower's agreement to pay all fees, costs and expenses incurred by Lender in granting such consent, including, without limitation, reasonable attorneys' fees and expenses.

Section 2.13 Zoning. Without the prior written consent of Lender, Borrower shall not seek, make, suffer, consent to or acquiesce in any change in the zoning or conditions of use of the Premises or the Improvements. Borrower shall comply with and make all payments required under the provisions of any covenants, conditions or restrictions affecting the Premises or the Improvements. Borrower shall comply with all existing and future requirements of all governmental authorities having jurisdiction over the Property. Borrower shall keep all licenses, permits, franchises and other approvals necessary for the operation of the Property in full force and effect. Borrower shall operate the Property as an office building for so long as the Debt is outstanding. If, under applicable zoning provisions, the use of all or any part of the Premises or

the Improvements is or becomes a nonconforming use, Borrower shall not cause or permit such use to be discontinued or abandoned without the prior written consent of Lender. Further, without Lender's prior written consent, Borrower shall not file or subject any part of the Premises or the Improvements to any declaration of condominium or co-operative or convert any part of the Premises or the Improvements to a condominium, co-operative or other form of multiple ownership and governance.

Section 2.14 Financial Statements and Books and Records. Borrower shall keep accurate books and records of account of the Property and its own financial affairs sufficient to permit the preparation of financial statements therefrom in accordance with generally accepted accounting principles. Lender and its duly authorized representatives shall have the right to examine, copy and audit Borrower's records and books of account at all reasonable times. So long as this Mortgage continues in effect, Borrower shall provide to Lender, in addition to any other financial statements required hereunder or under any of the other Loan Documents, the following financial statements and information, all of which must be certified to Lender as being true and correct by the Chief Financial Officer of Borrower or the person or entity to which they pertain, as applicable, and, be prepared in accordance with generally accepted accounting principles consistently applied and be in form and substance acceptable to Lender:

- (a) copies of all tax returns filed by Borrower, within forty-five (45) days after the date of filing;
- (b) monthly operating statements for the Property within forty-five (45) days after the end of each month until the earlier to occur of (X) the date that is twelve (12) months following the date hereof and (Y) the occurrence of a Secondary Market Transaction;
- (c) quarterly operating statements for the Property, within forty-five (45) days after the end of each calendar quarter from and after the earlier to occur of (X) the date that is twelve (12) months following the date hereof and (Y) the occurrence of a Secondary Market Transaction;
- (d) annual balance sheets for the Property and annual financial statements for Borrower, and each Indemnitee (including any Form 10K filings), within one hundred twenty (120) days after the end of each calendar year; and
- (e) such other information with respect to the Property, Borrower, the principals or general partners in Borrower and each Indemnitee, which may be reasonably requested from time to time by Lender, within a reasonable time after the applicable request.
- (f) If, at the time one or more Disclosure Documents are being prepared for a securitization, Lender expects that Borrower alone or Borrower and one or more affiliates of Borrower collectively, or the Property alone or the Property and any other parcel(s) of real property, together with improvements thereon and personal property related thereto, that is "related", within the meaning of the definition of Significant Obligor, to the Property (a "Related Property") collectively, will be a Significant Obligor, Borrower shall furnish to Lender upon request (i) the selected financial data or, if applicable, net operating income, required under Item 1112(b)(1) of Regulation AB and meeting the requirements thereof, if Lender expects that the

principal amount of the Loan, together with any loans made to an affiliate of Borrower or secured by a Related Property that is included in a securitization with the Loan (a "Related Loan"), as of the cut-off date for such securitization may, or if the principal amount of the Loan together with any Related Loans as of the cut-off date for such securitization and at any time during which the Loan and any Related Loans are included in a securitization does, equal or exceed ten percent (10%) (but less than twenty percent (20%)) of the aggregate principal amount of all mortgage loans included or expected to be included, as applicable, in the securitization or (ii) the financial statements required under Item 1112(b)(2) of Regulation AB and meeting the requirements thereof, if Lender expects that the principal amount of the Loan together with any Related Loans as of the cut-off date for such securitization may, or if the principal amount of the Loan together with any Related Loans as of the cut-off date for such securitization and at any time during which the Loan and any Related Loans are included in a securitization does, equal or exceed twenty percent (20%) of the aggregate principal amount of all mortgage loans included or expected to be included, as applicable, in the securitization. Such financial data or financial statements shall be furnished to Lender (A) within ten (10) Business Days after notice from Lender in connection with the preparation of Disclosure Documents for the securitization, (B) not later than thirty (30) days after the end of each fiscal quarter of Borrower and (C) not later than seventy-five (75) days after the end of each fiscal year of Borrower; provided, however, that Borrower shall not be

obligated to furnish financial data or financial statements pursuant to clauses (B) or (C) of this sentence with respect to any period for which a filing pursuant to the Securities Exchange Act of 1934 in connection with or relating to the securitization (an "Exchange Act Filing") is not required. As used herein, "Regulation AB" shall mean Regulation AB under the Securities Act of 1933 and the Securities Exchange Act of 1934 (as amended). As used herein, "Disclosure Documents" shall mean a prospectus, prospectus supplement, private placement memorandum, or similar offering memorandum or offering circular, in each case in preliminary or final form, used to offer securities in connection with a securitization. As used herein, "Significant Obligor" shall have the meaning set forth in Item 1101(k) of Regulation AB.

If any of the aforementioned materials are not furnished to Lender within the applicable time periods, are not prepared in accordance with generally accepted accounting principles or Lender is dissatisfied with the form of any of the foregoing and has notified Borrower of its dissatisfaction, in addition to any other rights and remedies of Lender contained herein and provided Lender has given Borrower at least ten (10) days notice of such failure and opportunity to cure, (i) Borrower shall pay to Lender upon demand, at Lender's option and in its sole discretion, an amount equal to \$2,500 per reporting period, and (ii) Lender shall have the right, but not the obligation, to obtain the same by means of an audit by an independent certified public accountant selected by Lender, in which event Borrower agrees to pay, or to reimburse Lender for, any expense of such audit and further agrees to provide all necessary information to said accountant and to otherwise cooperate in the making of such audit.

Section 2.15 Further Assurances. Borrower shall, on the request of Lender and at the expense of Borrower: (a) promptly correct any defect, error or omission which may be discovered in the contents of this Mortgage or in the contents of any of the other Loan Documents; (b) promptly execute, acknowledge, deliver and record or file such further instruments (including, without limitation, further mortgages, deeds of trust, security deeds, security agreements, financing statements, continuation statements and assignments of rents or leases) and promptly do such further acts as may be necessary, desirable or proper to carry out

more effectively the purposes of this Mortgage and the other Loan Documents and to subject to the liens and security interests hereof and thereof any property intended by the terms hereof and thereof to be covered hereby and thereby, including specifically, but without limitation, any renewals, additions, substitutions, replacements or appurtenances to the Property; (c) promptly execute, acknowledge, deliver, procure and record or file any document or instrument (including specifically, without limitation, any financing statement) deemed advisable by Lender to protect, continue or perfect the liens or the security interests hereunder against the rights or interests of third persons; and (d) promptly furnish to Lender, upon Lender's request, a duly acknowledged written statement and estoppel certificate addressed to such party or parties as directed by Lender and in form and substance supplied by Lender, setting forth all amounts due under the Note, stating whether any Default or Event of Default has occurred hereunder, stating whether any offsets or defenses exist against the Debt and containing such other matters as Lender may reasonably require.

Section 2.16 Payment of Costs; Reimbursement to Lender. Borrower shall pay all costs and expenses of every character reasonably incurred in connection with the closing of the loan evidenced by the Note and secured hereby, attributable or chargeable to Borrower as the owner of the Property or otherwise attributable to any consent requested of Lender or any Rating Agency under the terms hereof or any other Loan Document, including, without limitation, customary servicing and consent fees, appraisal fees, recording fees, documentary, stamp, mortgage or intangible taxes, brokerage fees and commissions, title policy premiums and title search fees, uniform commercial code/tax lien/litigation search fees, escrow fees, consultants' fees, No-Downgrade Confirmations and reasonable attorneys' fees. If Borrower defaults in any such payment, which default is not cured within any applicable grace or cure period, Lender may pay the same and Borrower shall reimburse Lender on demand for all such costs and expenses incurred or paid by Lender, together with such interest thereon at the Default Interest Rate from and after the date of Lender's making such payment until reimbursement thereof by Borrower. Any such sums disbursed by Lender, together with such interest thereon, shall be additional indebtedness of Borrower secured by this Mortgage and by all of the other Loan Documents securing all or any part of the Debt. Further, Borrower shall promptly notify Lender in writing of any litigation or threatened litigation affecting the Property, or any other demand or claim which, if enforced, could impair or threaten to impair Lender's security hereunder. Without limiting or waiving any other rights and remedies of Lender hereunder, if Borrower fails to perform any of its covenants or agreements contained in this Mortgage or in any of the other Loan Documents and such failure is not cured within any applicable grace or cure period, or if any action or proceeding of any kind (including, but not limited to, any bankruptcy, insolvency, arrangement, reorganization or other debtor relief proceeding) is commenced which might affect Lender's interest in the Property or Lender's right to enforce its security, then Lender may, at its option, with or without notice to Borrower, make any appearances, disburse any sums and take any actions as may be necessary or desirable to protect or enforce the security of this Mortgage or to remedy the failure of Borrower to perform its covenants and agreements (without, however, waiving any default of Borrower). Borrower agrees to pay on demand all expenses of Lender incurred with respect to the foregoing (including, but not limited to, reasonable fees and disbursements of counsel), together with interest thereon at the Default Interest Rate from and after the date on which Lender incurs such expenses until reimbursement thereof by Borrower. Any such expenses so incurred by Lender, together with interest thereon as provided above, shall be additional indebtedness of Borrower secured by this Mortgage and by all of the other Loan

Documents securing all or any part of the Debt. The necessity for any such actions and of the amounts to be paid shall be determined by Lender in its discretion. Lender is hereby empowered to enter and to authorize others to enter upon the Property or any part thereof for the purpose of performing or observing any such defaulted term, covenant or condition without thereby becoming liable to Borrower or any person in possession holding under Borrower. Borrower hereby acknowledges and agrees that the remedies set forth in this Section 2.16 shall be exercisable by Lender, and any and all payments made or costs or expenses incurred by Lender in connection therewith shall be secured hereby and shall be, without demand, immediately repaid by Borrower with interest thereon at the Default Interest Rate, notwithstanding the fact that such remedies were exercised and such payments made and costs incurred by Lender after the filing by Borrower of a voluntary case or the filing against Borrower of an involuntary case pursuant to or within the meaning of the Bankruptcy Reform Act of 1978, as amended, Title 11 U.S.C., or after any similar action pursuant to any other debtor relief law (whether statutory, common law, case law or otherwise) of any jurisdiction whatsoever, now or hereafter in effect, which may be or become applicable to Borrower, Lender, any Indemnitor, the Debt or any of the Loan Documents. Borrower hereby indemnifies and holds Lender harmless from and against all loss, cost and expenses with respect to any Event of Default hereof, any liens (i.e., judgments, mechanics' and materialmen's liens, or otherwise), charges and encumbrances filed against the Property, and from any claims and demands for damages or injury, including claims for property damage, personal injury or wrongful death, arising out of or in connection with any accident or fire or other casualty on the Premises or the Improvements or any nuisance made or suffered thereon, except those that are due to Lender's gross negligence or willful misconduct as finally determined by a court of competent jurisdiction, including, without limitation, in any case, reasonable attorneys' fees, costs and expenses as aforesaid, whether at pretrial, trial or appellate level, and such indemnity shall survive payment in full of the Debt. This Section shall not be construed to require Lender to incur any expenses, make any appearances or take any actions.

Section 2.17 Security Interest. This Mortgage is also intended to encumber and create a security interest in, and Borrower hereby grants to Lender a security interest in, all sums on deposit with Lender pursuant to the provisions of Article III hereof or any other Section hereof or of any other Loan Document and all fixtures, chattels, accounts, equipment, inventory, contract rights, general intangibles and other personal property included within the Property, all renewals, replacements of any of the aforementioned items, or articles in substitution therefor or in addition thereto or the proceeds thereof (said property is hereinafter referred to collectively as the "Collateral"), whether or not the same shall be attached to the Premises or the Improvements in any manner. It is hereby agreed that to the extent permitted by law, all of the foregoing property is to be deemed and held to be a part of and affixed to the Premises and the Improvements. The foregoing security interest shall also cover Borrower's leasehold interest in any of the foregoing property which is leased by Borrower. Notwithstanding the foregoing, all of the foregoing property shall be owned by Borrower and no leasing or installment sales or other financing or title retention agreement in connection therewith shall be permitted without the prior written approval of Lender. Borrower shall, from time to time upon the request of Lender, supply Lender with a current inventory of all of the property in which Lender is granted a security interest hereunder, in such detail as Lender may reasonably require. Borrower shall promptly replace all of the Collateral subject to the lien or security interest of this Mortgage when worn or obsolete with Collateral comparable to the worn out or obsolete Collateral when new and will not, without the prior written consent of Lender, remove from the Premises or the

any of the Collateral subject to the lien or security interest of this Mortgage except such as is replaced by an article of equal suitability and value as above provided, owned by Borrower free and clear of any lien or security interest except that created by this Mortgage and the other Loan Documents. All of the Collateral shall be kept at the location of the Premises except as otherwise required by the terms of the Loan Documents. Borrower shall not use any of the Collateral in violation of any applicable statute, ordinance or insurance policy.

Section 2.18 Security Agreement. This Mortgage constitutes a security agreement between Borrower and Lender with respect to the Collateral in which Lender is granted a security interest hereunder, and, cumulative of all other rights and remedies of Lender hereunder, Lender shall have all of the rights and remedies of a secured party under any applicable Uniform Commercial Code. Borrower hereby agrees to execute and deliver on demand and hereby irrevocably constitutes and appoints Lender the attorney-in-fact of Borrower to execute and deliver and, if appropriate, to file with the appropriate filing officer or office, such security agreements, financing statements, continuation statements or other instruments as Lender may request or require in order to impose, perfect or continue the perfection of the lien or security interest created hereby. To the extent specifically provided herein, Lender shall have the right of possession of all cash, securities, instruments, negotiable instruments, documents, certificates and any other evidences of cash or other property or evidences of rights to cash rather than property, which are now or hereafter a part of the Property, and Borrower shall promptly deliver the same to Lender, endorsed to Lender, without further notice from Lender. Borrower agrees to furnish Lender with notice of any change in the name, identity, organizational structure, residence, or principal place of business or mailing address of Borrower within ten (10) days of the effective date of any such change. Upon the occurrence of any Event of Default, Lender shall have the rights and remedies as prescribed in this Mortgage, or as prescribed by general law, or as prescribed by any applicable Uniform Commercial Code, all at Lender's election. Any disposition of the Collateral may be conducted by an employee or agent of Lender. Any person, including both Borrower and Lender, shall be eligible to purchase any part or all of the Collateral at any such disposition. Expenses of retaking, holding, preparing for sale, selling or the like (including, without limitation, Lender's reasonable attorneys' fees and legal expenses), together with interest thereon at the Default Interest Rate from the date incurred by Lender until actually paid by Borrower, shall be paid by Borrower on demand and shall be secured by this Mortgage and by all of the other Loan Documents securing all or any part of the Debt. Lender shall have the right to enter upon the Premises and the Improvements or any real property where any of the property which is the subject of the security interest granted herein is located to take possession of, assemble and collect the same or to render it unusable, or Borrower, upon demand of Lender, shall assemble such property and make it available to Lender at the Premises, or at a place which is mutually agreed upon or, if no such place is agreed upon, at a place reasonably designated by Lender to be reasonably convenient to Lender and Borrower. If notice is required by law, Lender shall give Borrower at least ten (10) days' prior written notice of the time and place of any public sale of such property, or adjournments thereof, or of the time of or after which any private sale or any other intended disposition thereof is to be made, and if such notice is sent to Borrower, as the same is provided for the mailing of notices herein, it is hereby deemed that such notice shall be and is reasonable notice to Borrower. No such notice is necessary for any such property which is perishable, threatens to decline speedily in value or is of a type customarily sold on a recognized market. Any sale made pursuant to the provisions of this Section shall be deemed to have been a public sale conducted in a commercially reasonable manner if held

contemporaneously with a foreclosure sale as provided in Section 5.1(e) hereof upon giving the same notice with respect to the sale of the Property hereunder as is required under said Section 5.1(e). Furthermore, to the extent permitted by law, in conjunction with, in addition to or in substitution for the rights and remedies available to Lender pursuant to any applicable Uniform Commercial Code:

- (a) In the event of a foreclosure sale, the Property may, at the option of Lender, be sold as a whole; and
- (b) It shall not be necessary that Lender take possession of the aforementioned Collateral, or any part thereof, prior to the time that any sale pursuant to the provisions of this Section is conducted and it shall not be necessary that said Collateral, or any part thereof, be present at the location of such sale; and
- (c) Lender may appoint or delegate any one or more persons as agent to perform any act or acts necessary or incident to any sale held by Lender, including the sending of notices and the conduct of the sale, but in the name and on behalf of Lender. The name and address of Borrower (as Debtor under any applicable Uniform Commercial Code) are as set forth on the first page hereof. The name and address of Lender (as Secured Party under any applicable Uniform Commercial Code) are as set forth on the first page hereof.

Section 2.19 Easements and Rights-of-Way. Borrower shall not grant any easement or right-of-way with respect to all or any portion of the Premises or the Improvements without the prior written consent of Lender. Borrower shall comply with all easements affecting the Property. The purchaser at any foreclosure sale hereunder may, at its discretion, disaffirm any easement or right-of-way granted in violation of any of the provisions of this Mortgage and may take immediate possession of the Property free from, and despite the terms of, such grant of easement or right-of-way. If Lender consents to the grant of an easement or right-of-way, Lender agrees to grant such consent without charge to Borrower other than expenses, including, without limitation, reasonable attorneys' fees, incurred by Lender in the review of Borrower's request and in the preparation of documents effecting the subordination.

Section 2.20 Compliance with Laws. Borrower shall at all times comply with all statutes, ordinances, regulations and other governmental or quasi-governmental requirements and private covenants now or hereafter relating to the ownership, construction, use or operation of the Property, including, but not limited to, those concerning employment and compensation of persons engaged in operation and maintenance of the Property and any environmental or ecological requirements, even if such compliance shall require structural changes to the Property; provided, however, that, Borrower may, upon providing Lender with security satisfactory to Lender, proceed diligently and in good faith to contest the validity or applicability of any such statute, ordinance, regulation or requirement so long as during such contest the Property shall not be subject to any lien, charge, fine or other liability and shall not be in danger of being forfeited, lost or closed. Borrower shall not use or occupy, or allow the use or occupancy of, the Property in any manner which violates any Lease of or any other agreement applicable to the Property or any applicable law, rule, regulation or order or which constitutes a public or private nuisance or which makes void, voidable or cancelable, or increases the premium of, any insurance then in force with respect thereto.

Section 2.21 Additional Taxes. In the event of the enactment after the date hereof of any law of the state in which the Property is located or of any other governmental entity deducting from the value of the Property for the purpose of taxing any lien or security interest thereon, or imposing upon Lender the payment of the whole or any part of the taxes or assessments or charges or liens herein required to be paid by Borrower, or changing in any way the laws relating to the taxation of deeds of trust, mortgages or security agreements or debts secured by deeds of trust, mortgages or security agreements or the interest of the Lender, mortgagee or secured party in the property covered thereby, or the manner of collection of such taxes, so as to adversely affect this Mortgage or the Debt or Lender, then, and in any such event, Borrower, upon demand by Lender, shall pay such taxes, assessments, charges or liens, or reimburse Lender therefor; provided, however, that if in the opinion of counsel for Lender (a) it might be

unlawful to require Borrower to make such payment, or (b) the making of such payment might result in the imposition of interest beyond the maximum amount permitted by law, then and in either such event, Lender may elect, by notice in writing given to Borrower, to declare all of the Debt to be and become due and payable in full thirty (30) days from the giving of such notice, and, in connection with the payment of such Debt, no prepayment premium or fee shall be due unless, at the time of such payment, an Event of Default or a Default shall have occurred, which Default or Event of Default is unrelated to the provisions of this Section 2.21, in which event any applicable prepayment premium or fee in accordance with the terms of the Note shall be due and payable.

Section 2.22 Secured Indebtedness. It is understood and agreed that this Mortgage shall secure payment of not only the indebtedness evidenced by the Note but also any and all substitutions, replacements, renewals and extensions of the Note, any and all indebtedness and obligations arising pursuant to the terms hereof and any and all indebtedness and obligations arising pursuant to the terms of any of the other Loan Documents, all of which indebtedness is equally secured with and has the same priority as any amounts advanced as of the date hereof. It is agreed that any future advances made by Lender to or for the benefit of Borrower from time to time under this Mortgage or the other Loan Documents and whether or not such advances are obligatory or are made at the option of Lender, or otherwise, made for any purpose, and all interest accruing thereon, shall be equally secured by this Mortgage and shall have the same priority as all amounts, if any, advanced as of the date hereof and shall be subject to all of the terms and provisions of this Mortgage.

Section 2.23 Borrower's Waivers. To the full extent permitted by law, Borrower agrees that Borrower shall not at any time insist upon, plead, claim or take the benefit or advantage of any law now or hereafter in force providing for any appraisal, valuation, stay, moratorium or extension, or any law now or hereafter in force providing for the reinstatement of the Debt prior to any sale of the Property to be made pursuant to any provisions contained herein or prior to the entering of any decree, judgment or order of any court of competent jurisdiction, or any right under any statute to redeem all or any part of the Property so sold. Borrower, for Borrower and Borrower's successors and assigns, and for any and all persons ever claiming any interest in the Property, to the full extent permitted by law, hereby knowingly, intentionally and voluntarily, with and upon the advice of competent counsel: (a) waives, releases, relinquishes and forever forgoes all rights of valuation, appraisal, stay of execution, reinstatement and notice of election or intention to mature or declare due the Debt (except such notices as are specifically provided for herein); (b) waives, releases, relinquishes and forever forgoes all right to a

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marshaling of the assets of Borrower, including the Property, to a sale in the inverse order of alienation, or to direct the order in which any of the Property shall be sold in the event of foreclosure of the liens and security interests hereby created and agrees that any court having jurisdiction to foreclose such liens and security interests may order the Property sold as an entirety; and (c) waives, releases, relinquishes and forever forgoes all rights and periods of redemption provided under applicable law. To the full extent permitted by law, Borrower shall not have or assert any right under any statute or rule of law pertaining to the exemption of homestead or other exemption under any federal, state or local law now or hereafter in effect, the administration of estates of decedents or other matters whatever to defeat, reduce or affect the right of Lender under the terms of this Mortgage to a sale of the Property, for the collection of the Debt without any prior or different resort for collection, or the right of Lender under the terms of this Mortgage to the payment of the Debt out of the proceeds of sale of the Property in preference to every other claimant whatever. Furthermore, Borrower hereby knowingly, intentionally and voluntarily, with and upon the advice of competent counsel, waives, releases, relinquishes and forever forgoes all present and future statutes of limitations as a defense to any action to enforce the provisions of this Mortgage or to collect any of the Debt to the fullest extent permitted by law. Borrower covenants and agrees that upon the commencement of a voluntary or involuntary bankruptcy proceeding by or against Borrower, Borrower shall not seek a supplemental stay or otherwise shall not seek pursuant to 11 U.S.C. §105 or any other provision of the Bankruptcy Reform Act of 1978, as amended, or any other debtor relief law (whether statutory, common law, case law, or otherwise) of any jurisdiction whatsoever, now or hereafter in effect, which may be or become applicable, to stay, interdict, condition, reduce or inhibit the ability of Lender to enforce any rights of Lender against any guarantor or indemnitor of the secured obligations or any other party liable with respect thereto by virtue of any indemnity, guaranty or otherwise.

Section 2.24 SUBMISSION TO JURISDICTION; WAIVER OF JURY TRIAL.

(a) **BORROWER AND LENDER, TO THE FULL EXTENT PERMITTED BY LAW, HEREBY KNOWINGLY, INTENTIONALLY AND VOLUNTARILY, WITH AND UPON THE ADVICE OF COMPETENT COUNSEL, (i) SUBMIT TO PERSONAL JURISDICTION IN THE STATE IN WHICH THE PREMISES IS LOCATED OVER ANY SUIT, ACTION OR PROCEEDING BY ANY PERSON ARISING FROM OR RELATING TO THE NOTE, THIS MORTGAGE OR ANY OTHER OF THE LOAN DOCUMENTS, (ii) AGREE THAT ANY SUCH ACTION, SUIT OR PROCEEDING MAY BE BROUGHT IN ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION SITTING IN THE COUNTY IN WHICH THE PREMISES IS LOCATED, (iii) SUBMIT TO THE JURISDICTION OF SUCH COURTS, AND (iv) TO THE FULLEST EXTENT PERMITTED BY LAW, AGREE THAT IT WILL NOT BRING ANY ACTION, SUIT OR PROCEEDING IN ANY OTHER FORUM (BUT NOTHING HEREIN SHALL AFFECT THE RIGHT OF LENDER TO BRING ANY ACTION, SUIT OR PROCEEDING IN ANY OTHER FORUM).**

(b) **BORROWER AND LENDER, TO THE FULL EXTENT PERMITTED BY LAW, HEREBY KNOWINGLY, INTENTIONALLY AND VOLUNTARILY, WITH AND UPON THE ADVICE OF COMPETENT COUNSEL, WAIVE, RELINQUISH AND FOREVER FORGO THE RIGHT TO A TRIAL BY JURY**

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IN ANY ACTION OR PROCEEDING BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATING TO THE DEBT OR ANY CONDUCT, ACT OR OMISSION OF LENDER OR BORROWER, OR ANY OF THEIR RESPECTIVE DIRECTORS, OFFICERS, PARTNERS, MEMBERS, EMPLOYEES, AGENTS OR ATTORNEYS, OR ANY OTHER PERSONS AFFILIATED WITH LENDER OR BORROWER, IN EACH OF THE FOREGOING CASES, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE.

Section 2.25 Attorney-in-Fact Provisions. With respect to any provision of this Mortgage or any other Loan Document whereby Borrower grants to Lender a power-of-attorney, provided no Default or Event of Default has occurred under this Mortgage, Lender shall first give Borrower written notice at least three (3) days prior to acting under such power, which notice shall demand that Borrower first take the proposed action within such period and advising Borrower that if it fails to do so, Lender will so act under the power; provided, however, that, in the event that a Default or an Event of Default has occurred, or if necessary to prevent imminent death, serious injury, damage, loss, forfeiture or diminution in value to the Property or any surrounding property or to prevent any adverse affect on Lender's interest in the Property, Lender may act immediately and without first giving such notice. In such event, Lender will give Borrower notice of such action as soon thereafter as reasonably practical.

Section 2.26 Management. The management of the Property shall be by either: (a) Borrower or an entity affiliated with Borrower approved by Lender for so long as Borrower or said affiliated entity is managing the Property in a first class manner; or (b) a professional property management company approved by Lender. Such management by an affiliated entity or a professional property management company shall be pursuant to a written agreement approved by Lender. In no event shall any manager be removed or replaced or the terms of any management agreement modified or amended without the prior written consent of Lender which approval may be conditioned upon, among other things, receipt by Lender of a No-Downgrade Confirmation from each Rating Agency. After an Event of Default or a default under any management contract then in effect, which default is not cured within any applicable grace or cure period or if at any time during the term of the Loan the debt service coverage ratio of the Property is ever less than 1.05:1, as determined by Lender, Lender shall have the right to terminate, or to direct Borrower to terminate, such management

contract upon thirty (30) days' notice and to retain, or to direct Borrower to retain, a new management agent approved by Lender which approval may be conditioned upon, among other things, receipt by Lender of a No-Downgrade Confirmation from each Rating Agency. All Rents and Profits generated by or derived from the Property shall first be utilized solely for current expenses directly attributable to the ownership and operation of the Property, including, without limitation, current expenses relating to Borrower's liabilities and obligations with respect to this Mortgage and the other Loan Documents, and none of the Rents and Profits generated by or derived from the Property shall be diverted by Borrower and utilized for any other purposes unless all such current expenses attributable to the ownership and operation of the Property have been fully paid and satisfied.

Section 2.27 Hazardous Waste and Other Substances.

(a) Borrower hereby represents and warrants to Lender that, as of the date hereof to the best of Borrower's knowledge, information and belief and other than as set forth in

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the Environmental Report: (i) none of Borrower nor the Property nor any Tenant at the Premises nor the operations conducted thereon is in direct or indirect violation of or otherwise exposed to any liability under any local, state or federal law, rule or regulation or common law duty pertaining to human health, natural resources or the environment, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. §9601 et seq.) ("CERCLA"), the Resource Conservation and Recovery Act of 1976 (42 U.S.C. §6901 et seq.), the Federal Water Pollution Control Act (33 U.S.C. §1251 et seq.), the Clean Air Act (42 U.S.C. §7401 et seq.), the Emergency Planning and Community-Right-to-Know Act (42 U.S.C. §11001 et seq.), the Endangered Species Act (16 U.S.C. §1531 et seq.), the Toxic Substances Control Act (15 U.S.C. §2601 et seq.), the Occupational Safety and Health Act (29 U.S.C. §651 et seq.), the Industrial Site Recovery Act, N.J.S.A. 13:1K-6, et seq. ("ISRA"); the Spill Compensation and Control Act, N.J.S.A. 58:10-23.11, et seq. ("Spill Act"); the Underground Storage of Hazardous Substances Act, N.J.S.A. 58:10A-21, et seq.; the Toxic Catastrophe Prevention Act N.J.S.A. 13:1K-19, et seq.; the Worker and Community Right to Know Act, N.J.S.A. 34:5A-1, et seq.; the Pollution Prevention Act, N.J.S.A. 13:1D-35, et seq.; the Air Pollution Control Act, N.J.S.A. 26:2C-1, et seq.; the Solid Waste Management Act, N.J.S.A. 13:1E-1, et seq.; the Sanitary Landfill Closure and Contingency Fund Act, N.J.S.A. 13:1E-100, et seq.; the Solid Waste Utility Control Act, N.J.S.A. 48:13A-1, et seq.; the Water Pollution Control Act, N.J.S.A. 58:10A-1, et seq.; the Flood Hazard Control Act, N.J.S.A. 58:16A-50, et seq.; the Freshwater Wetlands Protection Act, N.J.S.A. 13:9B-1, et seq.; the Coastal Area Facility Review Act, N.J.S.A. 13:19-1, et seq.; the Wetlands Act of 1970, N.J.S.A. 13:9A-1, et seq.; the Waterfront and Harbor Facilities Act, N.J.S.A. 12:5-1, et seq.; the Noise Control Act, N.J.S.A. 13:1G-1, et seq.; and the Pesticide Control Act, N.J.S.A. 13:1F-1, et seq., and the Hazardous Materials Transportation Act (49 U.S.C. §1801 et seq.), and those relating to Lead Based Paint (as hereinafter defined) and the regulations promulgated pursuant to said laws, all as amended from time to time (collectively, "Environmental Laws") or otherwise exposed to any liability under any Environmental Law relating to or affecting the Property, whether or not used by or within the control of Borrower; (ii) no hazardous, toxic or harmful substances, wastes, materials, pollutants or contaminants (including, without limitation, asbestos or asbestos-containing materials, lead based paint, Toxic Mold (as hereinafter defined) polychlorinated biphenyls, petroleum or petroleum products or byproducts, flammable explosives, radioactive materials, infectious substances or raw materials which include hazardous constituents) or any other substances or materials which are included under or regulated by Environmental Laws (collectively, "Hazardous Substances") are located on, in or under or have been handled, generated, stored, processed or disposed of on or released or discharged from the Property (including underground contamination), except for those substances used by Borrower or any Tenant in the ordinary course of their respective businesses and in compliance with all Environmental Laws and where such Hazardous Substances could not reasonably be expected to give rise to liability under Environmental Laws; (iii) radon is not present at the Property in excess or in violation of any applicable thresholds or standards or in amounts that require disclosure under applicable law to any tenant or occupant of or invitee to the Property or to any governmental agency or the general public; (iv) the Property is not subject to any private or governmental lien or judicial or administrative notice or action arising under Environmental Laws; (v) there is no pending, nor, to Borrower's knowledge, information or belief, threatened litigation arising under Environmental Laws affecting Borrower or the Property; (vi) there are no and have been no existing or closed underground storage tanks or other underground storage

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receptacles for Hazardous Substances or landfills or dumps on the Property; (vii) Borrower has received no notice of, and to the best of Borrower's knowledge and belief, there exists no investigation, action, proceeding or claim by any agency, authority or unit of government or by any third party which could result in any liability, penalty, sanction or judgment under any Environmental Laws with respect to any condition, use or operation of the Property, nor does Borrower know of any basis for such an investigation, action, proceeding or claim; and (viii) Borrower has received no notice of and, to the best of Borrower's knowledge and belief, there has been no claim by any party that any use, operation or condition of the Property has caused any nuisance or any other liability or adverse condition on any other property, nor does Borrower know of any basis for such an investigation, action, proceeding or claim. For the purposes hereof, "Toxic Mold" shall mean any mold or fungus at the Property which is of a type (i) that might pose a significant risk to human health or the environment or (ii) that would negatively impact the value of the Property.

(b) Borrower has not received nor to the best of Borrower's knowledge, information and belief has there been issued, any notice, notification, demand, request for information, citation, summons, or order in any way relating to any actual, alleged or potential violation or liability arising under Environmental Laws.

(c) Neither the Property, nor to the best of Borrower's knowledge, information and belief, any property to which Borrower has, in connection with the maintenance or operation of the Property, directly or indirectly transported or arranged for the transportation of any Hazardous Substances is listed or, to the best of Borrower's knowledge, information and belief, proposed for listing on the National Priorities List promulgated pursuant to CERCLA, or CERCLIS (as defined in CERCLA) or on any similar federal or state list of sites requiring environmental investigation or clean-up.

(d) Borrower shall comply with all applicable Environmental Laws. Borrower shall keep the Property or cause the Property to be kept free from Hazardous Substances (except those substances used by Borrower or any Tenant in the ordinary course of their respective businesses and except in compliance with all Environmental Laws and where such Hazardous Substances could not reasonably be expected to give rise to liability under Environmental Laws) and in compliance with all Environmental Laws, Borrower shall not install or use any underground storage tanks, shall expressly prohibit the use, generation, handling, storage, production, processing and disposal of Hazardous Substances by all Tenants in quantities or conditions that would violate or give rise to any obligation to take remedial or other action under any applicable Environmental Laws. Without limiting the generality of the foregoing, during the term of this Mortgage, Borrower shall not install in the Improvements or permit to be installed in the Improvements any asbestos or asbestos-containing materials.

(e) Borrower shall promptly notify Lender if Borrower shall become aware of (i) the actual or potential existence of any Hazardous Substances on the Property other than those occurring in the ordinary course of Borrower's business and which do not violate, or would not otherwise give rise to liability under Environmental Laws, (ii) any direct or indirect violation of, or other exposure to liability under, any Environmental Laws, (iii) any lien, action or notice affecting the Property or Borrower resulting from any violation or alleged violation of or liability or alleged liability under any Environmental Laws, (iv) the institution of any investigation,

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inquiry or proceeding concerning Borrower or the Property pursuant to any Environmental Laws or otherwise relating to Hazardous Substances, or (v) the discovery of any occurrence, condition or state of facts which would render any representation or warranty contained in this Mortgage incorrect in any respect if made at the time of such discovery. Immediately upon receipt of same, Borrower, shall deliver to Lender copies of any and all requests for information, complaints, citations, summonses, orders, notices, reports or other communications, documents or instruments in any way relating to any actual, alleged or potential violation or liability of any nature whatsoever arising under Environmental Laws and relating to the Property or to Borrower. Borrower shall remedy or cause to be remedied in a timely manner (and in any event within the time period permitted by applicable Environmental Laws) any violation of Environmental Laws or any condition that could give rise to liability under Environmental Laws. Without limiting the foregoing, Borrower shall, promptly and regardless of the source of the contamination or threat to the environment or human health, at its own expense, take all actions as shall be necessary or prudent, for the clean-up of any and all portions of the Property or other affected property, including, without limitation, all investigative, monitoring, removal, containment and remedial actions in accordance with all applicable Environmental Laws (and in all events in a manner satisfactory to Lender) and shall further pay or cause to be paid, at no expense to Lender, all clean-up, administrative and enforcement costs of applicable governmental agencies which may be asserted against the Property. In the event Borrower fails to do so, Lender may, but shall not be obligated to, cause the Property or other affected property to be freed from any Hazardous Substances or otherwise brought into conformance with Environmental Laws and any and all costs and expenses incurred by Lender in connection therewith, together with interest thereon at the Default Interest Rate from the date incurred by Lender until actually paid by Borrower, shall be immediately paid by Borrower on demand and shall be secured by this Mortgage and by all of the other Loan Documents securing all or any part of the Debt. Borrower hereby grants to Lender and its agents and employees access to the Property and a license to remove any items deemed by Lender to be Hazardous Substances and to do all things Lender shall deem necessary to bring the Property into conformance with Environmental Laws.

(f) Borrower covenants and agrees, at Borrower's sole cost and expense, to indemnify, defend (at trial and appellate levels, and with attorneys, consultants and experts acceptable to Lender), and hold Lender harmless from and against any and all liens, damages (including without limitation, punitive or exemplary damages), losses, liabilities (including, without limitation, strict liability), obligations, settlement payments, penalties, fines, assessments, citations, directives, claims, litigation, demands, defenses, judgments, suits, proceedings, costs, disbursements or expenses of any kind or of any nature whatsoever (including, without limitation, reasonable attorneys', consultants' and experts' fees and disbursements actually incurred in investigating, defending, settling or prosecuting any claim, litigation or proceeding) which may at any time be imposed upon, incurred by or asserted or awarded against Lender or the Property, and arising directly or indirectly from or out of: (i) any violation or alleged violation of, or liability or alleged liability under, any Environmental Law; (ii) the presence, release or threat of release of or exposure to any Hazardous Substances or radon on, in, under or affecting all or any portion of the Property or any surrounding areas, regardless of whether or not caused by or within the control of Borrower; (iii) any transport, treatment, recycling, storage, disposal or arrangement therefor of Hazardous Substances whether on the Property, originating from the Property, or otherwise associated with Borrower or any

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operations conducted on the Property at any time; (iv) the failure by Borrower to comply fully with the terms and conditions of this Section 2.27; (v) the breach of any representation or warranty contained in this Section 2.27; or (vi) the enforcement of this Section 2.27, including, without limitation, the cost of assessment, investigation, containment, removal and/or remediation of any and all Hazardous Substances from all or any portion of the Property or any surrounding areas, the cost of any actions taken in response to the presence, release or threat of release of any Hazardous Substances on, in, under or affecting any portion of the Property or any surrounding areas to prevent or minimize such release or threat of release so that it does not migrate or otherwise cause or threaten danger to present or future public health, safety, welfare or the environment, and costs incurred to comply with Environmental Laws in connection with all or any portion of the Property or any surrounding areas. The indemnity set forth in this Section 2.27 shall also include any diminution in the value of the security afforded by the Property or any future reduction in the sales price of the Property by reason of any matter set forth in this Section 2.27. The foregoing indemnity shall specifically not include any such costs relating to Hazardous Substances which are initially placed on, in or under the Property after foreclosure or other taking of title to the Property by Lender or its successor or assigns. Lender's rights under this Section shall survive payment in full of the Debt and shall be in addition to all other rights of Lender under this Mortgage, the Note and the other Loan Documents.

(g) Upon Lender's request, at any time after the occurrence of an Event of Default or at such other time as Lender has reasonable grounds to believe that Hazardous Substances are or have been released, stored or disposed of on the Property, or on property contiguous with the Property, or that the Property may be in violation of the Environmental Laws, Borrower shall perform or cause to be performed, at Borrower's sole cost and expense and in scope, form and substance satisfactory to Lender, an inspection or audit of the Property prepared by a hydrogeologist or environmental engineer or other appropriate consultant approved by Lender indicating the presence or absence of Hazardous Substances on the Property, the compliance or non-compliance status of the Property and the operations conducted thereon with applicable Environmental Laws, or an inspection or audit of the Property prepared by an engineering or consulting firm approved by Lender indicating the presence or absence of friable asbestos or substances containing asbestos or lead or substances containing lead or lead based paint ("Lead Based Paint") on the Property. If Borrower fails to provide reports of such inspection or audit within thirty (30) days after such request, Lender may order the same, and Borrower hereby grants to Lender and its employees and agents access to the Property and an irrevocable license to undertake such inspection or audit. The cost of such inspection or audit, together with interest thereon at the Default Interest Rate from the date incurred by Lender until actually paid by Borrower, shall be immediately paid by Borrower on demand and shall be secured by this Mortgage and by all of the other Loan Documents securing all or any part of the Debt.

(h) Reference is made to that certain Environmental Indemnity Agreement of even date herewith by and among Borrower and any other principal signatory named therein in favor of Lender (the "Environmental Indemnity Agreement"). The provisions of this Mortgage and the Environmental Indemnity Agreement shall be read together to maximize the coverage with respect to the subject matter thereof, as determined by Lender.

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(i) If prior to the date hereof, it was determined that the Property contains asbestos-containing materials ("ACM's"), Borrower covenants and agrees to institute, within thirty (30) days after the date hereof, an operations and maintenance program (the "Maintenance Program") designed by an environmental consultant, satisfactory to Lender, with respect to ACM's, consistent with "Guidelines for Controlling Asbestos-Containing Materials in Buildings" (USEPA, 1985) and other relevant guidelines, and such Maintenance Program will hereafter continuously remain in effect until the Debt secured hereby is repaid in full. In furtherance of the foregoing, Borrower shall inspect and maintain all ACM's on a regular basis and ensure that all ACM's shall be maintained in a condition that prevents exposure of residents to ACM's at all times. Without limiting the generality of the preceding sentence, Lender may require (i) periodic notices or reports to Lender in form, substance and at such intervals as Lender may specify, (ii) an amendment to such operations and maintenance program to address changing circumstances, laws or other matters, (iii) at Borrower's sole expense, supplemental examination of the Property by consultants specified by Lender, and (iv) variation of the operations and maintenance program in response to the reports provided by any such consultants.

(j) If, prior to the date hereof, it was determined that the Property contains Lead Based Paint, Borrower had prepared an assessment report describing the location and condition of the Lead Based Paint (a "Lead Based Paint Report"). If, at any time hereafter, Lead Based Paint is suspected of being present on the Property, Borrower agrees, at its sole cost and expense and within twenty (20) days thereafter, to cause to be prepared a Lead Based Paint Report prepared by an expert, and in form, scope and substance, acceptable to Lender. Borrower agrees that if it has been, or if at any time hereafter it is, determined that the Property contains Lead Based Paint, on or before thirty (30) days following (i) the date hereof, if such determination was made prior to the date hereof or (ii) such determination, if such determination is hereafter made,

as applicable, Borrower shall, at its sole cost and expenses, develop and implement, and thereafter diligently and continuously carry out (or cause to be developed and implemented and thereafter diligently and continually to be carried out), an operations, abatement and maintenance plan for the Lead Based Paint on the Property, which plan shall be prepared by an expert, and be in form, scope and substance, acceptable to Lender (together with any Lead Based Paint Report, the "O&M Plan"). If an O&M Plan has been prepared prior to the date hereof, Borrower agrees to diligently and continually carry out (or cause to be carried out) the provisions thereof. Compliance with the O&M Plan shall require or be deemed to require, without limitation, the proper preparation and maintenance of all records, papers and forms required under the Environmental Laws.

Section 2.28 Indemnification; Subrogation.

(a) Borrower shall indemnify, defend and hold Lender harmless against: (i) any and all claims for brokerage, leasing, finders or similar fees which may be made relating to the Property or the Debt, and (ii) any and all liability, obligations, losses, damages, penalties, claims, actions, suits, costs and expenses (including Lender's reasonable attorneys' fees) of whatever kind or nature which may be asserted against, imposed on or incurred by Lender in connection with the Debt, this Mortgage, the Property, or any part thereof, or the exercise by Lender of any rights or remedies granted to it under this Mortgage or arise from the information provided in accordance with the terms hereof; provided, however, that nothing herein shall be construed to obligate Borrower to indemnify, defend and hold harmless Lender from and against

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any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs and expenses enacted against, imposed on or incurred by Lender by reason of Lender's willful misconduct or gross negligence.

(b) If Lender is made a party defendant to any litigation or any claim is threatened or brought against Lender concerning the Debt, this Mortgage, the Property, or any part thereof, or any interest therein, or the construction, maintenance, operation or occupancy or use thereof, then Borrower shall indemnify, defend and hold Lender harmless from and against all liability by reason of said litigation or claims, including reasonable attorneys' fees and expenses incurred by Lender in any such litigation or claim, whether or not any such litigation or claim is prosecuted to judgment. If Lender commences an action against Borrower to enforce any of the terms hereof or to prosecute any breach by Borrower of any of the terms hereof or to recover any sum secured hereby, Borrower shall pay to Lender its reasonable attorneys' fees and expenses. The right to such attorneys' fees and expenses shall be deemed to have accrued on the commencement of such action, and shall be enforceable whether or not such action is prosecuted to judgment. If Borrower breaches any term of this Mortgage, Lender may engage the services of an attorney or attorneys to protect its rights hereunder, and in the event of such engagement following any breach by Borrower, Borrower shall pay Lender reasonable attorneys' fees and expenses incurred by Lender, whether or not an action is actually commenced against Borrower by reason of such breach. All references to "attorneys" in this Subsection and elsewhere in this Mortgage shall include, without limitation, any attorney or law firm engaged by Lender and Lender's in-house counsel, and all references to "fees and expenses" in this Subsection and elsewhere in this Mortgage shall include, without limitation, any fees of such attorney or law firm, any appellate counsel fees, if applicable, and any allocation charges and allocation costs of Lender's in-house counsel.

(c) A waiver of subrogation shall be obtained by Borrower from its insurance carrier and, consequently, Borrower waives any and all right to claim or recover against Lender, its officers, employees, agents and representatives, for loss of or damage to Borrower, the Property, Borrower's property or the property of others under Borrower's control from any cause insured against or required to be insured against by the provisions of this Mortgage.

Section 2.29 Covenants with Respect to Existence, Indebtedness, Operations, Fundamental Changes of Borrower.

(a) Borrower, and any general partner or managing member of Borrower, as applicable, have each done since the date of their formation and shall do or cause to be done all things necessary to (i) preserve, renew and keep in full force and effect its existence, rights, and franchises, (ii) continue to engage in the business presently conducted by it, (iii) obtain and maintain all licenses, and (iv) qualify to do business and remain in good standing under the laws of each jurisdiction, in each case as and to the extent required for the ownership, maintenance, management and operation of the Property. Borrower hereby represents, warrants and covenants as of the date hereof and until such time as the Debt is paid in full, that Borrower has been, since the date of its formation, is and shall remain a Single-Purpose Entity (as hereinafter defined). Each general partner or the SPE Member (as hereinafter defined) of Borrower (each, an "SPE Equity Owner"), has since the date of its formation complied and will at all times comply, with each of the representations, warranties and covenants contained in this Section 2.29 as if such

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representation, warranty or covenant was made directly by such SPE Equity Owner. A "Single-Purpose Entity" or "SPE" means a corporation, limited partnership or limited liability company that:

(1) if a corporation, must have at least two Independent Directors (as hereinafter defined), or if requested by Lender (which request Borrower shall comply with within five (5) business days) in connection with a Secondary Market Transaction, two Independent Directors, and must not take any action that, under the terms of any certificate or articles of incorporation, by-laws, or any voting trust agreement with respect to such entity's common stock, requires the unanimous affirmative vote of 100% of the members of the board of directors unless all of the directors, including, without limitation, all Independent Directors, shall have participated in such vote ("SPE Corporation");

(2) if a limited partnership, must have each general partner be an SPE Corporation;

(3) if a limited liability company, must have one managing member (the "SPE Member") and such managing member must be an SPE Corporation. Only the SPE Member may be designated as a manager under Borrower's operating agreement and pursuant to the law where Borrower is organized. Borrower may be a single member Delaware limited liability company without an SPE Corporation managing member so long as Borrower complies with the provisions set forth in Sections 2.29(b) and (c) below;

(4) was and will be organized solely for the purpose of (i) owning an interest in the Property, (ii) acting as a general partner of a limited partnership that owns an interest in the Property, or (iii) acting as the managing member of a limited liability company that owns an interest in the Property;

(5) will not, nor will any partner, limited or general, member or shareholder thereof, as applicable, amend, modify or otherwise change its partnership certificate, partnership agreement, articles of incorporation, by-laws, operating agreement, articles of organization, or other formation agreement or document, as applicable, in any material term or manner, or in a manner which adversely affects Borrower's existence as a Single Purpose Entity;

(6) will not liquidate or dissolve (or suffer any liquidation or dissolution), or enter into any transaction of merger or consolidation, or acquire by purchase or otherwise all or substantially all the business or assets of, or any stock or other evidence of beneficial ownership of any entity;

(7) will not, nor will any partner, limited or general, member or shareholder thereof, as applicable, violate the terms of its partnership

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- (8) has not and will not guarantee, pledge its assets for the benefit of, or otherwise become liable on or in connection with, any obligation of any other person or entity;
- (9) does not own and will not own any asset other than (i) the Property, and (ii) incidental personal property necessary for the operation of the Property;
- (10) is not engaged and will not engage, either directly or indirectly, in any business other than the ownership, management and operation of the Property;
- (11) will not enter into any contract or agreement with any general partner, principal, affiliate or member of Borrower, as applicable, or any affiliate of any general partner, principal or member of Borrower, except upon terms and conditions that are intrinsically fair and substantially similar to those that would be available on an arms-length basis with third parties other than an affiliate;
- (12) has not incurred and will not incur any debt, secured or unsecured, direct or contingent (including guaranteeing any obligation), other than (i) the Debt, and (ii) trade payables or accrued expenses incurred in the ordinary course of business of operating the Property customarily satisfied within thirty (30) days not evidenced by a note and in an aggregate amount not to exceed two percent (2.0%) of the existing principal balance of the Note, and no other debt will be secured (senior, subordinate or pari passu) by the Property;
- (13) has not made and will not make any loans or advances to any third party (including any affiliate);
- (14) is and will be solvent and pay its debts from its assets as the same shall become due;
- (15) has done or caused to be done and will do all things necessary to preserve its existence, and will observe all formalities applicable to it;
- (16) will conduct and operate its business in its own name and as presently conducted and operated;
- (17) will maintain financial statements, books and records and bank accounts separate from those of its affiliates, including, without limitation, its general partners or members, as applicable;
- (18) will be, and at all times will hold itself out to the public as, a legal entity separate and distinct from any other entity (including, without limitation, any affiliate, general partner, or member, as applicable, or any affiliate of any general partner or member of Borrower, as applicable) and will correct any known misunderstanding concerning its separate identity;
- (19) will file its own tax returns;

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- (20) will maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations;
- (21) will establish and maintain an office through which its business will be conducted separate and apart from those of its affiliates or shall allocate fairly and reasonably any overhead and expense for shared office space;
- (22) will not commingle the funds and other assets of Borrower with those of any general partner, member, affiliate, principal or any other person;
- (23) has and will maintain its assets in such a manner that it is not costly or difficult to segregate, ascertain or identify its individual assets from those of any affiliate or any other person;
- (24) does not and will not hold itself out to be responsible for the debts or obligations of any other person;
- (25) will pay the salaries of its own employees (if any) from its own funds and maintain a sufficient number of employees (if any) in light of its contemplated business operations;
- (26) will pay any liabilities out of its own funds, including salaries of its employees, not funds of any affiliate; and
- (27) will use stationery, invoices, and checks separate from its affiliates.

(b) In the event Borrower is a single-member Delaware limited liability company, the limited liability company agreement of Borrower (the "LLC Agreement") shall provide that (i) upon the occurrence of any event that causes the sole member of Borrower ("Member") to cease to be the member of Borrower (other than (A) upon an assignment by Member of all of its limited liability company interest in Borrower and the admission of the transferee, or (B) the resignation of Member and the admission of an additional member in either case in accordance with the terms of the Loan Documents and the LLC Agreement), any person acting as Independent Director of Borrower shall without any action of any other Person and simultaneously with the Member ceasing to be the member of Borrower, automatically be admitted to Borrower ("Special Member") and shall continue Borrower without dissolution and (ii) Special Member may not resign from Borrower or transfer its rights as Special Member unless (A) a successor Special Member has been admitted to Borrower as Special Member in accordance with requirements of Delaware law and (B) such successor Special Member has also accepted its appointment as an Independent Director. The LLC Agreement shall further provide that (i) Special Member shall automatically cease to be a member of Borrower upon the admission to Borrower of a substitute Member, (ii) Special Member shall be a member of Borrower that has no interest in the profits, losses and capital of Borrower and has no right to receive any distributions of Borrower assets, (iii) pursuant to Section 18-301 of the Delaware Limited Liability Company Act (the "Act"), Special Member shall not be required to make any capital contributions to Borrower and shall not receive a limited liability company interest in Borrower, (iv) Special Member, in its capacity as Special Member, may not bind Borrower, and

(v) except as required by any mandatory provision of the Act, Special Member, in its capacity as Special Member, shall have no right to vote on, approve or otherwise consent to any action by, or matter relating to, Borrower, including, without limitation, the merger, consolidation or conversion of Borrower; provided, however, such prohibition shall not limit the obligations of Special Member, in its capacity as Independent Director, to vote on such matters required by the Loan Documents or the LLC Agreement. In order to implement the admission to Borrower of Special Member, Special Member shall execute a counterpart to the LLC Agreement. Prior to its admission to Borrower as Special Member, Special Member shall not be a member of Borrower.

(c) Upon the occurrence of any event that causes the Member to cease to be a member of Borrower, to the fullest extent permitted by law, the personal representative of Member shall, within ninety (90) days after the occurrence of the event that terminated the continued membership of Member in Borrower, agree in writing (i) to continue Borrower and (ii) to the admission of the personal representative or its nominee or designee, as the case may be, as a substitute member of Borrower, effective as of the occurrence of the event that terminated the continued membership of Member of Borrower in Borrower. Any action initiated by or brought against Member or Special Member under any creditors rights laws shall not cause Member or Special Member to cease to be a member of Borrower and upon the occurrence of such an event, the business of Borrower shall continue without dissolution. The LLC Agreement shall provide that each of Member and Special Member waives any right it might have to agree in writing to dissolve Borrower upon the occurrence of any action initiated by or brought against Member or Special Member under any creditors rights laws, or the occurrence of an event that causes Member or Special Member to cease to be a member of Borrower.

As used in this Section 2.29, “Independent Director” shall mean a duly appointed member of the board of directors of any SPE Corporation or board of managers or of a single member Delaware limited liability company which is an SPE who is provided by a nationally-recognized company that provides professional independent directors who shall not have been at the time of initial appointment or at any time while serving as an Independent Director, and may not have been at any time (i) a stockholder, director, officer, employee, partner, attorney or counsel of such SPE Corporation, single member Delaware limited liability company which is an SPE, Borrower or any affiliate of any of them, (ii) a customer, supplier or other Person who derives any of its purchases or revenues from its activities with such SPE Corporation, single member Delaware limited liability company which is an SPE, Borrower or any affiliate of any of them, (iii) a Person or other entity controlling or under common control with any such stockholder, partner, customer, supplier or other Person, or (iv) a member of the immediate family of any such stockholder, director, officer, employee, partner, customer, supplier or other Person. As used in this definition, the term “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management, policies or activities of a Person, whether through ownership of voting securities, by contract or otherwise. As used herein, the term “affiliate” shall mean: (1) any person or entity directly or indirectly owning, controlling or holding with power to vote ten percent (10%) or more of the outstanding voting securities or interests of such other person or entity; (2) any person or entity ten percent (10%) or more of whose outstanding voting securities are directly or indirectly owned, controlled or held with power to vote by such other person or entity; (3) any person or entity directly or indirectly controlling, controlled by or under common control with such other person or entity; (4) any officer, director or partner of such other person or entity; (5) if such other person or entity is an

officer, director or partner, any company for which such person or entity acts in any such capacity; and (6) any close relative or spouse of the specified person.

Section 2.30 Embargoed Person. At all times throughout the term of the Loan, including after giving effect to any Sale hereunder, (a) none of the funds or assets of Indemnitee that are used to repay the Loan or of Borrower shall constitute property of, or shall be beneficially owned directly or, to Borrower’s best knowledge, indirectly, by any person subject to sanctions or trade restrictions under United States law (“Embargoed Person” or “Embargoed Persons”) that are identified on (1) the “List of Specially Designated Nationals and Blocked Persons” maintained by the Office of Foreign Assets Control (OFAC), U.S. Department of the Treasury, and/or to Borrower’s best knowledge, as of the date thereof, based upon reasonable inquiry by Borrower, on any other similar list maintained by OFAC pursuant to any authorizing statute including, but not limited to, the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701 et seq., The Trading with the Enemy Act, 50 U.S.C. App. 1 et seq., and any Executive Order or regulation promulgated thereunder, with the result that the investment in Borrower or any Indemnitee, as applicable (whether directly or indirectly), is prohibited by law, or the Loan made by Lender would be in violation of law, or (2) Executive Order 13224 (September 23, 2001) issued by the President of the United States (“Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism”), any related enabling legislation or any other similar Executive Orders, and (b) no Embargoed Person shall have any direct interest, and to Borrower’s best knowledge, as of the date hereof, based upon reasonable inquiry by Borrower, indirect interest, of any nature whatsoever in Borrower or any Indemnitee, as applicable, with the result that the investment in Borrower or any Indemnitee, as applicable (whether directly or indirectly), is prohibited by law or the Loan is in violation of law. Notwithstanding the foregoing, Borrower makes no representation, warranty or covenant as to the individual shareholders of Mack-Cali Realty Corporation, a Maryland corporation, a publicly traded company that would otherwise be covered by the foregoing representations, warranties and covenants.

Section 2.31 Anti-Money Laundering. At all times throughout the term of the Loan, including after giving effect to any Transfers permitted pursuant to the Loan Documents, none of the funds of Borrower or any Indemnitee, as applicable, that are used to repay the Loan shall be derived from any unlawful activity, with the result that the investment in Borrower or any Indemnitee, as applicable (whether directly or indirectly), is prohibited by law or the Loan is in violation of law.

Section 2.32 ERISA.

(a) Borrower shall not engage in any transaction which would cause any obligation, or action taken or to be taken, hereunder (or the exercise by Lender of any of its rights under the Note, this Mortgage or any of the other Loan Documents) to be a non-exempt (under a statutory or administrative class exemption) prohibited transaction under ERISA.

(b) Borrower further covenants and agrees to deliver to Lender such certifications or other evidence from time to time throughout the term of this Mortgage, as requested by Lender in its sole discretion, that (i) Borrower is not an “employee benefit plan” as defined in Section 3(3) of ERISA, which is subject to Title I of ERISA, or a “governmental plan”

within the meaning of Section 3(32) of ERISA; (ii) Borrower is not subject to Federal or state statutes regulating investments and fiduciary obligations with respect to governmental plans; and (iii) one or more of the following circumstances is true:

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

(2) Less than 25 percent of each outstanding class of equity interests in Borrower are held by “benefit plan investors” within the meaning of 29 C.F.R. Section 2510.3-101(f)(2); or

(3) Borrower qualifies as an “operating company” within the meaning of 29 C.F.R. Section 2510.3-101 or an investment company registered under the Investment Company Act of 1940.

(c) Borrower shall indemnify Lender and defend and hold Lender harmless from and against all civil penalties, excise taxes, or other loss, cost damage and expense (including, without limitation, reasonable attorneys’ fees and disbursements and costs incurred in the investigation, defense and settlement of claims and losses incurred in correcting any prohibited transaction or in the sale of a prohibited loan, and in obtaining any individual prohibited transaction exemption under ERISA that may be required, in Lender’s sole discretion) that Lender may incur, directly or indirectly, as a result of a default under this Section. This indemnity shall survive any termination, satisfaction or foreclosure of this Mortgage.

Section 2.33 **Opinion Assumptions.** Borrower shall at all times conduct its business so that the assumptions made with respect to Borrower in the Non-Consolidation Opinion shall be true and correct in all respects.

Section 2.34 **Certificates of Occupancy.** Borrower acknowledges that it is not in possession of certain certificates of occupancy for the Building and/or Improvements located on the Property (“Certificates of Occupancy”). Borrower undertakes, covenants and agrees, to use commercially reasonable efforts to obtain or caused to be obtained any one of the following: (i) copies of all missing Certificates of Occupancy, or if same were never issued, to take any and all required actions in connection therewith in order to obtain the Certificates of Occupancy as may be required by the appropriate municipality or governmental authority, (ii) proof reasonably acceptable to Lender that a Certificate of Occupancy is not required by the applicable municipality for the Property, for which a legal opinion in form and substance reasonably acceptable to Lender shall be deemed to be satisfactory proof thereof, (iii) proof reasonably acceptable to Lender that failure to have a Certificate of Occupancy is not a violation of law and that the buildings missing a Certificate of Occupancy can remain legally occupied, for which a legal opinion in form and substance reasonably acceptable to Lender shall be deemed to be satisfactory proof thereof, (iv) a letter from the municipality stating either (A) that the Property predates any requirement for Certificate of Occupancy or (B) that although it no longer maintains copies of Certificates of Occupancy the Property can remain legally occupied, in either case, with proof reasonably acceptable to Lender that no material zoning code or building code violations exist with respect to the Property, or (v) a letter from the applicable municipality stating that such municipality does not have the Certificates of Occupancy because they have

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been lost, misplaced or purged and that the Property can remain legally occupied ((i)-(v) above, collectively, a “Certificate of Occupancy Satisfaction Event”). Borrower’s failure to use commercially reasonable efforts to obtain any of the aforementioned items shall constitute an “Event of Default” under this Security Instrument. Borrower shall keep Lender apprised periodically, which shall be on a basis reasonably acceptable to Lender, on the progress of Borrower’s efforts to satisfy the foregoing obligation. Borrower’s obligations under this Section 2.34 with respect to each missing Certificate of Occupancy shall be deemed satisfied by the occurrence of a Certificate of Occupancy Satisfaction Event with respect to such missing Certificate of Occupancy.

Section 2.35 **Violations.** Borrower undertakes, covenants and agrees, to use commercially reasonable efforts to correct and satisfy any and all violations against the Property (including, without limitation, zoning, floor area, building code and fire and safety) (the “Property Violations”). Borrower’s failure to use commercially reasonable efforts to correct and satisfy any and all Property Violations shall constitute an “Event of Default” under this Security Instrument. Borrower shall keep Lender apprised periodically, which shall be on a basis reasonably acceptable to Lender, on the progress of the satisfaction and release of the Property Violations.

ARTICLE III

RESERVES AND CASH MANAGEMENT

Section 3.1 **Reserves Generally.**

(a) As additional security for the payment and performance by Borrower of all duties, responsibilities and obligations under the Note and the other Loan Documents, Borrower hereby unconditionally and irrevocably assigns, conveys, pledges, mortgages, transfers, delivers, deposits, sets over and confirms unto Lender, and hereby grants to Lender a security interest in, (i) the Impound Account, the Immediate Repairs Reserve, the Replacement Reserve, the Outstanding TILC Reserve, the Free Rent Reserve, the Rollover Reserve, as applicable (each as hereinafter defined) and any other reserve or escrow account established pursuant to the terms hereof or of any other Loan Document (collectively, the “Reserves”), (ii) the accounts into which the Reserves have been deposited, (iii) all insurance on said accounts, (iv) all accounts, contract rights and general intangibles or other rights and interests pertaining thereto, (v) all sums now or hereafter therein or represented thereby, (vi) all replacements, substitutions or proceeds thereof, (vii) all instruments and documents now or hereafter evidencing the Reserves or such accounts, (viii) all powers, options, rights, privileges and immunities pertaining to the Reserves (including the right to make withdrawals therefrom), and (ix) all proceeds of the foregoing. Borrower hereby authorizes and consents to the account into which the Reserves have been deposited being held in Lender’s name or the name of any entity servicing the Note for Lender and hereby acknowledges and agrees that Lender, or at Lender’s election, such servicing agent, shall have exclusive control over said account. Notice of the assignment and security interest granted to Lender herein may be delivered by Lender at any time to the financial institution wherein the Reserves have been established, and Lender, or such servicing entity, shall have possession of all passbooks or other evidences of such accounts. Borrower hereby assumes all risk of loss with respect to amounts on deposit in the Reserves.

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Funds on deposit in the Replacement Reserve, the Outstanding TILC Reserve, the Free Rent Reserve and the Rollover Reserve shall bear interest at a rate equal to the then prevailing commercial money market rate. All amounts deemed earned on funds contributed to the Replacement Reserve, the Outstanding TILC Reserve, the Free Rent Reserve and the Rollover Reserve at the rate referenced in the immediately preceding sentence shall be retained by Lender and accumulated for the benefit of Borrower and added to the balance in the Replacement Reserve, the Outstanding TILC Reserve, the Free Rent Reserve and the Rollover Reserve and shall be disbursed for payment of the items for which other funds in the Replacement Reserve, the Free Rent Reserve, the Outstanding TILC Reserve and the Rollover Reserve are to be disbursed. Borrower shall not be entitled to earn any interest with respect to funds on deposit in the Impound Account and the Immediate Repairs Reserve. Borrower hereby knowingly, voluntarily and intentionally stipulates, acknowledges and agrees that the advancement of the funds from the Reserves as set forth herein is at Borrower’s direction and is not the exercise by Lender of any right of set-off or other remedy upon a Default or an Event of Default. Borrower hereby waives all right to withdraw funds from the Reserves except as provided for in this Mortgage. If an Event of Default shall occur hereunder or under any other of the Loan Documents Lender may, without notice or demand on Borrower, at its option: (A) withdraw any or all of the funds (including, without limitation, interest) then remaining in the Reserves and apply the same, after deducting all costs and expenses of safekeeping, collection and delivery (including, but not limited to, reasonable attorneys’ fees, costs and expenses) to the Debt or any other obligations of Borrower under the other Loan Documents in such manner as Lender shall deem appropriate in its sole discretion, and the excess, if any, shall be paid to Borrower, (B) exercise any and all rights and remedies of a secured party under any applicable Uniform Commercial Code, or (C) exercise any other remedies available at law or in equity. No such use or application of the funds contained in the Reserves shall be deemed to cure any Default or Event of Default.

(b) The Reserves shall not, unless otherwise explicitly required by applicable law, be or be deemed to be escrow or trust funds, but, at Lender’s option and in Lender’s discretion, may either be held in a separate account or be commingled by Lender with the general funds of Lender. The Reserves are solely for the

protection of Lender and entail no responsibility on Lender's part beyond the payment of the respective items for which they are held following receipt of bills, invoices or statements therefor in accordance with the terms hereof and beyond the allowing of due credit for the sums actually received. Upon assignment of this Mortgage by Lender, any funds in the Reserves shall be turned over to the assignee and any responsibility of Lender, as assignor, with respect thereto shall terminate. If the funds in the applicable Reserve shall exceed the amount of payments actually applied by Lender for the purposes and items for which the applicable Reserve is held, such excess may be credited by Lender on subsequent payments to be made hereunder or, at the option of Lender, refunded to Borrower. If, however, the applicable Reserve shall not contain sufficient funds to pay the sums required by the dates on which such sums are required to be on deposit in such account, Borrower shall, within ten (10) days after receipt of written notice thereof, deposit with Lender the full amount of any such deficiency. If Borrower shall fail to deposit with Lender the full amount of such deficiency as provided above, Lender shall have the option, but not the obligation, to make such deposit, and all amounts so deposited by Lender, together with interest thereon at the Default Interest Rate from the date so deposited by Lender until actually paid by Borrower, shall be immediately paid by Borrower on demand and shall be secured by this

Mortgage and by all of the other Loan Documents securing all or any part of the Debt. If there is an Event of Default under this Mortgage, Lender may, but shall not be obligated to, apply at any time the balance then remaining in any or all of the Reserves against the Debt in whatever order Lender shall subjectively determine. No such application of any or all of the Reserves shall be deemed to cure any Event of Default. Upon full payment of the Debt in accordance with its terms or at such earlier time as Lender may elect, the balance of any or all of the Reserves then in Lender's possession shall be paid over to Borrower and no other party shall have any right or claim thereto.

Section 3.2 Intentionally Omitted

Section 3.3 Impound Account. Borrower shall establish and maintain at all times while this Mortgage continues in effect an impound account (the "Impound Account") with Lender for payment of real estate taxes and assessments and insurance on the Property and as additional security for the Debt. Simultaneously with the execution hereof, Borrower shall deposit in the Impound Account an amount determined by Lender to be necessary to ensure that there will be on deposit with Lender an amount which, when added to the monthly payments subsequently required to be deposited with Lender hereunder on account of real estate taxes, assessments and insurance premiums, will result in there being on deposit with Lender in the Impound Account an amount sufficient to pay the next due installment of real estate taxes and assessments on the Property at least one (1) month prior to the earlier of (a) the due date thereof or (b) any such date by which Borrower or Lender is required by law to pay same and the next due annual insurance premiums with respect to the Property at least one (1) month prior to the due date thereof. Commencing on the first monthly payment date under the Note and continuing thereafter on each monthly payment date under the Note, Borrower shall pay to Lender, concurrently with and in addition to the monthly payment due under the Note and until the Debt is fully paid and performed, deposits in an amount equal to one-twelfth (1/12) of the amount of the annual real estate taxes and assessments that will next become due and payable on the Property, plus one-twelfth (1/12) of the amount of the annual premiums that will next become due and payable on insurance policies which Borrower is required to maintain hereunder, each as estimated and determined by Lender. So long as no Default or Event of Default has occurred, and no event has occurred or failed to occur which with the passage of time, the giving of notice, or both would constitute an Event of Default (a "Default"), all sums in the Impound Account shall be held by Lender in the Impound Account to pay said taxes, assessments and insurance premiums before the same become delinquent. Borrower shall be responsible for ensuring the receipt by Lender, at least thirty (30) days prior to the respective due date for payment thereof, of all bills, invoices and statements for all taxes, assessments and insurance premiums to be paid from the Impound Account, and so long as no Event of Default has occurred, Lender shall pay the governmental authority or other party entitled thereto directly to the extent funds are available for such purpose in the Impound Account. In making any payment from the Impound Account, Lender shall be entitled to rely on any bill, statement or estimate procured from the appropriate public office or insurance company or agent without any inquiry into the accuracy of such bill, statement or estimate and without any inquiry into the accuracy, validity, enforceability or contestability of any tax, assessment, valuation, sale, forfeiture, tax lien or title or claim thereof.

Notwithstanding the foregoing, so long as an Event of Default has not occurred, Borrower shall not be required to deposit into the Impound Account payments with respect to insurance premiums in connection with the Property so long as Borrower promptly provides Lender with proof of payment of all insurance premiums and other charges in connection with the insurance premiums required in connection with the Property and evidence that such required insurance is in place and is renewed at least thirty (30) days prior to the expiration of any insurance coverage. In the event that (i) an Event of Default occurs, and/or (ii) Borrower fails to provide Lender with the foregoing proof of payment of insurance premiums and/or evidence that the insurance required is in place at least thirty (30) days prior to the due date thereof, Borrower shall be required to deposit payments into the Impound Account with respect to insurance premiums in connection with the Property as set forth in this Section 3.3.

Section 3.4 Immediate Repairs Reserve. Prior to the execution of this Mortgage, Lender has caused the Property to be inspected and such inspection has revealed that the Property is in need of certain maintenance, repairs and/or remedial or corrective work. Contemporaneously with the execution hereof, Borrower has established with Lender a reserve in the amount of \$49,325.00 (the "Immediate Repair Reserve") by depositing such amount with Lender. Borrower shall cause each of the items described in that certain Property Condition Report (the "Deferred Maintenance") to be completed, performed, remediated and corrected to the satisfaction of Lender and as necessary to bring the Property into compliance with all applicable laws, ordinances, rules and regulations on or before the expiration of six (6) months after the effective date hereof, as such time period may be extended by Lender in its sole discretion. So long as no Event of Default has occurred, all sums in the Immediate Repair Reserve shall be held by Lender in the Immediate Repair Reserve to pay the costs and expenses of completing the Deferred Maintenance. So long as no Default or Event of Default has occurred, Lender shall, to the extent funds are available for such purpose in the Immediate Repair Reserve, disburse to Borrower the amount paid or incurred by Borrower in completing, performing, remediating or correcting the Deferred Maintenance upon (a) the receipt by Lender of a written request from Borrower for disbursement from the Immediate Repair Reserve and a certification by Borrower in a form as may be required by Lender that the applicable item of Deferred Maintenance has been completed in accordance with the terms of this Mortgage, (b) delivery to Lender of invoices, receipts or other evidence satisfactory to Lender verifying the costs of the Deferred Maintenance to be reimbursed, (c) delivery to Lender of a certification from an inspecting architect, engineer or other consultant reasonably acceptable to Lender describing the completed work, verifying the completion of the work and the value of the completed work and, if applicable, certifying that the Property is, as a result of such work, in compliance with all applicable laws, ordinances, rules and regulations relating to the Deferred Maintenance so performed, and (d) delivery to Lender of affidavits, lien waivers or other evidence reasonably satisfactory to Lender showing that all materialmen, laborers, subcontractors and any other parties who might or could claim statutory or common law liens and are furnishing or have furnished materials or labor to the Property have been paid all amounts due for such labor and materials furnished to the Property. Lender shall not be required to make advances from the Immediate Repair Reserve more frequently than once in any thirty (30) day period. In making any payment from the Immediate Repair Reserve, Lender shall be entitled to rely on such request from Borrower without any inquiry into the accuracy, validity or contestability of any such amount. Borrower hereby grants to Lender a power-of-attorney, coupled with an interest, to cause the Deferred Maintenance to be completed, performed,

remediated and corrected to the satisfaction of Lender upon Borrower's failure to do so in accordance with the terms and conditions of this Section 3.4, and to apply the amounts on deposit in the Immediate Repair Reserve to the costs associated therewith, all as Lender may determine in its sole and absolute discretion but without obligation to do so.

Section 3.5 Replacement Reserve. As additional security for the Debt, Borrower shall establish and maintain at all times while this Mortgage continues in effect a repair reserve (the "Replacement Reserve") with Lender for payment of costs and expenses incurred by Borrower in connection with the performance of work to the roofs, chimneys, gutters, downspouts, paving, curbs, ramps, driveways, balconies, porches, patios, exterior walls, exterior doors and doorways, windows, elevators and mechanical and HVAC equipment (collectively, the "Repairs"). Commencing on the first monthly Payment Date under the Note and continuing thereafter on each monthly Payment Date under the Note, Borrower shall pay to Lender, concurrently with and in addition to the monthly payment due under the Note and until the Debt is fully paid and performed, a deposit to the Replacement Reserve in an amount equal to \$2,020.08 per month. So long as no Event of Default has occurred, all sums in the Replacement Reserve shall be held by Lender in the Replacement Reserve to pay the costs and expenses of Repairs. So long as no Default or Event of Default has occurred, Lender shall, to the extent funds are available for such purpose in the Replacement Reserve, disburse to Borrower the amount paid or incurred by Borrower in performing such Repairs within ten (10) days following: (a) the receipt by Lender of a written request from Borrower for disbursement from the Replacement Reserve and a certification by Borrower in a form approved in writing by Lender that the applicable item of Repair has been completed; (b) the delivery to Lender of invoices, receipts or other evidence satisfactory to Lender, verifying the cost of performing the Repairs; (c) for disbursement requests in excess of \$25,000.00, the delivery to Lender of affidavits, lien waivers or other evidence reasonably satisfactory to Lender showing that all materialmen, laborers, subcontractors and any other parties who might or could claim statutory or common law liens and are furnishing or have furnished material or labor to the Property have been paid all amounts due for labor and materials furnished to the Property; (d) for disbursement requests in excess of \$25,000.00, delivery to Lender of a certification from an inspecting architect or other third party acceptable to Lender describing the completed Repairs and verifying the completion of the Repairs and the value of the completed Repairs; and (e) for disbursement requests in excess of \$25,000.00, delivery to Lender of a new certificate of occupancy for the portion of the Improvements covered by such Repairs, if said new certificate of occupancy is required by law, or a certification by Borrower that no new certificate of occupancy is required. Lender shall not be required to make advances from the Replacement Reserve more frequently than once in any thirty (30) day period. In making any payment from the Replacement Reserve, Lender shall be entitled to rely on such request from Borrower without any inquiry into the accuracy, validity or contestability of any such amount. Lender may, at Borrower's expense, make or cause to be made during the term of this Mortgage an annual inspection of the Property to determine the need, as determined by Lender in its reasonable judgment, for further Repairs of the Property. In the event that such inspection reveals that further Repairs of the Property are required, Lender shall provide Borrower with a written description of the required Repairs and Borrower shall complete such Repairs to the reasonable satisfaction of Lender within ninety (90) days after the receipt of such description from Lender, or such later date as may be approved by Lender in its sole discretion.

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Section 3.6 Rollover Reserve. (a) Borrower shall pay to Lender \$18,750.00 on each Payment Date (the "Rollover Reserve") provided, however, that Borrower shall not be required to make deposits to the Rollover Reserve in any month to the extent that, after deducting therefrom any pending requests for disbursements from the Rollover Reserve, such deposit would increase the balance in the Rollover Reserve above \$1,900,000.00. Borrower shall also pay to Lender for transfer into the Rollover Reserve all payments received from tenants in connection with the early termination or cancellation of any Leases, including fees, penalties and commissions. If Lender determines in its reasonable judgment that the funds in the Rollover Reserve will be insufficient to pay (or in excess of) the amounts due or to become due for Approved Leasing Expenses (as hereinafter defined), Lender may increase (or decrease) the monthly contribution required to be made by Borrower to the Rollover Reserve. Provided that no Event of Default has occurred and is continuing, Lender shall disburse funds held in the Rollover Reserve to Borrower, within fifteen (15) days after the delivery by Borrower to Lender of a request therefor (but not more often than once per month), in increments of at least \$5,000, provided (i) such disbursement is for an Approved Leasing Expense relating to the Sony Replacement Event (as defined below); (ii) Lender shall have (if it desires) verified (by an inspection conducted at Borrower's expense) performance of any construction work associated with such Approved Leasing Expense relating to the Sony Replacement Event; and (iii) the request for disbursement is accompanied by (A) an officer's certificate from an authorized officer of the Borrower certifying (v) that such funds will be used only to pay (or reimburse Borrower for) such Approved Leasing Expenses and a description thereof, (w) that all outstanding trade payables (other than those to be paid from the requested disbursement) have been paid in full, (x) that the same has not been the subject of a previous disbursement, (y) that all previous disbursements have been used only to pay (or reimburse Borrower for) the previously identified Approved Leasing Expenses and (z) that any construction work associated with such Approved Leasing Expenses relating to the Sony Replacement Event has been completed in a good and workmanlike manner and in accordance with all applicable legal requirements, (B) reasonably detailed supporting documentation as to the amount, necessity and purpose thereof, (C) copies of appropriate lien waivers or other evidence of payment satisfactory to Lender in connection with any construction work associated with such Approved Leasing Expenses and (D) at Lender's option, a title search for the Property indicating that it is free from all liens not previously approved by Lender. Any such disbursement of more than \$10,000 to pay (rather than reimburse) Approved Leasing Expenses may, at Lender's option, be made by joint check payable to Borrower and the payee of such Approved Leasing Expenses. For the purposes hereof an "Approved Leasing Expense" shall mean the actual out-of-pocket expenses incurred by Borrower and payable to third parties that are not affiliates of Borrower or any Indemnitee in leasing space at the Premises pursuant to Leases entered into in accordance with the Loan Documents, including brokerage commissions and tenant improvements, which expenses (i) are (A) specifically approved by Lender in connection with approving the applicable Lease, (B) incurred in the ordinary course of business and on market terms and conditions in connection with Leases which do not require Lender's approval under the Loan Documents, or (C) otherwise approved by Lender, which approval shall not be unreasonably withheld or delayed, and (ii) are substantiated by executed Lease documents and brokerage agreements.

(b) In the event of evidence satisfactory to Lender of a Sony Replacement Event, Lender shall disburse all remaining funds then-held by Lender in the Rollover Reserve to Borrower

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(after application of same, in accordance with Section 3.6(a) above), within fifteen (15) days after the delivery by Borrower to Lender of a request therefor.

(c) In connection with the sums deposited into the Rollover Reserve pursuant to this Section 3.6, at the end of each calendar year, Borrower shall have the option upon thirty (30) days prior written notice to Lender, to deliver or cause to be delivered to Lender and deposited into the Rollover Reserve a clean, unconditional, irrevocable and freely transferable, sight-draft, issued by a bank having a rating of "AA" or better by Standard & Poor's (or equivalent rating agency) and being acceptable to Lender (in its sole and absolute discretion), having an initial expiry date of not earlier than one year after the delivery of such letter of credit, containing an "evergreen" provision for renewals of successive twelve (12) month terms, and otherwise in form and substance acceptable to Lender ("Letter of Credit") equal to the amount of cash then on deposit in the Rollover Reserve. Upon the delivery of the Letter of Credit to Lender, Lender shall, within fifteen (15) days receipt of such Letter of Credit, deliver to Borrower the cash funds then-held in the Rollover Reserve equal to the amount of the Letter of Credit, which disbursement shall in no event be of more funds than Lender then-holds in the Rollover Reserve in cash sums. At any time after delivery of the Letter of Credit, (i) after the occurrence of an Event of Default, Lender shall have the right to draw upon the Letter of Credit, at Lender's option, and, from the proceeds thereof (which shall be deposited in the Rollover Reserve), advance to itself any amounts held therein pursuant to Lender's rights and remedies under the Loan Documents, and (ii) so long as no Event of Default has occurred and is continuing and if Borrower requests a disbursement from the Rollover Reserve in accordance with Section 3.6(a) at a time when there is a Letter of Credit outstanding in the amount of such disbursement request but for which there are insufficient cash funds then-held in the Rollover Reserve, at Borrower's request, Borrower shall have the right to request that Lender draw upon the Letter of Credit, and, from the proceeds thereof (which shall be deposited in the Rollover Reserve), advance to Borrower the amount of the requested disbursement (subject to fulfillment of the conditions related to such disbursement set forth in this Section 3.6) for which there is insufficient cash funds then-held in the Rollover Reserve but sufficient funds held in the Letter of Credit. Notwithstanding anything contained herein to the contrary, the delivery of the Letter of Credit to Lender shall in no way waive Borrower's obligation to continue to make the monthly deposits into the Rollover Reserve in accordance with this Section 3.6, and in no event shall the delivery of a Letter of Credit to Lender be deemed a waiver or termination of such obligation. In connection with the Letter of Credit, Borrower shall enter into a letter of credit agreement with Lender pledging the Letter of Credit to Lender and governing the terms and conditions of such Letter of Credit and otherwise in form and substance satisfactory to Lender, in Lender's sole discretion (the "LC Agreement"). Borrower shall pay any and all fees and costs incurred by Lender in connection with the any of the LC Agreement and/or the Letter of

Credit, including, without limitation, the review of the LC Agreement and/or the Letter of Credit and the preparation, execution and delivery of the LC Agreement and/or the Letter of Credit (including, without limitation, attorneys' fees).

(d) In connection with this Section 3.6, the following definitions shall apply with respect to a Sony Replacement Event:

"**Sony Replacement Event**" shall mean, provided no Event of Default has occurred and is continuing, the occurrence of:

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Lender's receipt of evidence in form and substance satisfactory to Lender that Sony BMG Music Entertainment, a Delaware general partnership (collectively, with its successors and/or assigns, "**Sony**") has renewed and/or extended that certain lease between Borrower, as landlord and Sony, dated as of December 23, 2004, as same has been and maybe further amended and/or modified from time to time (the "**Sony Lease**") of the premises at the Property leased to Sony (the "**Sony Space**") or entered into a new lease of the Sony Space with a replacement tenant ("**Sony Replacement Tenant**"), in either case, on economic terms at least as favorable as those contained in the Sony Lease (including, without limitation, for base rent in an amount equal to or greater than the then current base rent set forth in the Sony Lease) and otherwise in form and substance reasonably satisfactory to Lender and for a term expiring on or after July 11, 2016 (the "**Sony Renewal Lease**"), which evidence shall include, without limitation, a copy of the Sony Renewal Lease and a tenant estoppel certificate from Sony or the Sony Replacement Tenant, as applicable, which shall be in form and substance satisfactory to Lender and provide, among other things, that (i) Sony or the Sony Replacement Tenant, as applicable, is occupying all of the Sony Space, is open for business in its ordinary course and paying base rent of no less than the amount being paid for the year prior to the expiration or termination, as applicable, of the Sony Lease in accordance with the Sony Renewal Lease, (ii) all of the obligations of Borrower under the Sony Renewal Lease which are required to be fulfilled as of the date of the tenant estoppel certificate have been duly performed and completed including, without limitation, any obligations of Borrower to make or to pay or reimburse Sony or the Sony Replacement Tenant, as applicable, for any tenant improvements at the Sony Space, and to Borrower's best knowledge, the improvements described in the Sony Renewal Lease have been constructed substantially in accordance with the plans and specifications therefor, lien-free, and have been accepted by Sony or the Sony Replacement Tenant, as applicable, (iii) Sony or the Sony Replacement Tenant, as applicable, is not then entitled to any concession or rebate of rent or other charges from time to time due and payable under the Sony Renewal Lease that are not acceptable to Lender in its reasonable discretion, (iv) there are no unpaid or unreimbursed construction or other allowances or other offsets due Sony or the Sony Replacement Tenant, as applicable, under the Sony Renewal Lease which are then due and payable, and (v) to Borrower's best knowledge there are no defaults by Borrower under the Sony Renewal Lease; and in connection with a new lease to a Sony Replacement Tenant, Borrower shall deliver or cause to be delivered to Lender, at Lender's option, a subordination, non-disturbance and attornment agreement from the Sony Replacement Tenant in form and substance satisfactory to Lender.

Section 3.7 Outstanding TILC Reserve. On the date hereof Borrower has established with Lender a reserve (the "Outstanding TILC Reserve") in the amount of \$42,112.98 in connection with certain leasing commissions and tenant improvement obligations of Borrower that are outstanding as of the date hereof but not yet paid to Sony. Provided that no Event of Default has occurred and is continuing, Borrower may submit to Lender a written request for disbursement from the Outstanding TILC Reserve in an amount not to exceed the initial deposit made by Borrower into the Outstanding TILC Reserve on the date hereof, relating to space leased by Sony together with (x) copies of all documentation required to be delivered by Sony to Borrower under the Sony Lease as a prerequisite to Sony receiving its tenant allowance, (y) an estoppel by Sony stating that the tenant allowance due to Sony is due and payable, that Sony is in possession of its demised premises, is open for business and is paying base rent under the Sony Lease, and that there are no material defaults under the Sony Lease to Sony and (z) a copy of the check sent by Borrower to Sony evidencing the payment of the tenant allowance; provided.

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however, that Borrower shall not be reimbursed for more than a total of \$42,112.98. All funds deposited into the Outstanding TILC Reserve shall be held by Lender pursuant to the provisions of this Mortgage and, provided that no Event of Default shall have occurred and be continuing, all such funds shall be applied in payment of leasing commissions and tenant improvement obligations with respect to Sony. Should an Event of Default occur and be continuing, the sums on deposit in the Outstanding TILC Reserve may be applied by Lender in payment of any leasing commissions or tenant improvements with respect to Sony or may be applied to the payment of the Debt or any other charges affecting all or any portion of the Property, as Lender, in its sole discretion, may determine; provided, however, that no such application shall be deemed to have been made by operation of law or otherwise until actually made by Lender as herein provided. To the extent there are any excess funds remaining in the Outstanding TILC Reserve after Borrower has paid all of its obligations to Sony, upon Lender's receipt of a written request, which request shall be delivered with a statement from the Borrower that no further leasing commissions, tenant improvement obligations and/or tenant allowance obligations exist under this Section 3.7, Lender shall within twenty (20) days thereafter, disburse any of the balance of the Outstanding TILC Reserve to Borrower.

Section 3.8 Free Rent Reserve. On the date hereof Borrower has established with Lender a reserve (the "Free Rent Reserve") in the amount of \$63,846.79 in connection with the free rent and/or rent concessions due to Sony under the Sony Lease. So long as Borrower has made all of Borrower's required monthly debt service payments (including reserves and escrows) to Lender in connection with the Loan Documents and provided that no Event of Default has occurred and is continuing, Borrower may submit to Lender a written request for disbursement from the Free Rent Reserve once each month in the amount set forth on Exhibit B attached hereto for each such month for the number of months set forth on Exhibit B.

ARTICLE IV

EVENTS OF DEFAULT

Section 4.1 Events of Default. The occurrence of any of the following events shall be an Event of Default hereunder:

(a) Borrower (x) fails to pay any payments due under the Note or to the Reserves on the date when the same is due and payable, or (y) fails to pay any money to Lender required hereunder at the time or within any applicable grace period set forth herein, or if no grace period is set forth herein, then within seven (7) days of the date such payment is due (except those regarding payments to be made under the Note or to the Reserves, which failure is not subject to any grace or cure period).

(b) Borrower fails to provide insurance as required by Section 2.3 hereof or fails to perform any covenant, agreement, obligation, term or condition set forth in Section 2.27 or Section 2.29 hereof.

(c) Borrower fails to perform any other covenant, agreement, obligation, term or condition set forth herein, other than those otherwise described in this Section 4.1, and, to the extent such failure or default is susceptible of being cured, the continuance of such failure or

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default for thirty (30) days after written notice thereof from Lender to Borrower; provided, however, that if such default is susceptible of cure but such cure cannot be accomplished with reasonable diligence within said period of time, and if Borrower commences to cure such default promptly after receipt of notice thereof from Lender, and thereafter prosecutes the curing of such default with reasonable diligence, such period of time shall be extended for such period of time as may be necessary to cure such default with reasonable diligence, but not to exceed an additional sixty (60) days.

(d) Any representation or warranty made herein, in or in connection with any application or commitment relating to the loan evidenced by the Note, or in any of the other Loan Documents to Lender by Borrower, by any principal, general partner, manager or member in Borrower, or by any Indemnitor is determined by Lender to have been false or misleading in any material respect at the time made.

(e) There shall be a sale, conveyance, disposition, alienation, hypothecation, leasing, assignment, pledge, mortgage, granting of a security interest in or other transfer or further encumbrancing of the Property, Borrower or its general partners or managing members, or any portion thereof or any interest therein, in violation of Section 2.9 hereof.

(f) A default occurs under any of the other Loan Documents which has not been cured within any applicable grace or cure period therein provided.

(g) Borrower, general partner or managing member in Borrower or any Indemnitor becomes insolvent, or makes a transfer in fraud of creditors, or makes an assignment for the benefit of creditors, or files a petition in bankruptcy, or is voluntarily adjudicated insolvent or bankrupt or admits in writing the inability to pay its debts as they mature, or petitions or applies to any tribunal for or consents to or fails to contest the appointment of a receiver, trustee, custodian or similar officer for Borrower, for any such general partner or managing member of Borrower or for any Indemnitor or for a substantial part of the assets of Borrower, of any such general partner or managing member of Borrower or of any Indemnitor, or commences any case, proceeding or other action under any bankruptcy, reorganization, arrangement, readjustment or debt, dissolution or liquidation law or statute of any jurisdiction, whether now or hereafter in effect.

(h) A petition is filed or any case, proceeding or other action is commenced against Borrower, against any general partner or managing member of Borrower or against any Indemnitor seeking to have an order for relief entered against it as debtor or seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of it or its debts or other relief under any law relating to bankruptcy, insolvency, arrangement, reorganization, receivership or other debtor relief under any law or statute of any jurisdiction, whether now or hereafter in effect, or a court of competent jurisdiction enters an order for relief against Borrower, against any general partner or managing member of Borrower or against any Indemnitor, as debtor, or an order, judgment or decree is entered appointing, with or without the consent of Borrower, of any such general partner or managing member of Borrower or of any Indemnitor, a receiver, trustee, custodian or similar officer for Borrower, for any such general partner or managing member of Borrower or for any Indemnitor, or for any substantial part of any of the properties of Borrower, of any such general partner or managing member of Borrower

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or of any Indemnitor, and if any such event shall occur, such petition, case, proceeding, action, order, judgment or decree is not dismissed within sixty (60) days after being commenced.

(i) The Property or any part thereof is taken on execution or other process of law in any action against Borrower.

(j) Borrower abandons all or a portion of the Property.

(k) The holder of any lien or security interest on the Property (without implying the consent of Lender to the existence or creation of any such lien or security interest), whether superior or subordinate to this Mortgage or any of the other Loan Documents, declares a default and such default is not cured within any applicable grace or cure period set forth in the applicable document or such holder institutes foreclosure or other proceedings for the enforcement of its remedies thereunder.

(l) The Property, or any part thereof, is subjected to waste or to removal, demolition or material alteration so that the value of the Property is materially diminished thereby and Lender determines that it is not adequately protected from any loss, damage or risk associated therewith.

(m) Any dissolution, termination, partial or complete liquidation, merger or consolidation of Borrower, any general partner or any managing member, or any Indemnitor.

ARTICLE V

REMEDIES

Section 5.1 Remedies Available. If there shall occur an Event of Default under this Mortgage, then this Mortgage is subject to foreclosure as provided by law and Lender may, at its option and by or through a trustee, nominee, assignee or otherwise, to the fullest extent permitted by law, exercise any or all of the following rights, remedies and recourses, either successively or concurrently:

(a) Acceleration. Accelerate the maturity date of the Note and declare any or all of the Debt to be immediately due and payable without any presentment, demand, protest, notice or action of any kind whatever (each of which is hereby expressly waived by Borrower), whereupon the same shall become immediately due and payable. Upon any such acceleration, payment of such accelerated amount shall constitute a prepayment of the principal balance of the Note and any applicable prepayment fee provided for in the Note shall then be immediately due and payable.

(b) Entry on the Property. Either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court and without regard to the adequacy of its security, enter upon and take possession of the Property, or any part thereof, without force or with such force as is permitted by law and without notice or process or with such notice or process as is required by law, unless such notice and process is waivable, in which case Borrower hereby waives such notice and process, and do any and all acts and perform any and all work which may be desirable or necessary in Lender's judgment to complete any

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unfinished construction on the Premises, to preserve the value, marketability or rentability of the Property, to increase the income therefrom, to manage and operate the Property or to protect the security hereof, and all sums expended by Lender therefor, together with interest thereon at the Default Interest Rate, shall be immediately due and payable to Lender by Borrower on demand and shall be secured hereby and by all of the other Loan Documents securing all or any part of the Debt.

(c) Collect Rents and Profits. With or without taking possession of the Property, sue or otherwise collect the Rents and Profits, including those past due and unpaid.

(d) Appointment of Receiver. Upon, or at any time prior or after, initiating the exercise of any power of sale, instituting any judicial foreclosure or instituting any other foreclosure of the liens and security interests provided for herein or any other legal proceedings hereunder, make application to a court of competent jurisdiction for appointment of a receiver for all or any part of the Property, as a matter of strict right and without notice to Borrower and without regard to the adequacy of the Property for the repayment of the Debt or the solvency of Borrower or any person or persons liable for the payment of the Debt, and Borrower does hereby irrevocably consent to such appointment, waive any and all notices of and defenses to such appointment and agree not to oppose any application therefor by Lender, but nothing herein is to be construed to deprive Lender of any other right, remedy or privilege Lender may now have under the law to have a receiver appointed, provided, however, that the appointment of such receiver, trustee or other appointee by virtue of any court order, statute or regulation shall not impair or in any manner prejudice the rights of Lender to receive payment of the Rents and Profits pursuant to other terms and provisions hereof. Any such receiver shall have all of the usual powers and duties of receivers in similar cases, including, without limitation, the full power to hold, develop, rent, lease, manage, maintain, operate and otherwise use or permit the use of the Property upon such terms and conditions as said receiver may deem to be prudent and reasonable under the circumstances as more fully set forth in Section 5.3 below. Such receivership shall, at the option of Lender, continue until full payment of all of the Debt or until title to the Property shall have passed by foreclosure sale under this Mortgage or deed in lieu of foreclosure.

(e) Foreclosure. Immediately commence an action to foreclose this Mortgage or to specifically enforce its provisions with respect to any of the Debt, pursuant to the statutes in such case made and provided, and sell the Property or cause the Property to be sold in accordance with the requirements and procedures provided by said statutes in a single parcel or in several parcels at the option of Lender. In the event foreclosure proceedings are instituted by Lender, all expenses incident to such proceedings, including, but not limited to, reasonable attorneys' fees and costs, shall be paid by Borrower and secured by this Mortgage and by all of the other Loan Documents securing all or any part of the Debt. The Debt and all other obligations secured by this Mortgage, including, without limitation, interest at the Default Interest Rate any prepayment charge, fee or premium required to be paid under the Note in order to prepay principal (to the extent permitted by applicable law), reasonable attorneys' fees and any other amounts due and unpaid to Lender under the Loan Documents, may be bid by Lender in the event of a foreclosure sale hereunder. In the event of a judicial sale pursuant to a foreclosure decree, it is understood and agreed that Lender or its assigns may become the purchaser of the Property or any part thereof.

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(f) Judicial Remedies. Proceed by suit or suits, at law or in equity, instituted by or on behalf of Lender, to enforce the payment of the Debt or the other obligations of Borrower hereunder or pursuant to the Loan Documents, to foreclose the liens and security interests of this Mortgage as against all or any part of the Property, and to have all or any part of the Property sold under the judgment or decree of a court of competent jurisdiction. This remedy shall be cumulative of any other non-judicial remedies available to Lender with respect to the Loan Documents. Proceeding with the request or receiving a judgment for legal relief shall not be or be deemed to be an election of remedies or bar any available non-judicial remedy of Lender.

(g) Other. Exercise any other right or remedy available hereunder, under any of the other Loan Documents or at law or in equity.

Section 5.2 Application of Proceeds. To the fullest extent permitted by law, the proceeds of any sale under this Mortgage shall be applied, to the extent funds are so available, to the following items in such order as Lender in its discretion may determine:

(a) To payment of the reasonable costs, expenses and fees of taking possession of the Property, and of holding, operating, maintaining, using, leasing, repairing, improving, marketing and selling the same and of otherwise enforcing Lender's rights and remedies hereunder and under the other Loan Documents, including, but not limited to, receivers' fees, court costs, attorneys', accountants', appraisers', managers' and other professional fees, title charges and transfer taxes.

(b) To payment of all sums expended by Lender under the terms of any of the Loan Documents and not yet repaid, together with interest on such sums at the Default Interest Rate.

(c) To payment of the Debt and all other obligations secured by this Mortgage, including, without limitation, interest at the Default Interest Rate and, to the extent permitted by applicable law, any prepayment fee, charge or premium required to be paid under the Note in order to prepay principal, in any order that Lender chooses in its sole discretion.

(d) The remainder, if any, of such funds shall be disbursed to Borrower or to the person or persons legally entitled thereto.

Section 5.3 Right and Authority of Receiver or Lender in the Event of Default; Power of Attorney. Upon the occurrence of an Event of Default, and entry upon the Property pursuant to Section 5.1(b) hereof or appointment of a receiver pursuant to Section 5.1(d) hereof, and under such terms and conditions as may be prudent and reasonable under the circumstances in Lender's or the receiver's sole discretion, all at Borrower's expense, Lender or said receiver, or such other persons or entities as they shall hire, direct or engage, as the case may be, may do or permit one or more of the following, successively or concurrently: (a) enter upon and take possession and control of any and all of the Property; (b) take and maintain possession of all documents, books, records, papers and accounts relating to the Property; (c) exclude Borrower and its agents, servants and employees wholly from the Property; (d) manage and operate the Property; (e) preserve and maintain the Property; (f) make repairs and alterations to the Property; (g) complete

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any construction or repair of the Improvements, with such changes, additions or modifications of the plans and specifications or intended disposition and use of the Improvements as Lender may in its sole discretion deem appropriate or desirable to place the Property in such condition as will, in Lender's sole discretion, make it or any part thereof readily marketable or rentable; (h) conduct a marketing or leasing program with respect to the Property, or employ a marketing or leasing agent or agents to do so, directed to the leasing or sale of the Property under such terms and conditions as Lender may in its sole discretion deem appropriate or desirable; (i) employ such contractors, subcontractors, materialmen, architects, engineers, consultants, managers, brokers, marketing agents, or other employees, agents, independent contractors or professionals, as Lender may in its sole discretion deem appropriate or desirable to implement and effectuate the rights and powers herein granted; (j) execute and deliver, in the name of Lender as attorney-in-fact and agent of Borrower or in its own name as Lender, such documents and instruments as are necessary or appropriate to consummate authorized transactions; (k) enter such leases, whether of real or personal property, or tenancy agreements, under such terms and conditions as Lender may in its sole discretion deem appropriate or desirable; (l) collect and receive the Rents and Profits from the Property; (m) eject tenants or repossess personal property, as provided by law, for breaches of the conditions of their leases or other agreements; (n) initiate a cause of action for unpaid Rents and Profits, payments, income or proceeds in the name of Borrower or Lender; (o) maintain actions in forcible entry and detainer, ejectment for possession and actions in distress for rent; (p) compromise or give acquittance for Rents and Profits, payments, income or proceeds that may become due; (q) delegate or assign any and all rights and powers given to Lender by this Mortgage; and (r) do any acts which Lender in its sole discretion deems appropriate or desirable to protect the security hereof and use such measures, legal or equitable, as Lender may in its sole discretion deem appropriate or desirable to implement and effectuate the provisions of this Mortgage. This Mortgage shall constitute a direction to and full authority to any lessee, or other third party who has heretofore dealt or contracted or may hereafter deal or contract with Borrower or Lender, at the request of Lender, to pay all amounts owing under any

Lease, contract, concession, license or other agreement to Lender without proof of the Event of Default relied upon. Any such lessee or third party is hereby irrevocably authorized to rely upon and comply with (and shall be fully protected by Borrower in so doing) any request, notice or demand by Lender for the payment to Lender of any Rents and Profits or other sums which may be or thereafter become due under its Lease, contract, concession, license or other agreement, or for the performance of any undertakings under any such Lease, contract, concession, license or other agreement, and shall have no right or duty to inquire whether any Event of Default under this Mortgage or under any of the other Loan Documents has actually occurred or is then existing. Borrower hereby constitutes and appoints Lender, its assignees, successors, transferees and nominees, as Borrower's true and lawful attorney-in-fact and agent, with full power of substitution in the Property, in Borrower's name, place and stead, to do or permit any one or more of the foregoing described rights, remedies, powers and authorities, successively or concurrently, and said power of attorney shall be deemed a power coupled with an interest and irrevocable so long as any portion of the Debt is outstanding. Any money advanced by Lender in connection with any action taken under this Section 5.3, together with interest thereon at the Default Interest Rate from the date of making such advancement by Lender until actually paid by Borrower, shall be a demand obligation owing by Borrower to Lender and shall be secured by this Mortgage and by every other instrument securing all or any portion of the Debt.

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Section 5.4 Occupancy After Foreclosure. In the event there is a foreclosure sale hereunder and at the time of such sale, Borrower or Borrower's representatives, successors or assigns, or any other persons claiming any interest in the Property by, through or under Borrower (except tenants of space in the Improvements subject to leases entered into prior to the date hereof), are occupying or using the Property, or any part thereof, then, to the extent not prohibited by applicable law, each and all shall, at the option of Lender or the purchaser at such sale, as the case may be, immediately become the tenant of the purchaser at such sale, which tenancy shall be a tenancy from day-to-day, terminable at the will of either landlord or tenant, at a reasonable rental per day based upon the value of the Property occupied or used, such rental to be due daily to the purchaser. Further, to the extent permitted by applicable law, in the event the tenant fails to surrender possession of the Property upon the termination of such tenancy, the purchaser shall be entitled to institute and maintain an action for unlawful detainer of the Property in the appropriate court of the county in which the Premises is located.

Section 5.5 Notice to Account Debtors. Lender may, at any time after an Event of Default, notify the account debtors and obligors of any accounts, chattel paper, negotiable instruments or other evidences of indebtedness to Borrower included in the Property to pay Lender directly. Borrower shall at any time or from time to time upon the request of Lender provide to Lender a current list of all such account debtors and obligors and their addresses.

Section 5.6 Cumulative Remedies. All remedies contained in this Mortgage are cumulative and Lender shall also have all other remedies provided at law and in equity or in any other Loan Documents. Such remedies may be pursued separately, successively or concurrently at the sole subjective direction of Lender and may be exercised in any order and as often as occasion therefor shall arise. No act of Lender shall be construed as an election to proceed under any particular provisions of this Mortgage to the exclusion of any other provision of this Mortgage or as an election of remedies to the exclusion of any other remedy which may then or thereafter be available to Lender. No delay or failure by Lender to exercise any right or remedy under this Mortgage shall be construed to be a waiver of that right or remedy or of any Event of Default. Lender may exercise any one or more of its rights and remedies at its option without regard to the adequacy of its security.

Section 5.7 Payment of Expenses. Borrower shall pay on demand all of Lender's expenses incurred in any efforts to enforce any terms of this Mortgage, whether or not any lawsuit is filed and whether or not foreclosure is commenced but not completed, including, but not limited to, reasonable legal fees and disbursements, fees of any Rating Agency, fees related to any No-Downgrade Confirmation, foreclosure costs and title charges, together with interest thereon from and after the date incurred by Lender until actually paid by Borrower at the Default Interest Rate, and the same shall be secured by this Mortgage and by all of the other Loan Documents securing all or any part of the Debt.

ARTICLE VI

MISCELLANEOUS TERMS AND CONDITIONS

Section 6.1 Time of Essence. Time is of the essence with respect to all provisions of this Mortgage.

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Section 6.2 Release of Mortgage. If all of the Debt be paid, then and in that event only, all rights under this Mortgage, except for those provisions hereof which by their terms survive, shall terminate and the Property shall become wholly clear of the liens, security interests, conveyances and assignments evidenced hereby, which shall be promptly released of record by Lender in due form at Borrower's cost. No release of this Mortgage or the lien hereof shall be valid unless executed by Lender.

Section 6.3 Certain Rights of Lender. Without affecting Borrower's liability for the payment of any of the Debt, Lender may from time to time and without notice to Borrower: (a) release any person liable for the payment of the Debt; (b) extend or modify the terms of payment of the Debt; (c) accept additional real or personal property of any kind as security or alter, substitute or release any property securing the Debt; (d) recover any part of the Property; (e) consent in writing to the making of any subdivision map or plat thereof; (f) join in granting any easement therein; or (g) join in any extension agreement of this Mortgage or any agreement subordinating the lien hereof.

Section 6.4 Waiver of Certain Defenses. No action for the enforcement of the lien hereof or of any provision hereof shall be subject to any defense which would not be good and available to the party interposing the same in an action at law upon the Note or any of the other Loan Documents.

Section 6.5 Notices. All notices, demands, requests or other communications to be sent by one party to the other hereunder or required by law shall be in writing and shall be deemed to have been validly given or served by delivery of the same in person to the intended addressee, or by depositing the same with Federal Express or another reputable private courier service for next business day delivery, or by depositing the same in the United States mail, postage prepaid, registered or certified mail, return receipt requested, in any event addressed to the intended addressee at its address set forth on the first page of this Mortgage or at such other address as may be designated by such party as herein provided. All notices, demands and requests shall be effective upon such personal delivery, or one (1) business day after being deposited with the private courier service, or two (2) business days after being deposited in the United States mail as required above. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given as herein required shall be deemed to be receipt of the notice, demand or request sent. By giving to the other party hereto at least fifteen (15) days' prior written notice thereof in accordance with the provisions hereof, the parties hereto shall have the right from time to time to change their respective addresses and each shall have the right to specify as its address any other address within the United States of America.

Section 6.6 Successors and Assigns; Joint and Several Liability. The terms, provisions, indemnities, covenants and conditions hereof shall be binding upon Borrower and the successors and assigns of Borrower, including all successors in interest of Borrower in and to all or any part of the Property, and shall inure to the benefit of Lender, its directors, officers, shareholders, employees and agents and their respective successors and assigns and shall constitute covenants running with the land. All references in this Mortgage to Borrower or Lender shall be deemed to include all such parties' successors and assigns, and the term "Lender" as used herein shall also mean and refer to any lawful holder or owner, including

pledgees and participants, of any of the Debt. If Borrower consists of more than one person or entity, each is jointly and severally liable to perform the obligations of Borrower hereunder and all representations, warranties, covenants and agreements made by Borrower hereunder are joint and several.

Section 6.7 Severability. A determination that any provision of this Mortgage is unenforceable or invalid shall not affect the enforceability or validity of any other provision, and any determination that the application of any provision of this Mortgage to any person or circumstance is illegal or unenforceable shall not affect the enforceability or validity of such provision as it may apply to any other persons or circumstances.

Section 6.8 Gender. Within this Mortgage, words of any gender shall be held and construed to include any other gender, and words in the singular shall be held and construed to include the plural, and vice versa, unless the context otherwise requires.

Section 6.9 Waiver; Discontinuance of Proceedings. Lender may waive any single Event of Default by Borrower hereunder without waiving any other prior or subsequent Event of Default. Lender may remedy any Event of Default by Borrower hereunder without waiving the Event of Default remedied. Neither the failure by Lender to exercise, nor the delay by Lender in exercising, any right, power or remedy upon any Event of Default by Borrower hereunder shall be construed as a waiver of such Event of Default or as a waiver of the right to exercise any such right, power or remedy at a later date. No single or partial exercise by Lender of any right, power or remedy hereunder shall exhaust the same or shall preclude any other or further exercise thereof, and every such right, power or remedy hereunder may be exercised at any time and from time to time. No modification or waiver of any provision hereof nor consent to any departure by Borrower therefrom shall in any event be effective unless the same shall be in writing and signed by Lender, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose given. No notice to nor demand on Borrower in any case shall of itself entitle Borrower to any other or further notice or demand in similar or other circumstances. Acceptance by Lender of any payment in an amount less than the amount then due on any of the Debt shall be deemed an acceptance on account only and shall not in any way affect the existence of an Event of Default. In case Lender shall have proceeded to invoke any right, remedy or recourse permitted hereunder or under the other Loan Documents and shall thereafter elect to discontinue or abandon the same for any reason, Lender shall have the unqualified right to do so and, in such an event, Borrower and Lender shall be restored to their former positions with respect to the Debt, the Loan Documents, the Property and otherwise, and the rights, remedies, recourses and powers of Lender shall continue as if the same had never been invoked.

Section 6.10 Section Headings. The headings of the sections and paragraphs of this Mortgage are for convenience of reference only, are not to be considered a part hereof and shall not limit or otherwise affect any of the terms hereof.

Section 6.11 GOVERNING LAW. THIS MORTGAGE WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE IN WHICH THE PREMISES IS LOCATED, PROVIDED THAT TO THE EXTENT THAT ANY OF SUCH LAWS MAY NOW OR HEREAFTER BE PREEMPTED BY FEDERAL LAW, SUCH FEDERAL LAW SHALL SO GOVERN AND BE CONTROLLING, AND PROVIDED

FURTHER THAT THE LAWS OF THE STATE IN WHICH THE PREMISES IS LOCATED SHALL GOVERN AS TO THE CREATION, PRIORITY AND ENFORCEMENT OF LIENS AND SECURITY INTERESTS IN THE PROPERTY LOCATED IN SUCH STATE.

Section 6.12 Counting of Days. The term “days” when used herein shall mean calendar days. If any time period ends on a Saturday, Sunday or holiday officially recognized by the state within which the Premises is located, the period shall be deemed to end on the next succeeding business day. The term “business day” when used herein shall mean a weekday, Monday through Friday, except a legal holiday or a day on which banking institutions in New York, New York are authorized by law to be closed.

Section 6.13 Relationship of the Parties. The relationship between Borrower and Lender is that of a borrower and a lender only and neither of those parties is, nor shall it hold itself out to be, the agent, employee, joint venturer or partner of the other party.

Section 6.14 Application of the Proceeds of the Note. To the extent that proceeds of the Note are used to pay indebtedness secured by any outstanding lien, security interest, charge or prior encumbrance against the Property, such proceeds have been advanced by Lender at Borrower’s request and Lender shall be subrogated to any and all rights, security interests and liens owned by any owner or holder of such outstanding liens, security interests, charges or encumbrances, irrespective of whether said liens, security interests, charges or encumbrances are released.

Section 6.15 Unsecured Portion of Indebtedness. If any part of the Debt cannot be lawfully secured by this Mortgage or if any part of the Property cannot be lawfully subject to the lien and security interest hereof to the full extent of such indebtedness, then all payments made shall be applied on said indebtedness first in discharge of that portion thereof which is unsecured by this Mortgage.

Section 6.16 Cross Default. An Event of Default hereunder which has not been cured within any applicable grace or cure period shall be a default under each of the other Loan Documents.

Section 6.17 Interest After Sale. In the event the Property or any part thereof shall be sold upon foreclosure as provided hereunder, to the extent permitted by law, the sum for which the same shall have been sold shall, for purposes of redemption (pursuant to the laws of the state in which the Premises is located), bear interest at the Default Interest Rate.

Section 6.18 Inconsistency with Other Loan Documents. In the event of any inconsistency between the provisions hereof and the provisions in any of the other Loan Documents, it is intended that the provisions of the Note shall control over the provisions of this Mortgage, and that the provisions of this Mortgage shall control over the provisions of the Lease Assignment, the Indemnity and Guaranty Agreement, the Environmental Indemnity Agreement, and the other Loan Documents.

Section 6.19 Construction of this Document. This document may be construed as a mortgage, security deed, deed of trust, chattel mortgage, conveyance, assignment, security agreement, pledge, financing statement, hypothecation or contract, or any one or more of the

foregoing, in order to fully effectuate the liens and security interests created hereby and the purposes and agreements herein set forth.

Section 6.20 No Merger. It is the desire and intention of the parties hereto that this Mortgage and the lien hereof do not merge in fee simple title to the Property. It is hereby understood and agreed that should Lender acquire any additional or other interests in or to the Property or the ownership thereof, then, unless a contrary intent is manifested by Lender as evidenced by an appropriate document duly recorded, this Mortgage and the lien hereof shall not merge in such other or additional interests in or to the Property, toward the end that this Mortgage may be foreclosed as if owned by a stranger to said other or additional interests.

Section 6.21 Rights With Respect to Junior Encumbrances. Any person or entity purporting to have or to take a junior mortgage or other lien upon the Property or any interest therein shall be subject to the rights of Lender to amend, modify, increase, vary, alter or supplement this Mortgage, the Note or any of the other Loan Documents, and to extend the maturity date of the Debt, and to increase the amount of the Debt, and to waive or forebear the exercise of any of its rights and remedies hereunder or under any of the other Loan Documents and to release any collateral or security for the Debt, in each and every case without obtaining the consent of the holder of such junior lien and without the lien or security interest of this Mortgage losing its priority over the rights of any such junior lien.

Section 6.22 Lender May File Proofs of Claim. In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other proceedings affecting Borrower or the principals, general partners or managing members in Borrower, or their respective creditors or property, Lender, to the extent permitted by law, shall be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have the claims of Lender allowed in such proceedings for the entire Debt at the date of the institution of such proceedings and for any additional amount which may become due and payable by Borrower hereunder after such date.

Section 6.23 Fixture Filing. This Mortgage shall be effective from the date of its recording as a financing statement filed as a fixture filing with respect to all goods constituting part of the Property which are or are to become fixtures. This Mortgage shall also be effective as a financing statement covering minerals or the like (including oil and gas) and is to be filed for record in the real estate records of the county where the Premises is situated. The mailing address of Borrower and the address of Lender from which information concerning the security interests may be obtained are set forth in Section 2.18 above.

Section 6.24 After-Acquired Property. All property acquired by Borrower after the date of this Mortgage which by the terms of this Mortgage shall be subject to the lien and the security interest created hereby, shall immediately upon the acquisition thereof by Borrower and without further mortgage, conveyance or assignment become subject to the lien and security interest created by this Mortgage. Nevertheless, Borrower shall execute, acknowledge, deliver and record or file, as appropriate, all and every such further mortgages, security agreements, financing statements, assignments and assurances as Lender shall require for accomplishing the purposes of this Mortgage.

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Section 6.25 No Representation. By accepting delivery of any item required to be observed, performed or fulfilled or to be given to Lender pursuant to the Loan Documents, including, but not limited to, any officer's certificate, balance sheet, statement of profit and loss or other financial statement, survey, appraisal or insurance policy, Lender shall not be deemed to have warranted, consented to, or affirmed the sufficiency, legality, effectiveness or legal effect of the same, or of any term, provision or condition thereof, and such acceptance of delivery thereof shall not be or constitute any warranty, consent or affirmation with respect thereto by Lender.

Section 6.26 Counterparts. This Mortgage may be executed in any number of counterparts, each of which shall be effective only upon delivery and thereafter shall be deemed an original, and all of which shall be taken to be one and the same instrument, for the same effect as if all parties hereto had signed the same signature page. Any signature page of this Mortgage may be detached from any counterpart of this Mortgage without impairing the legal effect of any signatures thereon and may be attached to another counterpart of this Mortgage identical in form hereto but having attached to it one or more additional signature pages.

Section 6.27 Personal Liability. Notwithstanding anything to the contrary contained in this Mortgage, the liability of Borrower and its officers, directors, general partners, managers, members and principals for the Debt and for the performance of the other agreements, covenants and obligations contained herein and in the Loan Documents shall be limited as set forth in the Note.

Section 6.28 Recording and Filing. Borrower will cause the Loan Documents and all amendments and supplements thereto and substitutions therefor to be recorded, filed, re-recorded and re-filed in such manner and in such places as Lender shall reasonably request, and will pay on demand all such recording, filing, re-recording and re-filing taxes, fees and other charges. Borrower shall reimburse Lender, or its servicing agent, for the costs incurred in obtaining a tax service company to verify the status of payment of taxes and assessments on the Property.

Section 6.29 Entire Agreement and Modifications. This Mortgage and the other Loan Documents contain the entire agreements between the parties relating to the subject matter hereof and thereof and all prior agreements relative hereto and thereto which are not contained herein or therein are terminated. This Mortgage and the other Loan Documents may not be amended, revised, waived, discharged, released or terminated orally but only by a written instrument or instruments executed by the party against which enforcement of the amendment, revision, waiver, discharge, release or termination is asserted. Any alleged amendment, revision, waiver, discharge, release or termination which is not so documented shall not be effective as to any party.

Section 6.30 Intentionally Reserved.

Section 6.31 Secondary Market. Lender may sell, transfer and deliver the Note and the Loan Documents to one or more investors in the secondary mortgage market (a "Secondary Market Transaction"). In connection with such sale, Lender may retain or assign responsibility for servicing the loan evidenced by the Note or may delegate some or all of such responsibility and/or obligations to a servicer,

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including, but not limited to, any subservicer or master servicer, on behalf of the Investors (as hereinafter defined). All references to Lender herein shall refer to and include, without limitation, any such servicer, to the extent applicable.

Section 6.32 Dissemination of Information. If Lender determines at any time to sell, transfer or assign the Note, this Mortgage and the other Loan Documents, and any or all servicing rights with respect thereto, or to grant participations therein (the "Participations") or issue mortgage pass-through certificates or other securities evidencing a beneficial interest in a rated or unrated public offering or private placement (the "Securities"), Lender may forward to each purchaser, transferee, Lender, servicer, participant, investor, or their respective successors in such Participations and/or Securities (collectively, the "Investors") or any rating agency rating such Securities (each a "Rating Agency"), each prospective Investor and each of the foregoing's respective counsel, all documents and information which Lender now has or may hereafter acquire relating to the Debt, to Borrower, any guarantor, any indemnitor, and the Property, which shall have been furnished by Borrower and any Indemnitor, as Lender determines necessary or desirable.

Section 6.33 Intentionally Omitted.

Section 6.34 REMIC Opinions. In the event Borrower requests Lender's consent with respect to any proposed action or Borrower proposes to take any action

not otherwise requiring Lender's specific consent under the Loan Documents, which Lender determines, in its discretion, may affect (i) the "REMIC" status of Lender, its successors or assigns, or (ii) the status of this Mortgage as a "qualified mortgage" as defined in Section 860G of the Internal Revenue Code of 1986 (or any succeeding provision of such law), Lender reserves the right to require Borrower, at Borrower's sole expense, to obtain, from counsel satisfactory to Lender in its discretion, an opinion, in form and substance satisfactory to Lender in its discretion, that no adverse tax consequences will arise as a result of the proposed course of action.

Section 6.35 Severed Loan Documents. Lender shall have the right from time to time to sever the Note and the other Loan Documents into one or more separate notes, mortgages, deeds of trust and other security documents (the "Severed Loan Documents") in such denominations and priorities as Lender shall determine in its sole discretion, provided, however, that the terms, provisions and clauses of the Severed Loan Documents shall be no more adverse to Borrower than those contained in the Note, this Mortgage and the other Loan Documents. Borrower shall execute and deliver to Lender from time to time, promptly after the request of Lender, a severance agreement and such other documents as Lender shall reasonably request in order to effect the severance described in the preceding sentence, all in form and substance reasonably satisfactory to Lender. Borrower hereby absolutely and irrevocably appoints Lender as its true and lawful attorney, coupled with an interest, in its name and stead to make and execute all documents necessary or desirable to effect the aforesaid severance, Borrower ratifying all that its said attorney shall do by virtue thereof; provided, however, that Lender shall not make or execute any such documents under such power until not less than three (3) days has passed after notice has been given to Borrower by Lender of Lender's intent to exercise its rights under such power.

[THE BALANCE OF THIS PAGE WAS LEFT BLANK INTENTIONALLY]

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IN WITNESS WHEREOF, Borrower has executed this Mortgage on the day and year first written above.

BORROWER:

210 CLAY SPE LLC,
a Delaware limited liability company

By: /s/ Mitchell E. Hersh
Name: Mitchell E. Hersh
Title: President and Chief Executive Officer

STATE OF New York

SS:

COUNTY OF New York

BE IT REMEMBERED that on the 9th day of May, 2006, Mitchell E. Hersh personally came before me, and this person acknowledged under oath, to my satisfaction, that he is the President and Chief Executive Officer of 210 Clay SPE LLC, a Delaware limited liability company, the entity named in this document, and this document was signed and delivered by the entity as its voluntary act duly authorized by a proper resolution of the limited liability company.

-

/s/ Marian J. Abbatepaolo
Marian J. Abbatepaolo
Notary Public, State of New York
01AB4807522
Certificate Filed in New York County
Commission Expires November 30, 2006

EXHIBIT A

Legal Description

All that certain tract, lot and parcel of land lying and being in the township of Lyndhurst, County of Bergen and State of New Jersey, being more particularly described as follows:

Beginning at a found 1/2" iron rod on the easterly side of Clay Avenue, thence along the easterly side of Clay Avenue from the southerly side of Wall Street West if both streets were extended to their intersection point South 26 degrees 31 minutes 00 seconds East, a distance of 296.35 feet to a point of a curve to the right; thence along said curve to the right on the easterly right to way of Clay Avenue with a radius of 455.00 feet, an arc length of 199.47 feet, a tangent distance of 101.36 and a delta angel of 25 degrees 07 minutes 06 seconds to a point; thence South 01 degree 23 minutes 35 seconds East, a distance of 85.17 feet to a found 1/2" iron rod and to the true point of beginning; thence

1. Still southerly along the easterly side of Clay Avenue South 01 degrees 23 minutes 55 seconds East 220.87 feet to a point of curvature; running thence
2. Still along the easterly side of Clay Avenue on a curve to the right having a radius of 555.00 feet, an arc length of 161.22 feet to a point; thence
3. South 65 degrees 31 minutes 25 seconds East 569.99 feet to a point; thence
4. South 00 degrees 23 minutes 13 seconds East 6.64 feet to a point; thence
5. North 89 degrees 36 minutes 47 seconds East 67.08 feet to a point; thence

6. North 10 degrees 05 minutes 15 seconds West, 713.18 feet to a point; thence

7. South 79 degrees 54 minutes 45 seconds West, 454.02 feet to the point or place of beginning.

This description is in accordance with a survey prepared by Earl N. Strom, PLS for International Land Services, Inc., dated 2/27/06, last revised 4/7/06, job number 06-02-013:002A.

FOR INFORMATIONAL PURPOSES ONLY:

"In compliance with Chapter 157, Laws of 1977, premises herein is Lot 10.01 (HM) in Block 230 on the Tax Map of the Township of Lyndhurst, County of Bergen, State of New Jersey.

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EXHIBIT B

(Free Rent Tenant / Monthly Allocated Amount)

1. Sony Lease (Allocated Free Rent: \$63,846.79; Monthly Amount: \$9,120.97 for 4/1/2006 - 10/31/2006)

A-1

Loan No.: 502856398

210 Clay Avenue, Lyndhurst, New Jersey

PROMISSORY NOTE

\$16,000,000.00

May 9, 2006

FOR VALUE RECEIVED, the undersigned, 210 CLAY SPE LLC, a Delaware limited liability company ("**Borrower**"), having an address c/o Mack-Cali Realty, L.P. at 11 Commerce Drive, Cranford, New Jersey 07016, promises to pay to the order of WACHOVIA BANK, NATIONAL ASSOCIATION, a national banking association (together with its successors and assigns, "**Lender**"), at the office of Lender at Commercial Real Estate Services, 8739 Research Drive URP — 4, NC 1075, Charlotte, North Carolina 28262, or at such other place as Lender may designate to Borrower in writing from time to time, the principal sum of SIXTEEN MILLION AND NO/100 DOLLARS (\$16,000,000.00), together with interest on so much thereof as is from time to time outstanding and unpaid, from the date of the advance of the principal evidenced hereby, at the rate of six and twenty-seven hundredths percent (6.27%) (the "**Note Rate**"), together with all other amounts due hereunder or under the other Loan Documents (as defined herein), in lawful money of the United States of America, which shall at the time of payment be legal tender in payment of all debts and dues, public and private.

*ARTICLE I**TERMS AND CONDITIONS*

Section 1.1 **Computation of Interest.** Interest shall be computed hereunder based on a 360-day year and based on the actual number of days elapsed for any period in which interest is being calculated including, without limitation, the Interest Only Period (hereinafter defined), as more particularly set forth on Annex 1 attached hereto and incorporated by this reference. Interest shall accrue from the date on which funds are advanced hereunder (regardless of the time of day) through and including the day on which funds are credited pursuant to Section 1.2 hereof.

Section 1.2 **Payment of Principal and Interest.** Payments in federal funds immediately available at the place designated for payment received by Lender prior to 2:00 p.m. local time on a day on which Lender is open for business at said place of payment shall be credited prior to close of business, while other payments, at the option of Lender, may not be credited until immediately available to Lender in federal funds at the place designated for payment prior to 2:00 p.m. local time on the next day on which Lender is open for business. Interest only shall be payable in twenty-four (24) equal consecutive monthly installments in the amount set forth on Annex 1 (the "Interest Only Monthly Payment Amount"), beginning on June 11, 2006 (the "**First Payment Date**"), and continuing on the eleventh (11th) day of each and every calendar month thereafter through and including May 11, 2008 (the "**Interest Only Period**") and, thereafter, principal and interest shall be payable in equal consecutive monthly installments of \$98,722.97 each (the "Principal and Interest Monthly Payment Amount" and,

together, with the Interest Only Monthly Payment Amount, the "Monthly Payment Amount"), beginning on June 11, 2008 and continuing on the eleventh (11th) day of each and every calendar month thereafter through and including April 11, 2016 (each, a "**Payment Date**"). On May 11, 2016 (the "**Maturity Date**") (**provided that in the event that there is a Defeasance of the Loan pursuant to Section 1.5(d) hereof, the Maturity Date shall automatically be the Lockout Expiration Date**), the entire outstanding principal balance hereof, together with all accrued but unpaid interest thereon, shall be due and payable in full.

Section 1.3 **Application of Payments.** So long as no Event of Default (as hereinafter defined) exists hereunder or under any other Loan Document, each such monthly installment shall be applied, first, to any amounts hereafter advanced by Lender hereunder or under any other Loan Document, second, to any late fees and other amounts payable to Lender, third, to the payment of accrued interest and last to reduction of principal.

Section 1.4 **Payment of "Short Interest."** If the advance of the principal amount evidenced by this Note is made on a date other than a Payment Date, Borrower shall pay to Lender contemporaneously with the execution hereof interest at the Note Rate for a period from the date hereof through and including the tenth (10th) day of either (x) this month, in the event that the date hereof is on or prior to the 11th of the month, and (y) the immediately succeeding month, in the event that the date hereof is after the 11th of the month.

Section 1.5 **Prepayment; Defeasance.**

(a) This Note may not be prepaid, in whole or in part (except as otherwise specifically provided herein), at any time prior to the Payment Date occurring three (3) Payment Dates immediately prior to the Maturity Date (the "**Lockout Expiration Date**"). In the event that Borrower wishes to have the Property (as hereinafter defined) released from the lien of the Security Instrument prior to the Lockout Expiration Date, Borrower's sole option shall be a Defeasance (as hereinafter defined) upon satisfaction of the terms and conditions set forth in Section 1.5(d) hereof. This Note may be prepaid in whole but not in part without premium or penalty on any Payment Date occurring on or after the Lockout Expiration Date provided (i) written notice of such prepayment is received by Lender not more than ninety (90) days and not less than thirty (30) days prior to the date of such prepayment, and (ii) such prepayment is accompanied by all interest accrued hereunder through and including the date of such prepayment and all other sums due hereunder or under the other Loan Documents. If, upon any such permitted prepayment on any Payment Date occurring on or after the Lockout Expiration Date, the aforesaid prior written notice has not been timely received by Lender, there shall be due a prepayment fee equal to the lesser of (i) thirty (30) days' interest computed at the Note Rate on the outstanding principal balance of this Note so prepaid and (ii) interest computed at the Note Rate on the outstanding principal balance of this Note so prepaid that would have been payable for the period from, and including, the date of prepayment through the Maturity Date, as though such prepayment had not occurred.

(b) If, prior to the Lockout Expiration Date, the indebtedness evidenced by this Note shall have been declared due and payable by Lender pursuant to Article II hereof or the provisions of any other Loan Document due to a default by Borrower, then, in addition to the indebtedness evidenced by this Note being immediately due and payable, there shall also then be

immediately due and payable a prepayment fee in an amount equal to the Yield Maintenance Premium (as hereinafter defined) based on the entire indebtedness on the date of such acceleration. In addition to the amounts described in the preceding sentence, in the event of any such acceleration or tender of payment of such indebtedness occurs or is made on or prior to the first (1st) anniversary of the date of this Note, there shall also then be immediately due and payable an additional prepayment fee of three percent (3%) of the principal balance of this Note. The term "**Yield Maintenance Premium**" shall mean an amount equal to the greater of (A) one percent (1%) of the principal amount being prepaid, and (B) the present value of a series of payments each equal to the Payment Differential (as hereinafter defined) and payable on each Payment Date over the remaining original term of this Note and on the Maturity Date, discounted at the Reinvestment Yield (as hereinafter defined) for the number of months remaining as of the date of such prepayment to each such Payment Date and the Maturity Date. The term "**Payment Differential**" shall mean an amount equal to (i) the Note Rate less the

Reinvestment Yield, divided by (ii) twelve (12) and multiplied by (iii) the principal sum outstanding under this Note after application of the constant monthly payment due under this Note on the date of such prepayment, provided that the Payment Differential shall in no event be less than zero. The term "Reinvestment Yield" shall mean an amount equal to the lesser of (i) the yield on the U.S. Treasury issue (primary issue) with a maturity date closest to the Maturity Date, or (ii) the yield on the U.S. Treasury issue (primary issue) with a term equal to the remaining average life of the indebtedness evidenced by this Note, with each such yield being based on the bid price for such issue as published in the Wall Street Journal on the date that is fourteen (14) days prior to the date of such prepayment (or, if such bid price is not published on that date, the next preceding date on which such bid price is so published) and converted to a monthly compounded nominal yield. In the event that any prepayment fee is due hereunder, Lender shall deliver to Borrower a statement setting forth the amount and determination of the prepayment fee, and, provided that Lender shall have in good faith applied the formula described above, Borrower shall not have the right to challenge the calculation or the method of calculation set forth in any such statement in the absence of manifest error, which calculation may be made by Lender on any day during the fifteen (15) day period preceding the date of such prepayment. Lender shall not be obligated or required to have actually reinvested the prepaid principal balance at the Reinvestment Yield or otherwise as a condition to receiving the prepayment fee.

(c) Partial prepayments of this Note shall not be permitted, except for partial prepayments resulting from Lender's election to apply insurance or condemnation proceeds to reduce the outstanding principal balance of this Note as provided in the Security Instrument, in which event no prepayment fee or premium shall be due unless, at the time of either Lender's receipt of such proceeds or the application of such proceeds to the outstanding principal balance of this Note, an Event of Default, or an event which, with notice or the passage of time, or both, would constitute an Event of Default, shall have occurred, which default or Event of Default is unrelated to the applicable casualty or condemnation, in which event the applicable prepayment fee or premium shall be due and payable based upon the amount of the prepayment. No notice of prepayment shall be required under the circumstances specified in the preceding sentence. No principal amount repaid may be borrowed. Any such partial prepayments of principal shall be applied to the unpaid principal balance evidenced hereby but such application shall not reduce the amount of the fixed monthly installments required to be paid pursuant to Section 1.2 above. Except as otherwise expressly provided in this Section, the prepayment fees provided above shall be due, to the extent permitted by applicable law, under any and all circumstances where all or

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any portion of this Note is paid prior to the Maturity Date, whether such prepayment is voluntary or involuntary, including, without limitation, if such prepayment results from Lender's exercise of its rights upon Borrower's default and acceleration of the Maturity Date of this Note (irrespective of whether foreclosure proceedings have been commenced), and shall be in addition to any other sums due hereunder or under any of the other Loan Documents. No tender of a prepayment of this Note with respect to which a prepayment fee is due shall be effective unless such prepayment is accompanied by the applicable prepayment fee.

(d) (i) On any Payment Date on or after the earlier to occur of (x) three (3) years following the first Payment Date hereunder, and (y) the day immediately following the date which is two (2) years after the "startup day," within the meaning of Section 860G(a) (9) of the Internal Revenue Code of 1986, as amended from time to time or any successor statute (the "Code"), of a "real estate mortgage investment conduit," within the meaning of Section 860D of the Code (a "REMIC Trust"), that holds this Note, and provided no Event of Default has occurred and is continuing hereunder or under any of the other Loan Documents, at Borrower's option, Lender shall cause the release of the Property from the lien of the Security Instrument and the other Loan Documents (a "Defeasance") upon the satisfaction of the following conditions:

(A) Borrower shall give not more than ninety (90) days' or less than sixty (60) days' prior written notice to Lender specifying the date Borrower intends for the Defeasance to be consummated (the "Release Date"), which date shall be a Payment Date.

(B) All accrued and unpaid interest and all other sums due under this Note and under the other Loan Documents up to and including the Release Date shall be paid in full on or prior to the Release Date.

(C) Borrower shall deliver to Lender on or prior to the Release Date:

(1) a sum of money in immediately available funds (the "Defeasance Deposit") equal to the outstanding principal balance of this Note plus an amount, if any, which together with the outstanding principal balance of this Note, shall be sufficient to enable Lender to purchase, through means and sources customarily employed and available to Lender, for the account of Borrower, (x) direct, non-callable, fixed rate obligations of the United States of America or (y) non-callable, fixed rate obligations, other than U.S. Treasury Obligations, that are "government securities" within the meaning of Section 2(a)(16) of the Investment Company Act of 1940, as amended, that provide for payments prior, but as close as possible, to all successive monthly Payment Dates occurring after the Release Date and to the Lockout Expiration Date, with each such payment being equal to or greater than the amount of the corresponding installment of principal and/or interest required to be paid under this Note (including, but not limited to, the scheduled outstanding principal balance of the Loan due on the Maturity Date based upon payments of principal and interest through the Lockout Expiration Date) for the balance of the term hereof

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(the "Defeasance Collateral"), each of which shall be duly endorsed by the holder thereof as directed by Lender or accompanied by a written instrument of transfer in form and substance satisfactory to Lender in its sole discretion (including, without limitation, such instruments as may be required by the depository institution holding such securities or the issuer thereof, as the case may be, to effectuate book-entry transfers and pledges through the book-entry facilities of such institution) in order to perfect upon the delivery of the Defeasance Security Agreement (as hereinafter defined) the first priority security interest in the Defeasance Collateral in favor of Lender in conformity with all applicable state and federal laws governing granting of such security interests.

(2) a pledge and security agreement, in form and substance satisfactory to Lender, creating a first priority security interest in favor of Lender in the Defeasance Collateral (the "Defeasance Security Agreement");

(3) a certificate of Borrower certifying that all of the requirements set forth in this subsection 1.5(d)(i) have been satisfied;

(4) one or more opinions of counsel for Borrower in form and substance and delivered by counsel which would be satisfactory to Lender stating, among other things, that (i) Lender has a perfected first priority security interest in the Defeasance Collateral and that the Defeasance Security Agreement is enforceable against Borrower in accordance with its terms, (ii) in the event of a bankruptcy proceeding or similar occurrence with respect to Borrower, none of the Defeasance Collateral nor any proceeds thereof will be property of Borrower's estate under Section 541 of the U.S. Bankruptcy Code, as amended, or any similar statute and the grant of security interest therein to Lender shall not constitute an avoidable preference under Section 547 of the U.S. Bankruptcy Code, as amended, or applicable state law, (iii) the release of the lien of the Security Instrument and the pledge of Defeasance Collateral will not directly or indirectly result in or cause any REMIC Trust that then holds this Note to fail to maintain its status as a REMIC Trust and (iv) the defeasance will not cause any REMIC Trust to be an "investment company" under the

(5) evidence in writing from any applicable Rating Agency (as defined in the Security Instrument) to the effect that the Defeasance will not result in a downgrading, withdrawal or qualification of the respective ratings in effect immediately prior to such Defeasance for any Securities (as hereinafter defined) issued in connection with the securitization which are then outstanding; provided, however, no evidence from a Rating Agency shall be required if this Note does not meet the then-current review requirements of such Rating Agency.

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(6) a certificate in form and scope acceptable to Lender in its sole discretion from an acceptable independent accountant certifying that the Defeasance Collateral will generate amounts sufficient to make all payments of principal and interest due under this Note through the Lockout Expiration Date and the outstanding principal balance of the Loan due on the Maturity Date based upon payments of principal and interest through the Lockout Expiration Date;

(7) Borrower and any guarantor or indemnitor of Borrower's obligations under the Loan Documents for which Borrower has personal liability executes and delivers to Lender such documents and agreements as Lender shall reasonably require to evidence and effectuate the ratification of such personal liability and guaranty or indemnity, respectively;

(8) such other certificates, documents or instruments as Lender may reasonably require; and

(9) payment of all fees, costs, expenses and charges incurred by Lender in connection with the Defeasance of the Property and the purchase of the Defeasance Collateral, including, without limitation, all legal fees and costs and expenses incurred by Lender or its agents in connection with release of the Property, review of the proposed Defeasance Collateral and preparation of the Defeasance Security Agreement and related documentation, any revenue, documentary, stamp, intangible or other taxes, charges or fees due in connection with transfer of the Note, assumption of the Note, or substitution of collateral for the Property shall be paid on or before the Release Date. Without limiting Borrower's obligations with respect thereto, Lender shall be entitled to deduct all such fees, costs, expenses and charges from the Defeasance Deposit to the extent of any portion of the Defeasance Deposit which exceeds the amount necessary to purchase the Defeasance Collateral.

(D) In connection with the Defeasance Deposit, Borrower hereby authorizes and directs Lender using the means and sources customarily employed and available to Lender to use the Defeasance Deposit to purchase for the account of Borrower the Defeasance Collateral. Furthermore, the Defeasance Collateral shall be arranged such that payments received from such Defeasance Collateral shall be paid directly to Lender to be applied on account of the indebtedness of this Note. Any part of the Defeasance Deposit in excess of the amount necessary to purchase the Defeasance Collateral and to pay the other and related costs Borrower is obligated to pay under this Section 1.5 shall be refunded to Borrower.

(ii) Upon compliance with the requirements of subsection 1.5(d)(i), the Property shall be released from the lien of the Security Instrument and the other Loan Documents, and the Defeasance Collateral shall constitute collateral which shall secure this Note and all other obligations under the Loan Documents. Lender will, at

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Borrower's expense, execute and deliver any agreements reasonably requested by Borrower to release the lien of the Security Instrument from the Property.

(iii) Upon the release of the Property in accordance with this Section 1.5(d), Borrower shall assign all its obligations and rights under this Note, together with the pledged Defeasance Collateral, to a newly created successor entity which complies with the terms of Section 2.29 of the Security Instrument designated by Lender in its sole discretion. Such successor entity shall execute an assumption agreement in form and substance satisfactory to Lender in its sole discretion pursuant to which it shall assume Borrower's obligations under this Note and the Defeasance Security Agreement. As conditions to such assignment and assumption, Borrower shall (x) deliver to Lender an opinion of counsel in form and substance satisfactory to a prudent lender and delivered by counsel satisfactory to a prudent lender stating, among other things, that such assumption agreement is enforceable against Borrower and such successor entity in accordance with its terms and that this Note and the Defeasance Security Agreement as so assumed, are enforceable against such successor entity in accordance with their respective terms, and (y) pay all costs and expenses (including, but not limited to, legal fees) incurred by Lender or its agents in connection with such assignment and assumption (including, without limitation, the review of the proposed transferee and the preparation of the assumption agreement and related documentation). Upon such assumption, Borrower shall be relieved of its obligations hereunder, under the other Loan Documents other than as specified in Section 1.5(d)(i)(C)(7) above and under the Defeasance Security Agreement (or other Defeasance document).

Section 1.6 Security. The indebtedness evidenced by this Note and the obligations created hereby are secured by, among other things, that certain mortgage, deed of trust or deed to secure debt, security agreement and fixture filing (the "Security Instrument") from Borrower for the benefit of Lender, dated of even date herewith, covering the Property. The Security Instrument, together with this Note and all other documents to or of which Lender is a party or beneficiary now or hereafter evidencing, securing, guarantying, modifying or otherwise relating to the indebtedness evidenced hereby, are herein referred to collectively as the "Loan Documents". All of the terms and provisions of the Loan Documents are incorporated herein by reference. Some of the Loan Documents are to be filed for record on or about the date hereof in the appropriate public records.

ARTICLE II

DEFAULT

Section 2.1 Events of Default. It is hereby expressly agreed that should any default occur in the payment of principal or interest as stipulated above and such payment is not made on the date such payment is due, or should any other default occur under any other Loan Document and not be cured within any applicable grace or notice period (if any), then an Event of Default (an "Event of Default") shall exist hereunder, and in such event the indebtedness evidenced hereby, including all sums advanced or accrued hereunder or under any other Loan Document, and all unpaid interest accrued thereon, shall, at the option of Lender and without

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notice to Borrower, at once become due and payable and may be collected forthwith, whether or not there has been a prior demand for payment and regardless of the stipulated date of maturity.

Section 2.2 Late Charges. In the event that any payment is not received by Lender on the date when due (subject to any applicable grace period), then, in addition to any default interest payments due hereunder, Borrower shall also pay to Lender a late charge in an amount equal to five percent (5%) of the amount of such overdue payment.

Section 2.3 Default Interest Rate. So long as any Event of Default exists hereunder or under any other Loan Document, regardless of whether or not there has been an acceleration of the indebtedness evidenced hereby, and at all times after maturity of the indebtedness evidenced hereby (whether by acceleration or otherwise), interest shall accrue on the outstanding principal balance of this Note, from the date due until the date credited, at a rate per annum equal to five percent (5%) in excess of the Note Rate, or, if such increased rate of interest may not be collected under applicable law, then at the maximum rate of interest, if any, which may be collected from Borrower under applicable law (as applicable, the "Default Interest Rate"), and such default interest shall be immediately due and payable.

Section 2.4 Borrower's Agreements. Borrower acknowledges that it would be extremely difficult or impracticable to determine Lender's actual damages resulting from any late payment or default, and such late charges and default interest are reasonable estimates of those damages and do not constitute a penalty. The remedies of Lender in this Note or in the Loan Documents, or at law or in equity, shall be cumulative and concurrent, and may be pursued singly, successively or together, in Lender's discretion.

Section 2.5 Borrower to Pay Costs. In the event that this Note, or any part hereof, is collected by or through an attorney-at-law, Borrower agrees to pay all costs of collection, including, but not limited to, reasonable attorneys' fees.

Section 2.6 Exculpation. Notwithstanding anything in this Note or the Loan Documents to the contrary, but subject to the qualifications hereinbelow set forth, Lender agrees that:

(a) Borrower shall be liable upon the indebtedness evidenced hereby and for the other obligations arising under the Loan Documents to the full extent (but only to the extent) of the security therefor, the same being all properties (whether real or personal), rights, estates and interests now or at any time hereafter securing the payment of this Note and/or the other obligations of Borrower under the Loan Documents (collectively, the "Property");

(b) if a default occurs in the timely and proper payment of all or any part of such indebtedness evidenced hereby or in the timely and proper performance of the other obligations of Borrower under the Loan Documents, any judicial proceedings brought by Lender against Borrower shall be limited to the preservation, enforcement and foreclosure, or any thereof, of the liens, security titles, estates, assignments, rights and security interests now or at any time hereafter securing the payment of this Note and/or the other obligations of Borrower under the Loan Documents, and no attachment, execution or other writ of process shall be

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sought, issued or levied upon any assets, properties or funds of Borrower other than the Property, except with respect to the liability described below in this section; and

(c) in the event of a foreclosure of such liens, security titles, estates, assignments, rights or security interests securing the payment of this Note and/or the other obligations of Borrower under the Loan Documents, no judgment for any deficiency upon the indebtedness evidenced hereby shall be sought or obtained by Lender against Borrower, except with respect to the liability described below in this section; provided, however, that, notwithstanding the foregoing provisions of this section, Borrower shall be fully and personally liable and subject to legal action (i) for proceeds paid under any insurance policies (or paid as a result of any other claim or cause of action against any person or entity) by reason of damage, loss or destruction to all or any portion of the Property, to the full extent of such proceeds not previously delivered to Lender, but which, under the terms of the Loan Documents, should have been delivered to Lender, (ii) for proceeds or awards resulting from the condemnation or other taking in lieu of condemnation of all or any portion of the Property, to the full extent of such proceeds or awards not previously delivered to Lender, but which, under the terms of the Loan Documents, should have been delivered to Lender, (iii) for all tenant security deposits or other refundable deposits paid to or held by Borrower or any other person or entity in connection with leases of all or any portion of the Property which are not applied in accordance with the terms of the applicable lease or other agreement, except if Lender receives such tenant security deposits or other refundable deposits and fails to refund same to the applicable tenant(s) in accordance with such tenant's lease, (iv) for rent and other payments received from tenants under leases of all or any portion of the Property paid more than one (1) month in advance, provided that with respect to any taxes and/or operating expenses paid by any tenants in other than monthly installments under the applicable lease, such payments shall not be paid more than one installment in advance, (v) for rents, issues, profits and revenues of all or any portion of the Property received or applicable to a period after the occurrence of any Event of Default hereunder or under the Loan Documents which are not either applied to the ordinary and necessary expenses of owning and operating the Property or paid to Lender, (vi) for waste committed on the Property, damage to the Property as a result of the intentional misconduct or gross negligence of Borrower or any of its principals, officers, general partners or members, any guarantor, any indemnitor, or any agent or employee of any such person, or any removal of all or any portion of the Property in violation of the terms of the Loan Documents, to the full extent of the losses or damages incurred by Lender on account of such occurrence, (vii) for failure to pay any valid taxes, assessments, mechanic's liens, materialmen's liens or other liens which could create liens on any portion of the Property which would be superior to the lien or security title of the Security Instrument or the other Loan Documents, to the full extent of the amount claimed by any such lien claimant except, with respect to any such taxes or assessments, to the extent that funds have been deposited with Lender pursuant to the terms of the Security Instrument specifically for the applicable taxes or assessments and not applied by Lender to pay such taxes and assessments, (viii) for all obligations and indemnities of Borrower under the Loan Documents relating to Hazardous Substances (as defined in the Security Instrument) or radon or compliance with Environmental Laws (as defined in the Security Instrument) and regulations to the full extent of any losses or damages (including those resulting from diminution in value of any Property) incurred by Lender and/or any of its affiliates as a result of the existence of such Hazardous Substances or radon or failure to comply with such Environmental Laws or regulations, and (ix) for fraud, material misrepresentation or failure to disclose a material fact,

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any untrue statement of a material fact or omission to state a material fact in the written materials and/or information provided to Lender or any of its affiliates by or on behalf of Borrower or any of its affiliates, principals, officers, general partners or members, any guarantor, any indemnitor or any agent, employee or other person authorized or apparently authorized to make statements, representations or disclosures on behalf of Borrower, any affiliate, principal, officer, general partner or member of Borrower, any guarantor or any indemnitor, to the full extent of any losses, damages and expenses of Lender and/or any of its affiliates on account thereof. References herein to particular sections of the Loan Documents shall be deemed references to such sections as affected by other provisions of the Loan Documents relating thereto. Nothing contained in this section shall (1) be deemed to be a release or impairment of the indebtedness evidenced by this Note or the other obligations of Borrower under the Loan Documents or the lien of the Loan Documents upon the Property, or (2) preclude Lender from foreclosing the Loan Documents in case of any default or from enforcing any of the other rights of Lender except as stated in this section, or (3) limit or impair in any way whatsoever (A) the Indemnity and Guaranty Agreement (the "Indemnity Agreement") or (B) the Environmental Indemnity Agreement (the "Environmental Indemnity Agreement"), each of even date herewith executed and delivered in connection with the indebtedness evidenced by this Note or release, relieve, reduce, waive or impair in any way whatsoever, any obligation of any party to the Indemnity Agreement or the Environmental Indemnity Agreement.

Notwithstanding the foregoing, the agreement of Lender not to pursue recourse liability as set forth in this Section 2.6 SHALL BECOME NULL AND VOID and shall be of no further force and effect in the event of (i) a default by Borrower, Indemnitor (as defined in the Security Instrument) or any general partner, manager or managing member of Borrower of any of the covenants set forth in Section 2.9 of the Security Instrument or a default by Borrower, Indemnitor or any general partner, manager or managing member of Borrower which is a Single-Purpose Entity (as defined in the Security Instrument) (if any) of the covenants set forth in Section 2.29 of the Security Instrument, or (ii) if the Property or any part thereof shall become an asset in (A) a voluntary bankruptcy or insolvency proceeding of Borrower or Indemnitor, or (B) an involuntary bankruptcy or insolvency proceeding of Borrower or Indemnitor in which the Borrower or the Indemnitor colludes or any of their affiliates with creditors in such bankruptcy or insolvency proceeding and which is not dismissed within sixty (60) days of filing or (C) Borrower or Indemnitor or any of their affiliates intentionally interferes in any material respect, directly or indirectly, with Lender's exercise and/or realization of Lender's remedies under and as set forth in the Loan Documents other than by the assertion of a good faith defense based upon a failure by Lender to observe the provisions of this Section 2.6 of this Note.

Notwithstanding anything to the contrary in this Note, the Security Instrument or any of the other Loan Documents, Lender shall not be deemed to have waived any right which Lender may have under Section 506(a), 506(b), 1111(b) or any other provisions of the U.S. Bankruptcy Code to file a claim for the full amount of the indebtedness evidenced hereby or secured by the Security Instrument or any of the other Loan Documents or to require that all collateral shall continue to secure all of the indebtedness owing to Lender in accordance with this Note, the Security Instrument and the other Loan Documents.

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ARTICLE III

GENERAL CONDITIONS

Section 3.1 No Waiver; Amendment. No failure to accelerate the indebtedness evidenced hereby by reason of default hereunder, acceptance of a partial or past due payment, or indulgences granted from time to time shall be construed (i) as a novation of this Note or as a reinstatement of the indebtedness evidenced hereby or as a waiver of such right of acceleration or of the right of Lender thereafter to insist upon strict compliance with the terms of this Note, or (ii) to prevent the exercise of such right of acceleration or any other right granted hereunder or by any applicable laws; and Borrower hereby expressly waives the benefit of any statute or rule of law or equity now provided, or which may hereafter be provided, which would produce a result contrary to or in conflict with the foregoing. No extension of the time for the payment of this Note or any installment due hereunder made by agreement with any person now or hereafter liable for the payment of this Note shall operate to release, discharge, modify, change or affect the original liability of Borrower under this Note, either in whole or in part, unless Lender agrees otherwise in writing. This Note may not be changed orally, but only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

Section 3.2 Waivers. Presentment for payment, demand, protest and notice of demand, protest and nonpayment and all other notices are hereby waived by Borrower. Borrower hereby further waives and renounces, to the fullest extent permitted by law, all rights to the benefits of any moratorium, reinstatement, marshaling, forbearance, valuation, stay, extension, redemption, appraisal, exemption and homestead now or hereafter provided by the Constitution and laws of the United States of America and of each state thereof, both as to itself and in and to all of its property, real and personal, against the enforcement and collection of the obligations evidenced by this Note or the other Loan Documents.

Section 3.3 Limit of Validity. The provisions of this Note and of all agreements between Borrower and Lender, whether now existing or hereafter arising and whether written or oral, including, but not limited to, the Loan Documents, are hereby expressly limited so that in no contingency or event whatsoever, whether by reason of demand or acceleration of the maturity of this Note or otherwise, shall the amount contracted for, charged, taken, reserved, paid or agreed to be paid ("Interest") to Lender for the use, forbearance or detention of the money loaned under this Note exceed the maximum amount permissible under applicable law. If, from any circumstance whatsoever, performance or fulfillment of any provision hereof or of any agreement between Borrower and Lender shall, at the time performance or fulfillment of such provision shall be due, exceed the limit for Interest prescribed by law or otherwise transcend the limit of validity prescribed by applicable law, then, ipso facto, the obligation to be performed or fulfilled shall be reduced to such limit, and if, from any circumstance whatsoever, Lender shall ever receive anything of value deemed Interest by applicable law in excess of the maximum lawful amount, an amount equal to any excessive Interest shall be applied to the reduction of the principal balance owing under this Note in the inverse order of its maturity (whether or not then due) or, at the option of Lender, be paid over to Borrower, and not to the payment of Interest. All Interest (including any amounts or payments judicially or otherwise under the law deemed to be Interest) contracted for, charged, taken,

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reserved, paid or agreed to be paid to Lender shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the full term of this Note, including any extensions and renewals hereof until payment in full of the principal balance of this Note so that the Interest thereon for such full term will not exceed at any time the maximum amount permitted by applicable law. To the extent United States federal law permits a greater amount of interest than is permitted under the law of the State in which the Property is located, Lender will rely on United States federal law for the purpose of determining the maximum amount permitted by applicable law. Additionally, to the extent permitted by applicable law now or hereafter in effect, Lender may, at its option and from time to time, implement any other method of computing the maximum lawful rate under the law of the State in which the Property is located or under other applicable law by giving notice, if required, to Borrower as provided by applicable law now or hereafter in effect. This Section 3.3 will control all agreements between Borrower and Lender.

Section 3.4 Use of Funds. Borrower hereby warrants, represents and covenants that no funds disbursed hereunder shall be used for personal, family or household purposes.

Section 3.5 Unconditional Payment. Borrower is and shall be obligated to pay principal, interest and any and all other amounts which become payable hereunder or under the other Loan Documents absolutely and unconditionally and without any abatement, postponement, diminution or deduction and without any reduction for counterclaim or setoff. In the event that at any time any payment received by Lender hereunder shall be deemed by a court of competent jurisdiction to have been a voidable preference or fraudulent conveyance under any bankruptcy, insolvency or other debtor relief law, then the obligation to make such payment shall survive any cancellation or satisfaction of this Note or return thereof to Borrower and shall not be discharged or satisfied with any prior payment thereof or cancellation of this Note, but shall remain a valid and binding obligation enforceable in accordance with the terms and provisions hereof, and such payment shall be immediately due and payable upon demand.

Section 3.6 Governing Law. THIS NOTE SHALL BE INTERPRETED, CONSTRUED AND ENFORCED ACCORDING TO THE LAWS OF THE STATE IN WHICH THE PROPERTY IS LOCATED.

Section 3.7 Waiver of Jury Trial. BORROWER, TO THE FULL EXTENT PERMITTED BY LAW, HEREBY KNOWINGLY, INTENTIONALLY AND VOLUNTARILY, WITH AND UPON THE ADVICE OF COMPETENT COUNSEL, WAIVES, RELINQUISHES AND FOREVER FORGOES THE RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATING TO THE DEBT EVIDENCED BY THIS NOTE OR ANY CONDUCT, ACT OR OMISSION OF LENDER OR BORROWER, OR ANY OF THEIR RESPECTIVE DIRECTORS, OFFICERS, PARTNERS, MEMBERS, EMPLOYEES, AGENTS OR ATTORNEYS, OR ANY OTHER PERSONS AFFILIATED WITH LENDER OR BORROWER, IN EACH OF THE

ARTICLE IV

MISCELLANEOUS PROVISIONS

Section 4.1 Successors and Assigns; Joint and Several; Interpretation. The terms and provisions hereof shall be binding upon and inure to the benefit of Borrower and Lender and their respective heirs, executors, legal representatives, successors, successors in title and assigns, whether by voluntary action of the parties or by operation of law. As used herein, the terms "Borrower" and "Lender" shall be deemed to include their respective heirs, executors, legal representatives, successors, successors in title and assigns, whether by voluntary action of the parties or by operation of law. If Borrower consists of more than one person or entity, each shall be jointly and severally liable to perform the obligations of Borrower under this Note. All personal pronouns used herein, whether used in the masculine, feminine or neuter gender, shall include all other genders; the singular shall include the plural and vice versa. Titles of articles and sections are for convenience only and in no way define, limit, amplify or describe the scope or intent of any provisions hereof. Time is of the essence with respect to all provisions of this Note. This Note and the other Loan Documents contain the entire agreements between the parties hereto relating to the subject matter hereof and thereof and all prior agreements relative hereto and thereto which are not contained herein or therein are terminated.

Section 4.2 Taxpayer Identification. Borrower's Tax Identification Number is 01-0817669.

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IN WITNESS WHEREOF, Borrower has executed this Note as of the date first written above.

BORROWER:

210 CLAY SPE LLC,
a Delaware limited liability company

By: /s/ Mitchell E. Hersh

Name: Mitchell E. Hersh
Title: President and Chief Executive Officer

STATE OF New Jersey

SS:

COUNTY OF Union

BE IT REMEMBERED that on the 8th day of May, 2006, Mitchell E. Hersh personally came before me, and this person acknowledged under oath, to my satisfaction, that he is the President and Chief Executive Officer of 210 Clay SPE LLC, a Delaware limited liability company, the entity named in this document, and this document was signed and delivered by the entity as its voluntary act duly authorized by a proper resolution of the limited liability company.

/s/ Beverly E. Sturr

Beverly E. Sturr
Notary Public of New Jersey
My Commission expires on March 30, 2010

INTEREST ONLY

ANNEX 1 TO \$16,000,000 PROMISSORY NOTE
BY 210 CLAY SPE LLC
TO WACHOVIA BANK, NATIONAL ASSOCIATION

[SEE ATTACHED]

LOAN TERMS

Original Principal Amount	\$ 16,000,000.00
Note Rate % (Per Annum)	6.270 %
Original Amortization Term (Months)	360
Monthly Payment Amount (Excluding IO Period)	\$ 98,722.97
Note Date	5/9/2006
First Pay Date	6/11/2006
Original Loan Term (Months)	120
Scheduled Maturity Date	5/11/2016
Interest Accrual Basis During Amortization Periods	ACTUAL/360
Interest Only (IO) Periods (Months)	24
Interest Accrual Basis During IO Period	ACTUAL/360

210 CLAY AVENUE

502856398

Pay Period	Pay Date	Accrual Days in Period	Scheduled Payment	Interest Component of Scheduled Payment	Principal Component of Scheduled Payment	Ending Unpaid Principal Balance
0	5/11/2006	2	\$ 0.00	\$ 5,573.34	\$ 0.00	\$ 16,000,000.00
1	6/11/2006	31	\$ 86,386.67	\$ 86,386.67	\$ 0.00	\$ 16,000,000.00
2	7/11/2006	30	\$ 83,600.00	\$ 83,600.00	\$ 0.00	\$ 16,000,000.00
3	8/11/2006	31	\$ 86,386.67	\$ 86,386.67	\$ 0.00	\$ 16,000,000.00
4	9/11/2006	31	\$ 86,386.67	\$ 86,386.67	\$ 0.00	\$ 16,000,000.00
5	10/11/2006	30	\$ 83,600.00	\$ 83,600.00	\$ 0.00	\$ 16,000,000.00
6	11/11/2006	31	\$ 86,386.67	\$ 86,386.67	\$ 0.00	\$ 16,000,000.00
7	12/11/2006	30	\$ 83,600.00	\$ 83,600.00	\$ 0.00	\$ 16,000,000.00
8	1/11/2007	31	\$ 86,386.67	\$ 86,386.67	\$ 0.00	\$ 16,000,000.00
9	2/11/2007	31	\$ 86,386.67	\$ 86,386.67	\$ 0.00	\$ 16,000,000.00
10	3/11/2007	28	\$ 78,026.67	\$ 78,026.67	\$ 0.00	\$ 16,000,000.00
11	4/11/2007	31	\$ 86,386.67	\$ 86,386.67	\$ 0.00	\$ 16,000,000.00
12	5/11/2007	30	\$ 83,600.00	\$ 83,600.00	\$ 0.00	\$ 16,000,000.00
13	6/11/2007	31	\$ 86,386.67	\$ 86,386.67	\$ 0.00	\$ 16,000,000.00
14	7/11/2007	30	\$ 83,600.00	\$ 83,600.00	\$ 0.00	\$ 16,000,000.00

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15	8/11/2007	31	\$ 86,386.67	\$ 86,386.67	\$ 0.00	\$ 16,000,000.00
16	9/11/2007	31	\$ 86,386.67	\$ 86,386.67	\$ 0.00	\$ 16,000,000.00
17	10/11/2007	30	\$ 83,600.00	\$ 83,600.00	\$ 0.00	\$ 16,000,000.00
18	11/11/2007	31	\$ 86,386.67	\$ 86,386.67	\$ 0.00	\$ 16,000,000.00
19	12/11/2007	30	\$ 83,600.00	\$ 83,600.00	\$ 0.00	\$ 16,000,000.00
20	1/11/2008	31	\$ 86,386.67	\$ 86,386.67	\$ 0.00	\$ 16,000,000.00
21	2/11/2008	31	\$ 86,386.67	\$ 86,386.67	\$ 0.00	\$ 16,000,000.00
22	3/11/2008	29	\$ 80,813.33	\$ 80,813.33	\$ 0.00	\$ 16,000,000.00
23	4/11/2008	31	\$ 86,386.67	\$ 86,386.67	\$ 0.00	\$ 16,000,000.00
24	5/11/2008	30	\$ 83,600.00	\$ 83,600.00	\$ 0.00	\$ 16,000,000.00
25	6/11/2008	31	\$ 98,722.97	\$ 86,386.67	\$ 12,336.30	\$ 15,987,663.70
26	7/11/2008	30	\$ 98,722.97	\$ 83,535.54	\$ 15,187.43	\$ 15,972,476.27
27	8/11/2008	31	\$ 98,722.97	\$ 86,238.06	\$ 12,484.91	\$ 15,959,991.36
28	9/11/2008	31	\$ 98,722.97	\$ 86,170.65	\$ 12,552.32	\$ 15,947,439.04
29	10/11/2008	30	\$ 98,722.97	\$ 83,325.37	\$ 15,397.60	\$ 15,932,041.44
30	11/11/2008	31	\$ 98,722.97	\$ 86,019.75	\$ 12,703.22	\$ 15,919,338.22
31	12/11/2008	30	\$ 98,722.97	\$ 83,178.54	\$ 15,544.43	\$ 15,903,793.79
32	1/11/2009	31	\$ 98,722.97	\$ 85,867.23	\$ 12,855.74	\$ 15,890,938.05
33	2/11/2009	31	\$ 98,722.97	\$ 85,797.82	\$ 12,925.15	\$ 15,878,012.90
34	3/11/2009	28	\$ 98,722.97	\$ 77,431.78	\$ 21,291.19	\$ 15,856,721.71
35	4/11/2009	31	\$ 98,722.97	\$ 85,613.08	\$ 13,109.89	\$ 15,843,611.82
36	5/11/2009	30	\$ 98,722.97	\$ 82,782.87	\$ 15,940.10	\$ 15,827,671.72
37	6/11/2009	31	\$ 98,722.97	\$ 85,456.24	\$ 13,266.73	\$ 15,814,404.99
38	7/11/2009	30	\$ 98,722.97	\$ 82,630.27	\$ 16,092.70	\$ 15,798,312.29
39	8/11/2009	31	\$ 98,722.97	\$ 85,297.72	\$ 13,425.25	\$ 15,784,887.04
40	9/11/2009	31	\$ 98,722.97	\$ 85,225.24	\$ 13,497.73	\$ 15,771,389.31
41	10/11/2009	30	\$ 98,722.97	\$ 82,405.51	\$ 16,317.46	\$ 15,755,071.85
42	11/11/2009	31	\$ 98,722.97	\$ 85,064.26	\$ 13,658.71	\$ 15,741,413.14
43	12/11/2009	30	\$ 98,722.97	\$ 82,248.88	\$ 16,474.09	\$ 15,724,939.05
44	1/11/2010	31	\$ 98,722.97	\$ 84,901.57	\$ 13,821.40	\$ 15,711,117.65
45	2/11/2010	31	\$ 98,722.97	\$ 84,826.94	\$ 13,896.03	\$ 15,697,221.62
46	3/11/2010	28	\$ 98,722.97	\$ 76,550.12	\$ 22,172.85	\$ 15,675,048.77
47	4/11/2010	31	\$ 98,722.97	\$ 84,632.20	\$ 14,090.77	\$ 15,660,958.00
48	5/11/2010	30	\$ 98,722.97	\$ 81,828.51	\$ 16,894.46	\$ 15,644,063.54
49	6/11/2010	31	\$ 98,722.97	\$ 84,464.91	\$ 14,258.06	\$ 15,629,805.48

50 7/11/2010 30 \$ 98,722.97 \$ 81,665.73 \$ 17,057.24 \$ 15,612,748.24

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51	8/11/2010	31	\$	98,722.97	\$	84,295.83	\$	14,427.14	\$	15,598,321.10
52	9/11/2010	31	\$	98,722.97	\$	84,217.94	\$	14,505.03	\$	15,583,816.07
53	10/11/2010	30	\$	98,722.97	\$	81,425.44	\$	17,297.53	\$	15,566,518.54
54	11/11/2010	31	\$	98,722.97	\$	84,046.23	\$	14,676.74	\$	15,551,841.80
55	12/11/2010	30	\$	98,722.97	\$	81,258.37	\$	17,464.60	\$	15,534,377.20
56	1/11/2011	31	\$	98,722.97	\$	83,872.69	\$	14,850.28	\$	15,519,526.92
57	2/11/2011	31	\$	98,722.97	\$	83,792.51	\$	14,930.46	\$	15,504,596.46
58	3/11/2011	28	\$	96,722.97	\$	75,610.75	\$	23,112.22	\$	15,481,484.24
59	4/11/2011	31	\$	98,722.97	\$	83,587.11	\$	15,135.86	\$	15,466,348.38
60	5/11/2011	30	\$	98,722.97	\$	80,811.67	\$	17,911.30	\$	15,448,437.08
61	6/11/2011	31	\$	98,722.97	\$	83,408.69	\$	15,314.28	\$	15,433,122.80
62	7/11/2011	30	\$	98,722.97	\$	80,638.07	\$	18,084.90	\$	15,415,037.90
63	8/11/2011	31	\$	98,722.97	\$	83,228.36	\$	15,494.61	\$	15,399,543.29
64	9/11/2011	31	\$	98,722.97	\$	83,144.70	\$	15,578.27	\$	15,383,965.02
65	10/11/2011	30	\$	98,722.97	\$	80,381.22	\$	18,341.75	\$	15,365,623.27
66	11/11/2011	31	\$	98,722.97	\$	82,961.56	\$	15,761.41	\$	15,349,861.86
67	12/11/2011	30	\$	98,722.97	\$	80,203.03	\$	18,519.94	\$	15,331,341.92
68	1/11/2012	31	\$	98,722.97	\$	82,776.47	\$	15,946.50	\$	15,315,395.42
69	2/11/2012	31	\$	98,722.97	\$	82,690.37	\$	16,032.60	\$	15,299,362.82
70	3/11/2012	29	\$	98,722.97	\$	77,274.53	\$	21,448.44	\$	15,277,914.38
71	4/11/2012	31	\$	98,722.97	\$	82,488.01	\$	16,234.96	\$	15,261,679.42
72	5/11/2012	30	\$	98,722.97	\$	79,742.27	\$	18,980.70	\$	15,242,698.72
73	6/11/2012	31	\$	98,722.97	\$	82,297.87	\$	16,425.10	\$	15,226,273.62
74	7/11/2012	30	\$	98,722.97	\$	79,557.28	\$	19,165.69	\$	15,207,107.93
75	8/11/2012	31	\$	98,722.97	\$	82,105.71	\$	16,617.26	\$	15,190,490.67
76	9/11/2012	31	\$	98,722.97	\$	82,015.99	\$	16,706.98	\$	15,173,783.69
77	10/11/2012	30	\$	98,722.97	\$	79,283.02	\$	19,439.95	\$	15,154,343.74
78	11/11/2012	31	\$	98,722.97	\$	81,820.83	\$	16,902.14	\$	15,137,441.60
79	12/11/2012	30	\$	98,722.97	\$	79,093.13	\$	19,629.84	\$	15,117,811.76
80	1/11/2013	31	\$	98,722.97	\$	81,623.59	\$	17,099.38	\$	15,100,712.38
81	2/11/2013	31	\$	98,722.97	\$	81,531.26	\$	17,191.71	\$	15,083,520.67
82	3/11/2013	28	\$	98,722.97	\$	73,557.30	\$	25,165.67	\$	15,058,355.00
83	4/11/2013	31	\$	98,722.97	\$	81,302.57	\$	17,420.40	\$	15,040,934.60
84	5/11/2013	30	\$	98,722.97	\$	78,588.88	\$	20,134.09	\$	15,020,800.51
85	6/11/2013	31	\$	98,722.97	\$	81,099.81	\$	17,623.16	\$	15,003,177.35
86	7/11/2013	30	\$	98,722.97	\$	78,391.60	\$	20,331.37	\$	14,982,845.98

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87	8/11/2013	31	\$	98,722.97	\$	80,894.88	\$	17,828.09	\$	14,965,017.89
88	9/11/2013	31	\$	98,722.97	\$	80,798.63	\$	17,924.34	\$	14,947,093.55
89	10/11/2013	30	\$	98,722.97	\$	78,098.56	\$	20,624.41	\$	14,926,469.14
90	11/11/2013	31	\$	98,722.97	\$	80,590.49	\$	18,132.48	\$	14,908,336.66
91	12/11/2013	30	\$	98,722.97	\$	77,896.06	\$	20,826.91	\$	14,887,509.75
92	1/11/2014	31	\$	98,722.97	\$	80,380.15	\$	18,342.82	\$	14,869,166.93
93	2/11/2014	31	\$	98,722.97	\$	80,281.11	\$	18,441.86	\$	14,850,725.07
94	3/11/2014	28	\$	98,722.97	\$	72,422.04	\$	26,300.93	\$	14,824,424.14
95	4/11/2014	31	\$	98,722.97	\$	80,039.54	\$	18,683.43	\$	14,805,740.71
96	5/11/2014	30	\$	98,722.97	\$	77,360.00	\$	21,362.97	\$	14,784,377.74
97	6/11/2014	31	\$	98,722.97	\$	79,823.32	\$	18,899.65	\$	14,765,478.09
98	7/11/2014	30	\$	98,722.97	\$	77,149.62	\$	21,573.35	\$	14,743,904.74
99	8/11/2014	31	\$	98,722.97	\$	79,604.80	\$	19,118.17	\$	14,724,786.57
100	9/11/2014	31	\$	98,722.97	\$	79,501.58	\$	19,221.39	\$	14,705,565.18
101	10/11/2014	30	\$	98,722.97	\$	76,836.58	\$	21,886.39	\$	14,683,678.79
102	11/11/2014	31	\$	98,722.97	\$	79,279.63	\$	19,443.34	\$	14,664,235.45
103	12/11/2014	30	\$	98,722.97	\$	76,620.63	\$	22,102.34	\$	14,642,133.11
104	1/11/2015	31	\$	98,722.97	\$	79,055.32	\$	19,667.65	\$	14,622,465.46
105	2/11/2015	31	\$	98,722.97	\$	73,949.13	\$	19,773.84	\$	14,602,691.62
106	3/11/2015	28	\$	98,722.97	\$	71,212.46	\$	27,510.51	\$	14,575,181.11
107	4/11/2015	31	\$	98,722.97	\$	78,693.83	\$	20,029.14	\$	14,555,151.97
108	5/11/2015	30	\$	98,722.97	\$	76,050.67	\$	22,672.30	\$	14,532,479.67
109	6/11/2015	31	\$	98,722.97	\$	78,463.28	\$	20,259.69	\$	14,512,219.98
110	7/11/2015	30	\$	98,722.97	\$	75,826.35	\$	22,896.62	\$	14,489,323.36
111	8/11/2015	31	\$	98,722.97	\$	78,230.27	\$	20,492.70	\$	14,468,830.66
112	9/11/2015	31	\$	98,722.97	\$	78,119.63	\$	20,603.34	\$	14,448,227.32

113	10/11/2015	30	\$	98,722.97	\$	75,491.99	\$	23,230.98	\$	14,424,996.34
114	11/11/2015	31	\$	98,722.97	\$	77,882.96	\$	20,840.01	\$	14,404,156.33
115	12/11/2015	30	\$	98,722.97	\$	75,261.72	\$	23,461.25	\$	14,380,695.08
116	1/11/2016	31	\$	98,722.97	\$	77,643.77	\$	21,079.20	\$	14,359,615.88
117	2/11/2016	31	\$	98,722.97	\$	77,529.96	\$	21,193.01	\$	14,338,422.87
118	3/11/2016	29	\$	98,722.97	\$	72,420.98	\$	26,301.99	\$	14,312,120.88
119	4/11/2016	31	\$	98,722.97	\$	77,273.53	\$	21,449.44	\$	14,290,671.44
120	5/11/2016	30	\$	14,365,340.20	\$	74,668.76	\$	14,290,671.44	\$	0.00
120		3,653	\$	25,781,075.73	\$	9,781,075.73	\$	16,000,000.00		

PREPARED BY AND UPON RECORDATION
RETURN TO:

Winston & Strawn LLP
200 Park Avenue
New York, New York
Attention: Corey A. Tessler, Esq.

Loan No.: 502856397

5 Becker Farm Road, Roseland, New Jersey

5 BECKER SPE LLC,
as Borrower

to

WACHOVIA BANK, NATIONAL ASSOCIATION,
as Lender

MORTGAGE, SECURITY AGREEMENT AND FIXTURE FILING

Date: May 9, 2006

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MORTGAGE, SECURITY AGREEMENT AND FIXTURE FILING

THIS MORTGAGE, SECURITY AGREEMENT AND FIXTURE FILING (as the same may be from time to time amended, consolidated, renewed or replaced, this "Mortgage") is made as of May 9, 2006 by 5 BECKER SPE LLC, a Delaware limited liability company, as grantor ("Borrower"), whose address c/o Mack-Cali Realty, L.P. at 11 Commerce Drive, Cranford, New Jersey 07016, to WACHOVIA BANK, NATIONAL ASSOCIATION, a national banking association, as beneficiary (together with its successors and assigns, "Lender"), whose address is Commercial Real Estate Services, 8739 Research Drive URP — 4, NC 1075, Charlotte, North Carolina 28262.

WITNESSETH:

THAT FOR AND IN CONSIDERATION OF THE SUM OF TEN AND NO/100 DOLLARS (\$10.00), AND OTHER VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH ARE HEREBY ACKNOWLEDGED, BORROWER HEREBY IRREVOCABLY MORTGAGES, GRANTS, BARGAINS, SELLS, CONVEYS, TRANSFERS, PLEDGES, SETS OVER AND ASSIGNS, with power of sale, all of Borrower's estate, right, title and interest in, to and under any and all of the following described property, whether now owned or hereafter acquired by Borrower (collectively, the "Property"):

(A) All that certain real property situated in the County of Essex, State of New Jersey, more particularly described on Exhibit A attached hereto and incorporated herein by this reference (the "Premises"), together with all of the easements, rights, privileges, franchises, tenements, hereditaments and appurtenances now or hereafter thereunto belonging or in any way appertaining thereto, and all of the estate, right, title, interest, claim and demand whatsoever of Borrower therein or thereto, either at law or in equity, in possession or in expectancy, now or hereafter acquired;

(B) All structures, buildings and improvements of every kind and description now or at any time hereafter located or placed on the Premises (the "Improvements");

(C) All furniture, furnishings, fixtures, goods, equipment, inventory or personal property owned by Borrower and now or hereafter located on, attached to or used in and about the Improvements, including, but not limited to, all machines, engines, boilers, dynamos, elevators, stokers, tanks, cabinets, awnings, screens, shades, blinds, carpets, draperies, lawn mowers, and all appliances, plumbing, heating, air conditioning, lighting, ventilating, refrigerating, disposal and incinerating equipment, and all fixtures and appurtenances thereto, and such other goods and chattels and personal property owned by Borrower as are now or hereafter used or furnished in operating the Improvements, or the activities conducted therein, and all building materials and equipment hereafter situated on or about the Premises or Improvements, and all warranties and guaranties relating thereto, and all additions thereto and substitutions and replacements therefor (exclusive of any of the foregoing owned or leased by tenants of space in the Improvements);

(D) All easements, rights-of-way, strips and gores of land, vaults, streets, ways, alleys, passages, sewer rights, and other emblements now or hereafter located on the Premises or under or above the same or any part or parcel thereof, and all estates, rights, titles, interests, tenements, hereditaments and appurtenances, reversions and remainders whatsoever, in any way belonging, relating or appertaining to the Property or any part thereof, or which hereafter shall in any way belong, relate or be appurtenant thereto, whether now owned or hereafter acquired by Borrower;

(E) All water, ditches, wells, reservoirs and drains and all water, ditch, well, reservoir and drainage rights which are appurtenant to, located on, under or above or used in connection with the Premises or the Improvements, or any part thereof, whether now existing or hereafter created or acquired;

(F) All minerals, crops, timber, trees, shrubs, flowers and landscaping features now or hereafter located on, under or above the Premises;

(G) All cash funds, deposit accounts and other rights and evidence of rights to cash, now or hereafter created or held by Lender pursuant to this Mortgage or any other of the Loan Documents (as hereinafter defined), including, without limitation, all funds now or hereafter on deposit in the Reserves (as hereinafter defined);

(H) All leases (including, without limitation, oil, gas and mineral leases), licenses, concessions and occupancy agreements of all or any part of the Premises or the Improvements (each, a "Lease" and collectively, "Leases"), whether written or oral, now or hereafter entered into and all rents, royalties, issues, profits, bonus money, revenue, income, rights and other benefits (collectively, the "Rents and Profits") of the Premises or the Improvements, now or hereafter arising from the use or enjoyment of all or any portion thereof or from any present or future Lease or other agreement pertaining thereto or arising from any of the Leases or any of the General Intangibles (as hereinafter defined) and all cash or securities deposited to secure performance by the tenants, lessees or licensees (each, a "Tenant" and collectively, "Tenants"), as applicable, of their obligations under any such Leases, whether said cash or securities are to be held until the expiration of the terms of said Leases or applied to one or more of the installments of rent coming due prior to the expiration of said terms, subject, however, to the provisions contained in Section 2.7 hereinbelow;

(I) All contracts and agreements now or hereafter entered into covering any part of the Premises or the Improvements (collectively, the "Contracts") and all revenue, income and other benefits thereof, including, without limitation, management agreements, service contracts, maintenance contracts, equipment leases, personal property leases and any contracts or documents relating to construction on any part of the Premises or the Improvements (including plans, drawings, surveys, tests, reports, bonds and governmental approvals) or to the management or operation of any part of the Premises or the Improvements;

(J) All present and future monetary deposits given to any public or private utility with respect to utility services furnished to any part of the Premises or the Improvements;

(K) All present and future funds, accounts, instruments, accounts receivable, documents, causes of action, claims, general intangibles (including, without limitation, trademarks, trade names, service marks and symbols now or hereafter used in connection with any part of the Premises or the Improvements, all names by which the Premises or the Improvements may be operated or known, all rights to carry on business under such names, and all rights, interest and privileges which Borrower has or may have as developer or declarant under any covenants, restrictions or declarations now or hereafter relating to the Premises or the Improvements) and all notes or chattel paper now or hereafter arising from or by virtue of any transactions related to the Premises or the Improvements (collectively, the "General Intangibles");

(L) All water taps, sewer taps, certificates of occupancy, permits, licenses, franchises, certificates, consents, approvals and other rights and privileges now or hereafter obtained in connection with the Premises or the Improvements and all present and future warranties and guaranties relating to the Improvements or to any equipment, fixtures, furniture, furnishings, personal property or components of any of the foregoing now or hereafter located or installed on the Premises or the Improvements;

(M) All building materials, supplies and equipment now or hereafter placed on the Premises or in the Improvements and all architectural renderings, models, drawings, plans, specifications, studies and data now or hereafter relating to the Premises or the Improvements;

(N) All right, title and interest of Borrower in any insurance policies or binders now or hereafter relating to the Property, including any unearned premiums thereon;

(O) All proceeds, products, substitutions and accessions (including claims and demands therefor) of the conversion, voluntary or involuntary, of any of the foregoing into cash or liquidated claims, including, without limitation, proceeds of insurance and condemnation awards; and

(P) All other or greater rights and interests of every nature in the Premises or the Improvements and in the possession or use thereof and income therefrom, whether now owned or hereafter acquired by Borrower.

FOR THE PURPOSE OF SECURING:

(1) The loan (the "Loan") evidenced by that certain Promissory Note (such Promissory Note, together with any and all renewals, amendments, modifications, consolidations and extensions thereof, is hereinafter referred to as the "Note") of even date with this Mortgage, made by Borrower payable to the order of Lender in the principal face amount of FIFTEEN MILLION FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$15,500,000.00), together with interest as therein provided;

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(2) The full and prompt payment and performance of all of the provisions, agreements, covenants and obligations herein contained and contained in any other agreements, documents or instruments now or hereafter evidencing, securing or otherwise relating to the Debt (as hereinafter defined), the Environmental Indemnity Agreement (as hereinafter defined) and the Indemnity and Guaranty Agreement (as hereinafter defined) (the Note, this Mortgage, and such other agreements, documents and instruments, together with any and all renewals, amendments, extensions and modifications thereof, are hereinafter collectively referred to as the "Loan Documents") and the payment of all other sums herein or therein covenanted to be paid;

(3) Any and all additional advances made by Lender to protect or preserve the Property or the lien or security interest created hereby on the Property, or for taxes, assessments or insurance premiums as hereinafter provided or for performance of any of Borrower's obligations hereunder or under the other Loan Documents or for any other purpose provided herein or in the other Loan Documents (whether or not the original Borrower remains the owner of the Property at the time of such advances); and

(4) Any and all other indebtedness now owing or which may hereafter be owing by Borrower to Lender, including, without limitation, all prepayment fees, however and whenever incurred or evidenced, whether express or implied, direct or indirect, absolute or contingent, or due or to become due, and all renewals, modifications, consolidations, replacements and extensions thereof, it being contemplated by Borrower and Lender that Borrower may hereafter become so indebted to Lender.

(All of the sums referred to in Paragraphs (1) through (4) above are herein referred to as the "Debt").

TO HAVE AND TO HOLD the Property unto Lender, its successors and assigns forever, and Borrower does hereby bind itself, its successors and assigns, to WARRANT AND FOREVER DEFEND the title to the Property, subject to the Permitted Encumbrances (as hereinafter defined), to Lender against every person whomsoever lawfully claiming or to claim the same or any part thereof;

PROVIDED, HOWEVER, that if the principal and interest and all other sums due or to become due under the Note or under the other Loan Documents, including, without limitation, any prepayment fees required pursuant to the terms of the Note, shall have been paid at the time and in the manner stipulated therein and the Debt shall have been paid and all other covenants contained in the Loan Documents shall have been performed, then, in such case, the liens, security interests, estates and rights granted by this Mortgage shall be satisfied and the estate, right, title and interest of Lender in the Property shall cease, and upon payment to Lender of all costs and expenses incurred for the preparation of the release hereinafter referenced and all recording costs if allowed by law, Lender shall promptly satisfy and release this Mortgage of record and the lien hereof by proper instrument.

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ARTICLE I

REPRESENTATIONS AND WARRANTIES OF BORROWER

Borrower, for itself and its successors and assigns, does hereby represent, warrant and covenant to and with Lender, its successors and assigns, that:

Section 1.1 Organization; Special Purpose. Borrower has been duly organized and is validly existing and in good standing under the laws of the state of its

formation, with requisite power and authority, and all rights, licenses, permits and authorizations, governmental or otherwise, necessary to own its properties and to transact the business in which it is now engaged. Borrower is duly qualified to do business and is in good standing in each jurisdiction where it is required to be so qualified in connection with its properties, business and operations. Borrower possesses all franchises, patents, copyrights, trademarks, trade names, licenses and permits necessary for the conduct of its business substantially as now conducted. Borrower is a Single-Purpose Entity in compliance with the provisions of Section 2.29 hereof. All of the assumptions made in that certain substantive non-consolidation opinion letter dated the date hereof, delivered by Borrower's counsel in connection with the Loan and any subsequent non-consolidation opinion delivered in accordance with the terms and conditions of this Mortgage (the "Non-Consolidation Opinion"), including, but not limited to, any exhibits attached thereto, are true and correct in all respects.

Section 1.2 Title. Borrower has good, marketable and indefeasible fee simple title to the Property, subject only to those matters expressly set forth as exceptions to or subordinate matters in the title insurance policy insuring the lien of this Mortgage delivered as of the date hereof which Lender has agreed to accept, excepting therefrom all preprinted and/or standard exceptions (such items being the "Permitted Encumbrances"), and has full power and lawful authority to grant, bargain, sell, convey, assign, transfer, encumber and mortgage its interest in the Property in the manner and form hereby done or intended. Borrower will preserve its interest in and title to the Property and will forever warrant and defend the same to Lender against any and all claims whatsoever and will forever warrant and defend the validity and priority of the lien and security interest created herein against the claims of all persons and parties whomsoever, subject to the Permitted Encumbrances. This Mortgage creates (i) a valid, perfected lien on the Premises, subject only to Permitted Encumbrances and the liens created by the Loan Documents and (ii) perfected security interests in and to, and perfected collateral assignments of, all personalty, all in accordance with the terms thereof, in each case subject only to any applicable Permitted Encumbrances, such other liens as are permitted pursuant to the Loan Documents and the liens created by the Loan Documents. There are no security agreements or financing statements affecting all or any portion of the Property other than (i) as disclosed in writing by Borrower to Lender prior to the date hereof and (ii) the security agreements and financing statements created in favor of Lender. There are no claims for payment for work, labor or materials affecting the Premises which are or may become a lien prior to, or of equal priority with, the liens created by the Loan Documents. None of the Permitted Encumbrances, individually or in the aggregate, materially interfere with the benefits of the security intended to be provided by this Mortgage, materially and adversely affect the value of the Premises, impair the use or operations of the Premises or impair Borrower's ability to pay its obligations in a timely manner. The foregoing warranty of title shall survive the foreclosure of this Mortgage

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and shall inure to the benefit of and be enforceable by Lender in the event Lender acquires title to the Property pursuant to any foreclosure.

Section 1.3 No Bankruptcy Filing. No bankruptcy, insolvency proceedings or liquidation of all or a substantial portion of the Property is pending or contemplated by Borrower or, to the best knowledge of Borrower, against Borrower or by or against any endorser or cosigner of the Note or of any portion of the Debt, or any guarantor or indemnitor under any guaranty or indemnity agreement, including, without limitation, that certain Indemnity and Guaranty Agreement, dated the date hereof, executed by Mack-Cali Realty, L.P., a Delaware limited partnership, in favor of Lender (the "Guaranty Agreement"), executed in connection with the Note or the loan evidenced thereby and secured hereby (an "Indemnitor"). No petition in bankruptcy has been filed against Borrower or any general partner, manager, sole member, managing member or majority shareholder of Borrower, as applicable (collectively, the "Borrower Parties", each a "Borrower Party"), and neither Borrower Party or any principal of a Borrower Party has ever made an assignment for the benefit of creditors or taken advantage of any insolvency act for the benefit of debtors.

Section 1.4 Full and Accurate Disclosure. No statement of fact made by Borrower in any Loan Documents contains any untrue statement of a material fact or omits to state any material fact necessary to make statements contained therein not misleading. There is no material fact presently known to Borrower that has not been disclosed to Lender which adversely affects, or, as far as Borrower can foresee, might adversely affect, the Property or the business, operations or condition (financial or otherwise) of Borrower. All financial data, including the statements of cash flow and income and operating expense, that have been delivered to Lender in respect of Borrower and the Property (i) are true, complete and correct in all material respects, (ii) accurately represent the financial condition of Borrower and the Property as of the date of such reports, and (iii) to the extent prepared by an independent certified public accounting firm, have been prepared in accordance with generally accepted accounting principles consistently applied throughout the periods covered, except as disclosed therein. Borrower has no contingent liabilities, liabilities for taxes, unusual forward or long-term commitments, unrealized or anticipated losses from any unfavorable commitments or any liabilities or obligations not expressly permitted by this Mortgage. Since the date of such financial statements, there has been no materially adverse change in the financial condition, operations or business of Borrower or the Property from that set forth in said financial statements.

Section 1.5 Proceedings; Enforceability. The execution, delivery and performance of this Mortgage, the Note and all of the other Loan Documents have been duly authorized by all necessary action to be, and are, binding and enforceable against Borrower in accordance with the respective terms thereof and do not contravene, result in a breach of or constitute a default (nor upon the giving of notice or the passage of time or both will same constitute a default) under the partnership agreement, articles of incorporation, operating agreement or other organizational documents of Borrower or any contract or agreement of any nature to which Borrower is a party or by which Borrower or any of its property may be bound and do not violate or contravene any law, order, decree, rule or regulation to which Borrower is subject. The Loan Documents are not subject to, and Borrower has not asserted, any right of rescission, set-off, counterclaim or defense, including the defense of usury.

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Section 1.6 No Conflicts. Borrower is not required to obtain any consent, approval or authorization from or to file any declaration or statement with, any governmental authority or agency in connection with or as a condition to the execution, delivery or performance of this Mortgage, the Note or the other Loan Documents which has not been so obtained or filed. Borrower has obtained or made all necessary (i) consents, approvals and authorizations and registrations and filings of or with all governmental authorities or agencies and (ii) consents, approvals, waivers and notifications of partners, stockholders, members, creditors, lessors and other non-governmental persons and/or entities, in each case, which are required to be obtained or made by Borrower in connection with the execution and delivery of, and the performance by Borrower of its obligations under, the Loan Documents.

Section 1.7 Federal Reserve Regulations; Investment Company Act. No part of the proceeds of the Loan will be used for the purpose of purchasing or acquiring any "margin stock" within the meaning of Regulation T, U or X of the Board of Governors of the Federal Reserve System or for any other purpose that would be inconsistent with such Regulation T, U or X or any other regulation of such Board of Governors, or for any purpose prohibited by law or any Loan Document. Borrower is not (i) an "investment company" or a company "controlled" by an "investment company," within the meaning of the Investment Company Act of 1940, as amended; (ii) a "holding company" or a "subsidiary company" of a "holding company" or an "affiliate" of either a "holding company" or a "subsidiary company" within the meaning of the Public Utility Holding Company Act of 1935, as amended; or (iii) subject to any other federal or state law or regulation which purports to restrict or regulate its ability to borrow money.

Section 1.8 Taxes. Borrower and any general partner or managing member of Borrower, if any, has filed all federal, state and local tax returns required to be filed as of the date hereof and has paid or made adequate provision for the payment of all federal, state and local taxes, charges and assessments payable by Borrower and any general partner or managing member, if any, as of the date hereof. Borrower and any general partner or managing member, if any, believe that their respective tax returns properly reflect the income and taxes of Borrower and said general partner or managing member, if any, for the periods covered thereby, subject only to reasonable adjustments required by the Internal Revenue Service or other applicable tax authority upon audit. Borrower and the Property are free from any past due obligations for sales and payroll taxes.

Section 1.9 ERISA. Borrower (i) has no knowledge of any material liability that has been incurred or is expected to be incurred by Borrower that is or remains unsatisfied for any taxes or penalties with respect to any "employee benefit plan", as defined in section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or any "plan" within the meaning of Section 4975(c)(1) of the Internal Revenue Code of 1986, as amended (the "Code") or any other benefit plan (other than a multi-employer plan) maintained, contributed to, or required to be contributed to by Borrower or by any entity that is under the common control with Borrower within the meaning of ERISA Section 4001(a)(14) (collectively, a "Plan") or any plan that would be a Plan but for the fact that it is a multi-employer plan within the meaning of ERISA Section 3(37) and (ii) has made and shall continue to make when due all required contributions to all such Plans, if any. Each such Plan, if any, has been and will be administered in compliance with its terms and the applicable provisions of ERISA, the Code and any other applicable Federal or state law and no action shall be taken or fail to be taken that would result in

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the disqualification or loss of the tax-exempt status of any such Plan, if any, intended to be qualified or tax-exempt. The assets of Borrower do not constitute "plan assets" of one or more such plans within the meaning of 29 C.F.R. Section 2510.3-101.

Section 1.10 Property Compliance. The Premises and the Improvements and the current intended use thereof by Borrower comply in all material respects with all applicable restrictive covenants, zoning ordinances, subdivision and building codes, flood disaster laws, health and environmental laws and regulations and all other ordinances, orders or requirements issued by any state, federal or municipal authorities having or claiming jurisdiction over the Property, except as otherwise previously disclosed to Lender in writing. In the event that all or any part of the Improvements are destroyed or damaged, said Improvements can be legally reconstructed to their condition prior to such damage or destruction, and thereafter exist for the same use without violating any zoning or other ordinances applicable thereto and without the necessity of obtaining any variances or special permits. No legal proceedings are pending or, to the knowledge of Borrower, threatened with respect to the zoning of the Premises. Neither the zoning nor any other right to construct, use or operate the Premises is in any way dependent upon or related to any property other than the Premises. All certifications, permits, licenses and approvals, including certificates of completion and occupancy permits required for the legal use, occupancy and operation of the Premises have been obtained and are in full force and effect. The Premises and Improvements constitute one or more separate tax parcels for purposes of ad valorem taxation. The Premises and Improvements do not require any rights over, or restrictions against, other property in order to comply with any of the aforesaid governmental ordinances, orders or requirements.

Section 1.11 Utilities. All utility services necessary and sufficient for the full use, occupancy, operation and disposition of the Premises and the Improvements for their intended purposes are available to the Property, including water, storm sewer, sanitary sewer, gas, electric, cable and telephone facilities, through public rights-of-way or perpetual private easements approved by Lender. The Property is free from delinquent water charges, sewer rents, taxes and assessments.

Section 1.12 Public Access. All streets, roads, highways, bridges and waterways necessary for access to and full use, occupancy, operation and disposition of the Premises and the Improvements have been completed, have been dedicated to and accepted by the appropriate municipal authority and are open and available to the Premises and the Improvements without further condition or cost to Borrower. All curb cuts, driveways and traffic signals shown on the survey delivered to Lender prior to the execution and delivery of this Mortgage are existing and have been fully approved by the appropriate governmental authority.

Section 1.13 Litigation; Agreements. There are no judicial, administrative, mediation or arbitration actions, suits or proceedings pending or threatened against or affecting Borrower (or, if Borrower is a partnership or a limited liability company, any of its general partners or members) or the Property which, if adversely determined, would materially impair either the Property or Borrower's ability to perform the covenants or obligations required to be performed under the Loan Documents. Borrower is not a party to any agreement or instrument or subject to any restriction which might adversely affect Borrower or the Property, or Borrower's business, properties, operations or condition, financial or otherwise. Borrower is not in default in any

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material respect in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any Permitted Encumbrance or any other agreement or instrument to which it is a party or by which it or the Property is bound.

Section 1.14 Physical Condition. As of the date of this Mortgage, (i) the Property is free from unrepaired damage caused by fire, flood, accident or other casualty, (ii) no part of the Premises or the Improvements has been taken in condemnation, eminent domain or like proceeding nor is any such proceeding pending or, to Borrower's knowledge and belief, threatened or contemplated, (iii) except as may otherwise be disclosed in that certain Property Condition Report (the "Property Condition Report") dated May 5, 2006 and prepared by IVI Due Diligence Services, Inc., the Improvements are structurally sound, in good repair and free of defects in materials and workmanship and have been constructed and installed in substantial compliance with the plans and specifications relating thereto, and (iv) all major building systems located within the Improvements, including, without limitation, the heating and air conditioning systems and the electrical and plumbing systems, are in good working order and condition.

Section 1.15 Contracts. Borrower has delivered to Lender true, correct and complete copies of all Contracts and all amendments thereto or modifications thereof. Each Contract constitutes the legal, valid and binding obligation of Borrower and, to the best of Borrower's knowledge and belief, is enforceable against any other party thereto. No default exists, or with the passing of time or the giving of notice or both would exist, under any Contract which would, in the aggregate, have a material adverse effect on Borrower or the Property. No Contract provides any party with the right to obtain a lien or encumbrance upon the Property superior to the lien of this Mortgage. All Contracts affecting the Property have been entered into at arms-length in the ordinary course of Borrower's business and provide for the payment of fees in amounts and upon terms comparable to existing market rates.

Section 1.16 Leases. Borrower has delivered (i) a true, correct and complete schedule (the "Rent Roll") of all Leases affecting the Property as of the date hereof, which accurately and completely sets forth in all material respects for each such Lease, the following: the name of the Tenant, the Lease expiration date, extension and renewal provisions, the base rent payable, the security deposit held thereunder and any other material provisions of such Lease and (ii) true, correct and complete copies of all Leases described in the Rent Roll. Each Lease constitutes the legal, valid and binding obligation of Borrower and, to the best of Borrower's knowledge and belief, is enforceable against the Tenant thereof. No default exists, or with the passing of time or the giving of notice or both would exist, under any Lease which would, in the aggregate, have a material adverse effect on Borrower or the Property. No Tenant under any Lease has, as of the date hereof, paid rent more than thirty (30) days in advance, and the rents under such Leases have not been waived, released, or otherwise discharged or compromised. All security deposits required under such Leases have been fully funded and are held by Borrower as permitted by applicable law. All work to be performed by Borrower under the Leases has been substantially performed, all contributions to be made by Borrower to the Tenants thereunder have been made and all other conditions precedent to each such Tenant's obligations thereunder have been satisfied. Each Tenant under a Lease has entered into occupancy of the demised premises. To the best of Borrower's knowledge and belief, each Tenant is free from bankruptcy, reorganization or arrangement proceedings or a general assignment for the benefit of creditors.

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No Lease provides any party with the right to obtain a lien or encumbrance upon the Property superior to the lien of this Mortgage.

Section 1.17 Foreign Person. Borrower is not a "foreign person" within the meaning of §1445(f)(3) of the Code, and the related Treasury Department regulations, including temporary regulations.

Section 1.18 Management Agreement. The property management agreement relating to the Premises (the "Management Agreement") is in full force and effect and to the best of Borrower's knowledge, there is no default, breach or violation existing thereunder by any party thereto beyond the expiration of applicable notice and grace periods thereunder and no event has occurred (other than payments due but not yet delinquent) that, with the passage of time or the giving of notice, or both, would constitute a default, breach or violation by any party thereunder. The fee due under the Management Agreement, and the terms and provisions of the Management Agreement, are subordinate to this Mortgage.

Section 1.19 Fraudulent Transfer. Borrower has not entered into the Loan or any Loan Document with the actual intent to hinder, delay, or defraud any creditor, and Borrower has received reasonably equivalent value in exchange for its obligations under the Loan Documents. Giving effect to the transactions contemplated by the Loan Documents, the fair saleable value of Borrower's assets exceeds and will, immediately following the execution and delivery of the Loan Documents, exceed Borrower's total liabilities, including subordinated, unliquidated, disputed or contingent liabilities, including the maximum amount of its contingent liabilities or its debts as such debts become absolute and matured. Borrower's assets do not and, immediately following the execution and delivery of the Loan Documents will not, constitute unreasonably small capital to carry out its business as conducted or as proposed to be conducted. Borrower does not intend to, and does not believe that it will, incur debts and liabilities (including contingent liabilities and other commitments) beyond its ability to pay such debts as they mature (taking into account the timing and amounts to be payable on or in respect of obligations of Borrower).

All of the representations and warranties in this Article I and elsewhere in the Loan Documents (i) shall survive for so long as any portion of the Debt remains owing to Lender and (ii) shall be deemed to have been relied upon by Lender notwithstanding any investigation heretofore or hereafter made by Lender or on its behalf.

ARTICLE II COVENANTS OF BORROWER

For the purposes of further securing the Debt and for the protection of the security of this Mortgage, for so long as the Debt or any part thereof remains unpaid, Borrower covenants and agrees as follows:

Section 2.1 Defense of Title. If, while this Mortgage is in force, the title to the Property or the interest of Lender therein shall be the subject, directly or indirectly, of any action at law or in equity, or be attached directly or indirectly, or endangered, clouded or adversely

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affected in any manner, Borrower, at Borrower's expense, shall take all necessary and proper steps for the defense of said title or interest, including the employment of counsel approved by Lender, the prosecution or defense of litigation, and the compromise or discharge of claims made against said title or interest. Notwithstanding the foregoing, in the event that Lender determines that Borrower is not adequately performing its obligations under this Section, Lender may, without limiting or waiving any other rights or remedies of Lender hereunder, take such steps with respect thereto as Lender shall deem necessary or proper and any and all costs and expenses incurred by Lender in connection therewith, together with interest thereon at the Default Interest Rate (as defined in the Note) from the date incurred by Lender until actually paid by Borrower, shall be immediately paid by Borrower on demand and shall be secured by this Mortgage and by all of the other Loan Documents securing all or any part of the indebtedness evidenced by the Note.

Section 2.2 Performance of Obligations. Borrower shall pay when due the principal of and the interest on the Debt in accordance with the terms of the Note. Borrower shall also pay all charges, fees and other sums required to be paid by Borrower as provided in the Loan Documents, in accordance with the terms of the Loan Documents, and shall observe, perform and discharge all obligations, covenants and agreements to be observed, performed or discharged by Borrower set forth in the Loan Documents in accordance with their terms. Further, Borrower shall promptly and strictly perform and comply with all covenants, conditions, obligations and prohibitions required of Borrower in connection with any other document or instrument affecting title to the Property, or any part thereof, regardless of whether such document or instrument is superior or subordinate to this Mortgage.

Section 2.3 Insurance. Borrower shall, at Borrower's expense, maintain in force and effect on the Property at all times while this Mortgage continues in effect the following insurance:

(a) Insurance against loss or damage to the Property by fire, lightning, windstorm, tornado, hail, terrorism, riot and civil commotion, vandalism, malicious mischief, burglary and theft and against loss and damage by such other, further and additional risks as may be now or hereafter embraced by a "special causes of loss" type of insurance policy. The amount of such insurance shall be not less than one hundred percent (100%) of the full replacement cost (insurable value) of the Improvements (as established by a Member of the Appraisal Institute appraisal), without reduction for depreciation. The determination of the replacement cost amount shall be adjusted annually to comply with the requirements of the insurer issuing such coverage or, at Lender's election, by reference to such indices, appraisals or information as Lender determines in its reasonable discretion in order to reflect increased value due to inflation. Absent such annual adjustment, each policy shall contain inflation guard coverage insuring that the policy limit will be increased over time to reflect the effect of inflation. "Full replacement cost," as used herein and elsewhere in this Section 2.3, means, with respect to the Improvements, the cost of replacing the Improvements without regard to deduction for depreciation, exclusive of the cost of excavations, foundations and footings below the lowest basement floor. Borrower shall also maintain insurance against loss or damage to furniture, furnishings, fixtures, equipment and other items (whether personalty or fixtures) included in the Property and owned by Borrower from time to time to the extent applicable. Each policy shall contain a waiver of any

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co-insurance provisions, subject to Lender's approval. The maximum deductible shall be \$100,000.00.

(b) If the "special causes of loss" policy required in subsection (a) above excludes coverage for wind damage, Borrower shall maintain separate coverage for such risk. Furthermore, if the Property is located in the State of Florida, or within twenty five (25) miles of the ocean coast of the states of Texas, Louisiana, Mississippi, Alabama, Georgia, North Carolina, Hawaii or South Carolina, windstorm insurance must be maintained in an amount equal to the lesser of (i) the full replacement cost of the Property or (ii) the maximum limit of coverage available with respect to the Improvements and Equipment. If available, a minimum of eighteen (18) months general business income coverage specifically relating to wind damage shall be required. The maximum deductible shall be \$100,000.00, which deductible shall only

apply to "tier one" coverages.

(c) Ordinance and law insurance is required if the Property is "non-conforming" with respect to any zoning requirements. Borrower shall maintain "Coverage A" against loss on value to the undamaged portion of the Improvements for the full replacement cost of the Improvements. Borrower shall also maintain "Coverage B" against the cost of demolition in an amount equal to ten percent (10%) of the total value of the Improvements and "Coverage C" against increased cost of reconstruction in an amount equal to twenty percent (20%) of the total value of the Improvements. The maximum deductible shall be \$100,000.00; provided that if the insurance required under this Section 2.3(c) is fully covered by the insurance required in Section 2.3(a) above, then no separate deductible shall be required, and the maximum deductible of \$100,000.00 shall apply for the combined insurance for Section 2.3(a) and Section 2.3(c).

(d) Commercial General Liability Insurance against claims for personal injury, bodily injury, death and property damage occurring on, in or about the Premises or the Improvements in amounts not less than \$1,000,000.00 per occurrence and \$2,000,000.00 in the aggregate plus umbrella coverage in an amount not less than \$25,000,000. Lender hereby retains the right to periodically review the amount of said liability insurance being maintained by Borrower and to require an increase in the amount of said liability insurance should Lender deem an increase to be reasonably prudent under then existing circumstances. The maximum deductible shall be \$25,000.00.

(e) Equipment breakdown (also known as boiler and machinery) insurance is required if steam boilers or other pressure-fired vessels are in operation at the Premises. Minimum liability coverage per accident must equal the greater of the replacement cost (insurable value) of the Improvements housing such boiler or pressure-fired machinery or \$2,000,000.00. If one or more large HVAC units is in operation at the Premises, "Systems Breakdowns" coverage shall be required, as determined by Lender. Minimum liability coverage per accident must equal the value of such unit(s). If available, a minimum of eighteen (18) months general business income coverage specifically relating to boiler and machinery damage shall be required. The maximum deductible shall be \$100,000.00. Co-insurance is prohibited.

(f) If the Improvements or any part thereof is situated in an area designated by the Federal Emergency Management Agency ("FEMA") as a special flood hazard area (Zone A or Zone V), flood insurance in an amount equal to the lesser of: (i) the minimum amount

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required, under the terms of coverage, to compensate for any damage or loss on a replacement basis (or the unpaid balance of the Debt if replacement cost coverage is not available for the type of building insured), or (ii) the maximum insurance available under the appropriate National Flood Insurance Administration program. If available, a minimum of eighteen (18) months general business income coverage specifically relating to flood damage shall be required. The maximum deductible shall be \$5,000.00 per building or a higher minimum amount as required by FEMA or other applicable law.

(g) If the Property is situated in an area designated by FEMA as a high probability earthquake area (Zone 2b or greater), Lender may require a Probable Maximum Loss ("PML") study to be conducted at the Property. If the PML study reveals a PML equal to or exceeding twenty percent (20%) of the full replacement cost of the Improvements, Borrower shall be required to maintain earthquake insurance in an amount equal to the PML percentage of full replacement cost of the Improvements. If available, a minimum of eighteen (18) months Business Income coverage specifically relating to earthquake damage shall be required. The maximum deductible shall be no more than five percent (5%) of the value at risk or the lowest deductible available in the State in which the Property is located.

(h) During the period of any construction, renovation or alteration of the existing Improvements which exceeds the lesser of 10% of the principal amount of the Note or \$500,000, at Lender's request, a completed value, "All Risk" Builder's Risk form or "Course of Construction" insurance policy in non-reporting form, in an amount approved by Lender, may be required. During the period of any construction of any addition to the existing Improvements, a completed value, "All Risk" Builder's Risk form or "Course of Construction" insurance policy in non-reporting form, in an amount approved by Lender, shall be required. The maximum deductible shall be \$100,000.00.

(i) When required by applicable law, ordinance or other regulation, Worker's Compensation and Employer's Liability Insurance covering all persons subject to the worker's compensation laws of the state in which the Property is located. Additionally, if Borrower has direct employees, Hired and Non-Owned Auto Insurance is required in an amount equal to \$1,000,000 per occurrence. The maximum deductible shall be \$25,000.00.

(j) In addition to the specific risk coverages required herein, general business income (loss of rents) insurance in amounts sufficient to compensate Borrower for all Rents and Profits or income during a period of not less than eighteen (18) months. The "actual loss" amount of coverage shall be adjusted annually to reflect the greater of (i) estimated Rents and Profits or income payable during the succeeding eighteen (18) month period or (ii) the projected operating expenses, capital expenses and debt service for the Property as approved by Lender in its sole discretion. The maximum deductible shall be \$100,000.00.

(k) Such other insurance on the Property or on any replacements or substitutions thereof or additions thereto as may from time to time be required by Lender against other insurable hazards or casualties which at the time are commonly insured against in the case of property similarly situated including, without limitation, Sinkhole, Mine Subsidence and Environmental insurance, due regard being given to the height and type of buildings, their construction, location, use and occupancy.

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(l) At Borrower's election, in lieu of the maximum deductible required for insurance coverage required under Sections 2.3(d) of the Mortgage, Borrower shall be required to maintain a Self-insured Retention in connection with its General Liability Insurance coverage, in an amount not to exceed \$150,000.00, provided that Borrower shall be personally liable for the payment of all claims within the limits of the Self-insured Retention, as if such obligation of Borrower were included as an exception to the Exculpation provisions in Section 2.6(c) of the Note and the Indemnitor shall also be liable for the payment of such claims pursuant to its Indemnity and Guaranty Agreement of even date herewith for the benefit of Lender.

(m) Borrower shall maintain insurance against damage resulting from acts of terrorism, or an insurance policy without an exclusion for damages resulting from terrorism, on terms consistent with the commercial property insurance policy required under subsections (a) and (j) above, provided, however, that in the event the commercial property and business income insurance required under subsection (a) and (j) above excludes perils of terrorism and acts of terrorism, then Borrower shall maintain a separate commercial property and business income insurance policy for loss resulting from perils and acts of terrorism on terms (including amounts, except as provided for below) consistent with those required under subsection (a) and (j) above (a "Stand Alone Terrorism Insurance Policy") all times during the term of the Loan; provided, that, Borrower shall not be required to maintain terrorism coverage for amounts in excess of the amount of coverage that, could be obtained under a Stand Alone Terrorism Insurance Policy upon the payment of an annual premium in an amount (the "Terrorism Insurance Cap") equal to two hundred fifty percent (250%) of the cost of obtaining a Stand Alone Terrorism Insurance Policy as of the date hereof and in the event the annual premium for terrorism coverage satisfying the requirements of this Section 2.3 shall exceed the Terrorism Insurance Cap, Borrower shall only be required to obtain and maintain terrorism coverage for as much of the coverage as is available for a premium equal to the Terrorism Insurance Cap.

All such insurance shall (i) be with insurers fully licensed and authorized to do business in the state within which the Premises is located and who have and maintain a rating of at least (A) A or higher from Standard & Poors and (B) AX or higher from A.M. Best, (ii) contain the complete address of the Premises (or a complete

legal description), (iii) be for terms of at least one year, with premium prepaid, and (iv) be subject to the approval of Lender as to insurance companies, amounts, content, forms of policies, method by which premiums are paid and expiration dates, and (v) include a standard, non-contributory, mortgagee clause naming EXACTLY:

Wachovia Bank, National Association,
its Successors and Assigns ATIMA
c/o Wachovia Bank, National Association, as Servicer
P.O. Box 563956
Charlotte, North Carolina 28256-3956

(A) as an additional insured under all liability insurance policies, (B) as the first mortgagee on all property insurance policies and (C) as the loss payee on all loss of rents or loss of business income insurance policies.

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Borrower shall, as of the date hereof, deliver to Lender evidence that said insurance policies have been prepaid as required above and certified copies of such insurance policies and original certificates of insurance signed by an authorized agent of the applicable insurance companies evidencing such insurance satisfactory to Lender. Borrower shall renew all such insurance and deliver to Lender an Acord 28 certificate for proof of commercial property insurance and an Acord 25 certificate for proof of liability insurance, together with such other certificates reasonably requested by Lender. Borrower further agrees that each such insurance policy: (i) shall provide for at least thirty (30) days' prior written notice to Lender prior to any policy reduction or cancellation for any reason other than non-payment of premium and at least ten (10) days' prior written notice to Lender prior to any cancellation due to non-payment of premium; (ii) shall contain an endorsement or agreement by the insurer that any loss shall be payable to Lender in accordance with the terms of such policy notwithstanding any act or negligence of Borrower which might otherwise result in forfeiture of such insurance; (iii) shall waive all rights of subrogation against Lender; and (iv) may be in the form of a blanket policy provided that, in the event that any such coverage is provided in the form of a blanket policy, Borrower hereby acknowledges and agrees that failure to pay any portion of the premium therefor which is not allocable to the Property or by any other action not relating to the Property which would otherwise permit the issuer thereof to cancel the coverage thereof, would require the Property to be insured by a separate, single-property policy. The blanket policy must properly identify and fully protect the Property as if a separate policy were issued for 100% of Replacement Cost at the time of loss and otherwise meet all of Lender's applicable insurance requirements set forth in this Section 2.3. The delivery to Lender of the insurance policies or the certificates of insurance as provided above shall constitute an assignment of all proceeds payable under such insurance policies relating to the Property by Borrower to Lender as further security for the Debt. In the event of foreclosure of this Mortgage, or other transfer of title to the Property in extinguishment in whole or in part of the Debt, all right, title and interest of Borrower in and to all proceeds payable under such policies then in force concerning the Property shall thereupon vest in the purchaser at such foreclosure, or in Lender or other transferee in the event of such other transfer of title. Approval of any insurance by Lender shall not be a representation of the solvency of any insurer or the sufficiency of any amount of insurance. In the event Borrower fails to provide, maintain, keep in force or deliver and furnish to Lender the policies of insurance required by this Mortgage or evidence of their renewal as required herein, Lender may, but shall not be obligated to, procure such insurance and Borrower shall pay all amounts advanced by Lender therefor, together with interest thereon at the Default Interest Rate from and after the date advanced by Lender until actually repaid by Borrower, promptly upon demand by Lender. Any amounts so advanced by Lender, together with interest thereon, shall be secured by this Mortgage and by all of the other Loan Documents securing all or any part of the Debt. Lender shall not be responsible for nor incur any liability for the insolvency of the insurer or other failure of the insurer to perform, even though Lender has caused the insurance to be placed with the insurer after failure of Borrower to furnish such insurance. Borrower shall not obtain insurance for the Property in addition to that required by Lender without the prior written consent of Lender, which consent will not be unreasonably withheld provided that (i) Lender is a named insured on such insurance, (ii) Lender receives complete copies of all policies evidencing such insurance, and (iii) such insurance complies with all of the applicable requirements set forth herein.

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Section 2.4 Payment of Taxes. Borrower shall pay or cause to be paid, except to the extent provision is actually made therefor pursuant to Section 3.3 of this Mortgage, all taxes and assessments which are or may become a lien on the Property or which are assessed against or imposed upon the Property. Borrower shall furnish Lender with receipts (or if receipts are not immediately available, with copies of canceled checks evidencing payment with receipts to follow promptly after they become available) showing payment of such taxes and assessments at least fifteen (15) days prior to the applicable delinquency date therefor. Notwithstanding the foregoing, Borrower may, in good faith, by appropriate proceedings and upon notice to Lender, contest the validity, applicability or amount of any asserted tax or assessment so long as (a) such contest is diligently pursued, (b) Lender determines, in its subjective opinion, that such contest suspends the obligation to pay the tax and that nonpayment of such tax or assessment will not result in the sale, loss, forfeiture or diminution of the Property or any part thereof or any interest of Lender therein, and (c) prior to the earlier of the commencement of such contest or the delinquency date of the asserted tax or assessment, Borrower deposits in the Impound Account (as hereinafter defined) an amount determined by Lender to be adequate to cover the payment of such tax or assessment and a reasonable additional sum to cover possible interest, costs and penalties; provided, however, that Borrower shall promptly cause to be paid any amount adjudged by a court of competent jurisdiction to be due, with all interest, costs and penalties thereon, promptly after such judgment becomes final; and provided further that in any event each such contest shall be concluded and the taxes, assessments, interest, costs and penalties shall be paid prior to the date any writ or order is issued under which the Property may be sold, lost or forfeited.

Section 2.5 Casualty and Condemnation. Borrower shall give Lender prompt written notice of (i) the occurrence of any casualty affecting the Property or any portion thereof, (ii) the institution of any proceedings for eminent domain or for the condemnation of the Property or any portion thereof or (iii) any written notification threatening the institution of any proceedings for eminent domain or for the condemnation of the Property or any portion thereof or any written request to execute a deed in lieu of condemnation affecting the Property or any portion thereof. All insurance proceeds on the Property, and all causes of action, claims, compensation, awards and recoveries for any damage, condemnation or taking, or any deed in lieu of condemnation, affecting all or any part of the Property or for any damage or injury to it for any loss or diminution in value of the Property, are hereby assigned to and shall be paid to Lender. Lender may participate in any suits or proceedings relating to any such proceeds, causes of action, claims, compensation, awards or recoveries, and Lender is hereby authorized, in its own name or in Borrower's name, to adjust any loss covered by insurance or any condemnation claim or cause of action, and to settle or compromise any claim or cause of action in connection therewith, and Borrower shall from time to time deliver to Lender any instruments required to permit such participation; provided, however, that, so long as no Event of Default has occurred, and no event has occurred or failed to occur which with the passage of time, the giving of notice, or both would constitute an Event of Default (a "Default"), Lender shall not have the right to participate in the adjustment of any loss which is not in excess of the lesser of (i) five percent (5%) of the then outstanding principal balance of the Note and (ii) \$250,000. Lender shall apply any sums received by it under this Section first to the payment of all of its costs and expenses (including, but not limited to, reasonable legal fees and disbursements) incurred in obtaining those sums, and then, as follows:

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(a) In the event that less than (x) — fifteen percent (15%), in the case of condemnation, or thirty percent (30%), in the case of casualty, of the fair market value or net rentable square footage of the Improvements located on the Premises have been taken or destroyed and (y) Leases covering in the aggregate at least sixty-

five percent (65%) of the total rentable space in the Property which has been demised under executed and delivered Leases in effect as of the date of the occurrence of such casualty or condemnation, whichever the case may be, and each Major Lease (as hereinafter defined) in effect as of such date shall remain in full force and effect during and after the completion of the restoration without abatement of rent beyond the time required for restoration, then if and so long as:

- (1) no Default or Event of Default has occurred hereunder or under any of the other Loan Documents, and
- (2) the Property can, in Lender's judgment, with diligent restoration or repair, be returned to a condition at least equal to the condition thereof that existed prior to the casualty or partial taking causing the loss or damage within the earlier to occur of (A) nine (9) months after the initial receipt of any insurance proceeds or condemnation awards by either Borrower or Lender but in any event prior to the expiration or lapse of rent loss or general business income necessary to satisfy current obligations of the Loan, and (B) six (6) months prior to the stated maturity date of the Note, and
- (3) all necessary governmental approvals can be obtained to allow the rebuilding and reoccupancy of the Property as described in Section (a) (2) above, and
- (4) there are sufficient sums available (through insurance proceeds or condemnation awards and contributions by Borrower, the full amount of which shall, at Lender's option, have been deposited with Lender) for such restoration or repair (including, without limitation, for any costs and expenses of Lender to be incurred in administering said restoration or repair) and for payment of principal and interest to become due and payable under the Note during such restoration or repair, and
- (5) the economic feasibility of the Improvements after such restoration or repair will be such that income from their operation is reasonably anticipated to be sufficient to pay operating expenses of the Property and debt service on the Debt in full with the same coverage ratio considered by Lender in its determination to make the loan secured hereby, and
- (6) in the event that the insurance proceeds or condemnation awards received as a result of such casualty or partial taking exceed the lesser of (i) five percent (5%) of the then outstanding principal balance of the Note and (ii) \$250,000, Borrower shall have delivered to Lender, at Borrower's sole cost and expense, an appraisal report in form and substance satisfactory to Lender appraising the value of the Property as proposed to be restored or repaired to be not less than the appraised value of the Property considered by Lender in its determination to make the loan secured hereby, and
- (7) Borrower so elects by written notice delivered to Lender within five (5) days after settlement of the aforesaid insurance or condemnation claim.

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Lender shall, solely for the purposes of such restoration or repair, advance so much of the remainder of such sums as may be required for such restoration or repair, and any funds deposited by Borrower therefor, to Borrower in the manner and upon such terms and conditions as would be required by a prudent interim construction lender, including, but not limited to, the prior approval by Lender of plans and specifications, contractors and form of construction contracts and the furnishing to Lender of permits, bonds, lien waivers, invoices, receipts and affidavits from contractors and subcontractors, in form and substance satisfactory to Lender in its discretion, with any remainder being applied by Lender for payment of the Debt in whatever order Lender directs in its absolute sole discretion, or at the discretion of Lender, the same may be paid, either in whole or in part, to, or for the benefit of, Borrower for such purposes as Lender shall designate in its discretion.

(b) In all other cases, namely, in the event that (x) more than fifteen percent (15%), in the case of condemnation, or thirty percent (30%), in the case of casualty, of the fair market value or net rentable square footage of the Improvements located on the Premises have been taken or destroyed (y) Leases covering in the aggregate at least sixty-five percent (65%) of the total rentable space in the Property which has been demised under executed and delivered Leases in effect as of the date of the occurrence of such casualty or condemnation, whichever the case may be, and each Major Lease (as hereinafter defined) in effect as of such date will not remain in full force and effect during and after the completion of the restoration without abatement of rent beyond the time required for restoration, or (z) Borrower does not elect to restore or repair the Property pursuant to clause (a) above or otherwise fails to meet the requirements of clause (a) above, then, in any of such events, Lender shall elect, in Lender's absolute discretion and without regard to the adequacy of Lender's security to do either of the following: (1) accelerate the maturity date of the Note and declare any and all of the Debt to be immediately due and payable and apply the remainder of such sums received pursuant to this Section to the payment of the Debt in whatever order Lender directs in its absolute discretion, with any remainder being paid to Borrower, or (2) notwithstanding that Borrower may have elected not to restore or repair the Property pursuant to the provisions of Section 2.5(a)(7) above, so long as the proceeds of any such award with respect to any casualty or condemnation are made available to the Borrower for restoration, require Borrower to restore or repair the Property in the manner and upon such terms and conditions as would be required by a prudent interim construction lender, including, but not limited to, the deposit by Borrower with Lender, within thirty (30) days after demand therefor, of any deficiency reasonably determined by Lender to be necessary in order to assure the availability of sufficient funds to pay for such restoration or repair, including Lender's costs and expenses to be incurred in connection therewith, the prior approval by Lender of plans and specifications, contractors and form of construction contracts and the furnishing to Lender of permits, bonds, lien waivers, invoices, receipts and affidavits from contractors and subcontractors, in form and substance satisfactory to Lender in its discretion, and apply the remainder of such sums toward such restoration and repair, with any balance thereafter remaining being applied by Lender for payment of the Debt in whatever order Lender directs in its absolute sole discretion, or at the discretion of Lender, the same may be paid, either in whole or in part, to, or for the benefit of, Borrower for such purposes as Lender shall designate in its discretion. No such prepayment of the Debt in connection with this Section 2.5(b) shall occasion prepayment penalties or premiums of any kind subject to and in accordance with Section 1.5(c) of the Note.

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Any reduction in the Debt resulting from Lender's application of any sums received by it hereunder shall take effect only when Lender actually receives such sums and elects to apply such sums to the Debt and, in any event, the unpaid portion of the Debt shall remain in full force and effect and Borrower shall not be excused in the payment thereof. Partial payments received by Lender, as described in the preceding sentence, shall be applied first to the final payment due under the Note and thereafter to installments due under the Note in the inverse order of their due date. If Borrower elects or Lender directs Borrower to restore or repair the Property after the occurrence of a casualty or partial taking of the Property as provided above, Borrower shall promptly and diligently, at Borrower's sole cost and expense and regardless of whether the insurance proceeds or condemnation award, as appropriate, shall be sufficient for the purpose, restore, repair, replace and rebuild the Property as nearly as possible to its value, condition and character immediately prior to such casualty or partial taking in accordance with the foregoing provisions and Borrower shall pay to Lender all costs and expenses of Lender incurred in administering said rebuilding, restoration or repair, provided that Lender makes such proceeds or award available for such purpose. Borrower agrees to execute and deliver from time to time such further instruments as may be requested by Lender to confirm the foregoing assignment to Lender of any award, damage, insurance proceeds, payment or other compensation. Lender is hereby irrevocably constituted and appointed the attorney-in-fact of Borrower (which power of attorney shall be irrevocable so long as any portion of the Debt is outstanding, shall be deemed coupled with an interest, shall survive the voluntary or involuntary dissolution of Borrower and shall not be affected by any disability or incapacity suffered by Borrower subsequent to the date hereof), with full power of substitution, subject to the terms of this Section, to settle for, collect and receive any such awards, damages, insurance proceeds, payments or other compensation from the parties or authorities making the same, to appear in and prosecute any proceedings therefor and to give receipts and acquittances therefor.

Section 2.6 Construction Liens. Borrower shall pay when due all claims and demands of mechanics, materialmen, laborers and others for any work performed or materials delivered for the Premises or the Improvements; provided, however, that, Borrower shall have the right to contest in good faith any such claim or demand, so long as it does so diligently, by appropriate proceedings and without prejudice to Lender and provided that neither the Property nor any interest therein would be in any danger of sale, loss or forfeiture as a result of such proceeding or contest. In the event Borrower shall contest any such claim or demand, Borrower shall promptly notify Lender of such contest and thereafter shall, upon Lender's request, promptly provide a bond, cash deposit or other security satisfactory to Lender to protect Lender's interest and security should the contest be unsuccessful. If Borrower shall fail to immediately discharge or provide security against any such claim or demand as aforesaid, Lender may do so and any and all expenses incurred by Lender, together with interest thereon at the Default Interest Rate from the date incurred by Lender until actually paid by Borrower, shall be immediately paid by Borrower on demand and shall be secured by this Mortgage and by all of the other Loan Documents securing all or any part of the Debt.

Section 2.7 Rents and Profits. As additional and collateral security for the payment of the Debt and cumulative of any and all rights and remedies herein provided for, Borrower hereby absolutely and presently assigns to Lender all existing and future Rents and Profits. Borrower hereby grants to Lender the sole, exclusive and immediate right, without taking possession of the Property, to demand, collect (by suit or otherwise), receive and give valid and sufficient receipts

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for any and all of said Rents and Profits, for which purpose Borrower does hereby irrevocably make, constitute and appoint Lender its attorney-in-fact with full power to appoint substitutes or a trustee to accomplish such purpose (which power of attorney shall be irrevocable so long as any portion of the Debt is outstanding, shall be deemed to be coupled with an interest, shall survive the voluntary or involuntary dissolution of Borrower and shall not be affected by any disability or incapacity suffered by Borrower subsequent to the date hereof). Lender shall be without liability for any loss which may arise from a failure or inability to collect Rents and Profits, proceeds or other payments. However, until the occurrence of an Event of Default under this Mortgage or under any other of the Loan Documents, Borrower shall have a license to collect, receive, use and enjoy the Rents and Profits when due and prepayments thereof for not more than one (1) month prior to due date thereof. Upon the occurrence of an Event of Default, Borrower's license shall automatically terminate without notice to Borrower and Lender may thereafter, without taking possession of the Property, collect the Rents and Profits itself or by an agent or receiver. From and after the termination of such license, Borrower shall be the agent of Lender in collection of the Rents and Profits, and all of the Rents and Profits so collected by Borrower shall be held in trust by Borrower for the sole and exclusive benefit of Lender, and Borrower shall, within one (1) business day after receipt of any Rents and Profits, pay the same to Lender to be applied by Lender as hereinafter set forth. Neither the demand for or collection of Rents and Profits by Lender shall constitute any assumption by Lender of any obligations under any agreement relating thereto. Lender is obligated to account only for such Rents and Profits as are actually collected or received by Lender. Borrower irrevocably agrees and consents that the respective payors of the Rents and Profits shall, upon demand and notice from Lender of an Event of Default, pay said Rents and Profits to Lender without liability to determine the actual existence of any Event of Default claimed by Lender. Borrower hereby waives any right, claim or demand which Borrower may now or hereafter have against any such payor by reason of such payment of Rents and Profits to Lender, and any such payment shall discharge such payor's obligation to make such payment to Borrower. All Rents collected or received by Lender may be applied against all expenses of collection, including, without limitation, reasonable attorneys' fees, against costs of operation and management of the Property and against the Debt, in whatever order or priority as to any of the items so mentioned as Lender directs in its sole subjective discretion and without regard to the adequacy of its security. Neither the exercise by Lender of any rights under this Section nor the application of any Rents to the Debt shall cure or be deemed a waiver of any Event of Default. The assignment of Rents and Profits hereinabove granted shall continue in full force and effect during any period of foreclosure or redemption with respect to the Property. Borrower has executed an Assignment of Leases and Rents dated of even date herewith (the "Lease Assignment") in favor of Lender covering all of the right, title and interest of Borrower, as landlord, lessor or licensor, in and to any Leases. All rights and remedies granted to Lender under the Lease Assignment shall be in addition to and cumulative of all rights and remedies granted to Lender hereunder.

Section 2.8 Leases. Borrower covenants and agrees that it shall not enter into any Lease (i) affecting 6,000 square feet or more of the Property or (ii) having a term of five (5) years or more (inclusive of any renewals or extensions) (each, a "Major Lease") without the prior written approval of Lender, which approval shall not be unreasonably withheld. The request for approval of each such proposed new Lease shall be made to Lender in writing and shall state that, pursuant to the terms of this Mortgage, failure to approve or disapprove such proposed Lease within fifteen (15) business days is deemed approval and Borrower shall furnish to Lender

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(and any loan servicer specified from time to time by Lender): (i) such biographical and financial information about the proposed Tenant as Lender may reasonably require in conjunction with its review, (ii) a copy of the proposed form of Lease, and (iii) a summary of the material terms of such proposed Lease (including, without limitation, rental terms and the term of the proposed lease and any options). It is acknowledged that Lender intends to include among its criteria for approval of any such proposed Lease the following: (i) such Lease shall be with a bona-fide arm's-length Tenant; (ii) such Lease shall not contain any rental or other concessions which are not then customary and reasonable for similar properties and Leases in the market area of the Premises; (iii) such Lease shall provide that the Tenant pays for its expenses; (iv) the rental shall be at least at the market rate then prevailing for similar properties and leases in the market areas of the Premises; and (v) such Lease shall contain subordination and attornment provisions in form and content reasonably acceptable to Lender. Failure of Lender to approve or disapprove any such proposed Lease within fifteen (15) business days after receipt of such written request and all the documents and information required to be furnished to Lender with such request shall be deemed approval, provided that the written request for approval specifically mentioned the same.

(a) Prior to execution of any Leases of space in the Improvements after the date hereof, Borrower shall submit to Lender, for Lender's prior approval, which approval shall not be unreasonably withheld, a copy of the form Lease Borrower plans to use in leasing space in the Improvements or at the Property. All such Leases of space in the Improvements or at the Property shall be on terms consistent with the terms for similar leases in the market area of the Premises, shall provide for free rent only if the same is consistent with prevailing market conditions and shall provide for market rents then prevailing in the market area of the Premises. Such Leases shall also provide for security deposits in reasonable amounts consistent with prevailing market conditions. Borrower shall also submit to Lender for Lender's approval, which approval shall not be unreasonably withheld, prior to the execution thereof, any proposed Lease of the Improvements or any portion thereof that differs materially and adversely from the aforementioned form Lease. Borrower shall not execute any Lease for all or a substantial portion of the Property, except for an actual occupancy by the Tenant, lessee or licensee thereunder, and shall at all times promptly and faithfully perform, or cause to be performed, all of the covenants, conditions and agreements contained in all Leases with respect to the Property, now or hereafter existing, on the part of the landlord, lessor or licensor thereunder to be kept and performed. Borrower shall furnish to Lender, within ten (10) days after a request by Lender to do so, but in any event by January 1 of each year, a current Rent Roll, certified by Borrower as being true and correct, containing the names of all Tenants with respect to the Property, the terms of their respective Leases, the spaces occupied and the rentals or fees payable thereunder and the amount of each Tenant's security deposit. Upon the request of Lender, Borrower shall deliver to Lender a copy of each such Lease. Borrower shall not do or suffer to be done any act, or omit to take any action, that might result in a default by the landlord, lessor or licensor under any such Lease or allow the Tenant thereunder to withhold payment of rent or cancel or terminate same and shall not further assign any such Lease or any such Rents and Profits. Borrower, at no cost or expense to Lender, shall enforce, short of termination, the performance and observance of each and every condition and covenant of each of the parties under such Leases and Borrower shall not anticipate, discount, release, waive, compromise or otherwise discharge any rent payable under any of the Leases. Borrower shall not, without the prior written consent of Lender, modify any of the Leases, terminate or accept the surrender of any Leases, waive or release any other party

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from the performance or observance of any obligation or condition under such Leases except, with respect only to Leases which are not Major Leases, in the normal course of business in a manner which is consistent with sound and customary leasing and management practices for similar properties in the community in which the Property is located. Lender reserves the right to condition its consent to any termination or surrender of any Lease upon the payment to Lender of any lease termination or other payment due from the applicable tenant in connection with such termination or surrender. Borrower and Lender agree that all such sums paid to Lender shall be held by Lender as a tenant improvement and leasing commission reserve and shall be considered a "Reserve" as described in Section 3.1 hereof and all such amounts shall be held, maintained, applied and disbursed in accordance with Lender's standard procedures relating to similar reserves. Borrower shall not permit the prepayment of any rents under any of the Leases for more than one (1) month prior to the due date thereof.

(b) Each Lease executed after the date hereof affecting any of the Premises or the Improvements must provide, in a manner approved by Lender, that the Tenant will recognize as its landlord, lessor or licensor, as applicable, and attorn to any person succeeding to the interest of Borrower upon any foreclosure of this Mortgage or deed in lieu of foreclosure. Each such Lease shall also provide that, upon request of said successor-in-interest, the Tenant shall execute and deliver an instrument or instruments confirming its attornment as provided for in this Section; provided, however, that neither Lender nor any successor-in-interest shall be bound by any payment of rent for more than one (1) month in advance, or any amendment or modification of said Lease made without the express written consent of Lender or said successor-in-interest.

(c) Upon the occurrence of an Event of Default under this Mortgage, whether before or after the whole principal sum secured hereby is declared to be immediately due or whether before or after the institution of legal proceedings to foreclose this Mortgage, forthwith, upon demand of Lender, Borrower shall surrender to Lender, and Lender shall be entitled to take actual possession of, the Property or any part thereof personally, or by its agent or attorneys. In such event, Lender shall have, and Borrower hereby gives and grants to Lender, the right, power and authority to make and enter into Leases with respect to the Property or portions thereof for such rents and for such periods of occupancy and upon conditions and provisions as Lender may deem desirable in its sole discretion, and Borrower expressly acknowledges and agrees that the term of any such Lease may extend beyond the date of any foreclosure sale of the Property, it being the intention of Borrower that in such event Lender shall be deemed to be and shall be the attorney-in-fact of Borrower for the purpose of making and entering into Leases of parts or portions of the Property for the rents and upon the terms, conditions and provisions deemed desirable to Lender in its sole discretion and with like effect as if such Leases had been made by Borrower as the owner in fee simple of the Property free and clear of any conditions or limitations established by this Mortgage. The power and authority hereby given and granted by Borrower to Lender shall be deemed to be coupled with an interest, shall not be revocable by Borrower so long as any portion of the Debt is outstanding, shall survive the voluntary or involuntary dissolution of Borrower and shall not be affected by any disability or incapacity suffered by Borrower subsequent to the date hereof. In connection with any action taken by Lender pursuant to this Section, Lender shall not be liable for any loss sustained by Borrower resulting from any failure to let the Property, or any part thereof, or from any other act or omission of Lender in managing the Property, nor shall Lender be obligated to perform or discharge any obligation, duty or liability under any Lease covering the Property or any part

thereof or under or by reason of this instrument or the exercise of rights or remedies hereunder. Borrower shall, and does hereby, indemnify Lender for, and hold Lender harmless from, any and all claims, actions, demands, liabilities, loss or damage which may or might be incurred by Lender under any such Lease or under this Mortgage or by the exercise of rights or remedies hereunder and from any and all claims and demands whatsoever which may be asserted against Lender by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in any such Lease other than those finally determined by a court of competent jurisdiction to have resulted solely from the gross negligence or willful misconduct of Lender. Should Lender incur any such liability, the amount thereof, including, without limitation, costs, expenses and reasonable attorneys' fees, together with interest thereon at the Default Interest Rate from the date incurred by Lender until actually paid by Borrower, shall be immediately due and payable to Lender by Borrower on demand and shall be secured hereby and by all of the other Loan Documents securing all or any part of the Debt. Nothing in this Section shall impose on Lender any duty, obligation or responsibility for the control, care, management or repair of the Property, or for the carrying out of any of the terms and conditions of any such Lease, nor shall it operate to make Lender responsible or liable for any waste committed on the Property by the Tenants or by any other parties or for any dangerous or defective condition of the Property, or for any negligence in the management, upkeep, repair or control of the Property. Borrower hereby assents to, ratifies and confirms any and all actions of Lender with respect to the Property taken under this Section.

(d) If requested by Lender, Borrower shall furnish, or shall cause the applicable tenant to furnish, to Lender financial data and/or financial statements in accordance with Regulation AB (as defined herein) for any tenant of any Property if, in connection with a securitization, Lender expects there to be, with respect to such tenant or group of affiliated tenants, a concentration within all of the mortgage loans included or expected to be included, as applicable, in such securitization such that such tenant or group of affiliated tenants would constitute a Significant Obligor (as defined herein); provided, however, that in the event the related lease does not require the related tenant to provide the foregoing information, Borrower shall use commercially reasonable efforts to cause the applicable tenant to furnish such information.

Section 2.9 Alienation and Further Encumbrances

(a) Borrower acknowledges that Lender has relied upon the principals of Borrower and their experience in owning and operating the Property and properties similar to the Property in connection with the closing of the loan evidenced by the Note. Accordingly, except as specifically allowed hereinbelow in this Section and notwithstanding anything to the contrary contained in Section 6.6 hereof, in the event that the Property or any part thereof or direct or indirect interest therein or direct or indirect interest in Borrower shall be sold, conveyed, disposed of, alienated, hypothecated, leased (except to Tenants of space in the Improvements in accordance with the provisions of Section 2.8 hereof), assigned, pledged, mortgaged, further encumbered or otherwise transferred or Borrower shall be divested of its title to the Property or any direct or indirect interest therein, in any manner or way, whether voluntarily or involuntarily (each, a "Transfer"), without the prior written consent of Lender being first obtained, which consent may be withheld in Lender's sole discretion, then the same shall constitute an Event of Default and Lender shall have the right, at its option, to declare any or all of the Debt,

irrespective of the maturity date specified in the Note, immediately due and payable and to otherwise exercise any of its other rights and remedies contained in Article V hereof.

(b) A Transfer within the meaning of this Section 2.9 shall be deemed to include, among other things: (i) an installment sales agreement wherein Borrower agrees to sell the Property or any part thereof for a price to be paid in installments; and (ii) an agreement by Borrower leasing all or a substantial part of the Property for other than actual occupancy by a space tenant thereunder or a sale, assignment or other transfer of, or the grant of a security interest in, Borrower's right, title and interest in and to any Leases or any Rents and Profits.

(c) Notwithstanding the foregoing, the following Transfers shall be permitted under this Section 2.9 without the prior consent of Lender: (i) a Transfer of corporate stock, limited partnership interests and/or non-managing member interests in Borrower, or in any partner or member of Borrower, or any direct or indirect legal or beneficial owner of Borrower, so long as following such Transfer (whether in one or a series of transactions) or, with respect to any creation or issuance of

new limited partnership interests or membership interests, not more than 49% of the beneficial economic interest in Borrower (whether directly or indirectly) has been transferred in the aggregate, there is no Change of Control and the persons responsible for the day to day management of the Property and Borrower remain unchanged following such Transfer, (ii) any involuntary Transfer caused by the death of Borrower, or any partner, shareholder, joint venturer, member or beneficial owner of a trust, or any direct or indirect legal or beneficial owner of Borrower, so long as Borrower is promptly reconstituted, if required, following such death and so long as there is no Change of Control and those persons responsible for the day to day management of the Property and Borrower remain unchanged as a result of such death or any replacement management or controlling parties are approved by Lender, and (iii) a Transfer comprised of gifts for estate planning purposes of any individual's interests in Borrower, or in any of Borrower's partners, members, shareholders, beneficial owners of a trust or joint venturers, or any direct or indirect legal or beneficial owner of Borrower, to the spouse or any lineal descendant of such individual, or to a trust for the benefit of any one or more of such individual, spouse or lineal descendant, so long as Borrower is reconstituted promptly, if required, following such gift and so long as there is no Change of Control and those persons responsible for the day to day management of the Property and Borrower remain unchanged following such gift. Notwithstanding any provision of this Mortgage to the contrary, no person or entity may become an owner of a direct or indirect interest in Borrower, which interest exceeds forty-nine (49%) percent, without Lender's prior written consent unless Borrower has complied with the provisions set forth in Section 2.9(d) below. For purposes of this Section 2.9(c), "Change of Control" shall mean a change in the identity of the individual or entities or group of individuals or entities who have the right, by virtue of any partnership agreement, articles of incorporation, by-laws, articles of organization, operating agreement or any other agreement, with or without taking any formative action, to cause Borrower to take some action or to prevent, restrict or impede Borrower from taking some action which, in either case, Borrower could take or could refrain from taking were it not for the rights of such individuals. Notwithstanding any provision of this Mortgage to the contrary, provided no Event of Default has occurred and is continuing, Lender's prior consent shall not be required with respect to any of the following: (i) the creation, issuance or transfer of limited partnership interests in Mack-Cali Realty, L.P., a Delaware limited partnership ("Mack-Cali Partnership"), so long as (x) Mack-Cali Realty Corporation, a Maryland corporation ("Mack-Cali Realty"), maintains at least a 51%

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limited partnership interest in Mack-Cali Partnership and remains as the general partner of Mack-Cali Partnership, and (y) the managerial control of Mack-Cali Partnership remains unchanged; provided, that to the extent such transfer of interests in Mack-Cali Partnership results in a change in the managerial control of Mack-Cali Partnership, unless due to a public offering of stock of Mack-Cali Realty, merger, reorganization or consolidation, such transfer of interests in Mack-Cali Partnership shall comply with the conditions of 1.13(d) below; and (ii) so long as the securities of Mack-Cali Realty are publicly traded, the acquisition, issuance or transfer (whether in one transaction or in a series of transactions) of securities in Mack-Cali Realty which does not result in a Change in Control of Borrower, Mack-Cali Partnership or Mack-Cali Realty, provided further that (x) Mack-Cali Realty shall not merge, reorganize or consolidate into another entity (i.e., where Mack-Cali Realty is not the surviving entity) (a "Merger"), and (y) any transfer of interests or series of transfers in interests in Mack-Cali Realty shall not result in more than 49% of Mack-Cali Realty being owned by any single person or entity (or related group of people or entities) (a "Majority Transfer"); provided, however, that a Merger or Majority Transfer shall not be prohibited, or constitute an Event of Default under the Loan Documents so long as, with respect to such Merger or Majority Transfer (a) to the extent permitted by law, Lender receives not less than thirty (30) days prior written notice of any such proposed Merger or Majority Transfer, (b) the surviving entity executes any and all documents as are reasonably necessary to evidence the assumption of Mack-Cali Realty's obligations relative to the loan evidenced by the Note and delivers such certificates and opinions covering such subjects (including, but not limited to, nonconsolidation) as may be reasonably required by Lender, (c) the surviving entity shall have a net worth of not less than \$200,000,000.00 as of the date of the completion of such Merger or Majority Transfer, (d) if, as a result of such Merger or Majority Transfer, the manager of the Property changes, the replacement manager is a "Qualified Manager" (as defined below) or such replacement manager is approved by Lender, and (e) Borrower satisfies the provisions of paragraph (12) of Section 1.13(d) below and causes to be delivered to Lender a substantive non-consolidation opinion, in form and substance satisfactory to Lender and prepared by counsel reasonably acceptable to Lender with respect to the transferee and such of its constituent entities and/or affiliates, as Lender may in its discretion require. As used herein, the term "Qualified Manager" shall mean a property manager of the Property which (i) is a reputable management company having at least five (5) years' experience in the management of commercial properties with similar uses as the Property and in the jurisdiction in which the Property are located, (ii) has, for at least five (5) years prior to its engagement as property manager, managed at least (5) properties of the same property type as the Property, (iii) at the time of its engagement as property manager has leasable square footage of the same property type as the Property equal to the lesser of (A) 1,000,000 leasable square feet and (B) five (5) times the leasable square feet of the Property and (iv) is not the subject of a bankruptcy or similar insolvency proceeding. So long as the provisions of this Section 2.9(c) are fully satisfied in all respects and provided that there is no Change in Control of Borrower, Mack-Cali Realty or Mack-Cali Partnership, (A) at any time after the execution of this Mortgage, Gale SLG NJ Mezz LLC ("Mezz") may merge into Gale SLG NJ Operating Partnership, L.P. ("OP") and the surviving entity ("Surviving OP") may be renamed, and (B) at any time after May 1, 2007 and/or following the merger described above in part (A), Surviving OP may make an

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in-kind distribution of its direct or indirect ownership interest in Borrower to its partners in proportion to their respective percentage ownership interests (as such percentage interests may be reduced to reflect the cash-out of one or more of the limited partners (other than Mack-Green-Gale LLC ("MGG"))) and MGG may make an in-kind distribution of its direct or indirect ownership interest in Borrower to (i) Mack Cali Ventures, L.L.C. ("MCV") or Gale SLG NJ LLC ("Gale SLG") in accordance with the same percentage interests set forth in the operating agreement of MGG or (ii) one or more limited liability companies owned by MCV and Gale SLG in accordance with the same percentage interests set forth in the operating agreement of MGG (i.e. the ninety-five percent (95%) Class A interests in MGG shall not be reduced and shall be distributed to MCV or a limited liability company owned by MCV).

(d) Notwithstanding the foregoing provisions of this Section, Lender shall consent to (x) one or more Transfers of the Property in its entirety, or (y) one or more Transfers of direct or indirect interests in the Borrower for which consent is required under this Section 2.9 (any such hereinafter, a "Sale") to any person or entity provided that, for each Sale, each of the following terms and conditions are satisfied:

(1) No Default and no Event of Default is then continuing hereunder or under any of the other Loan Documents;

(2) Borrower gives Lender written notice of the terms of such prospective Sale not less than sixty (60) days before the date on which such Sale is scheduled to close and, concurrently therewith, gives Lender all such information concerning the proposed transferee of the Property or the proposed owner of the direct or indirect interest in the Borrower for which consent is required under this Section 2.9, as applicable (hereinafter, "Buyer") as Lender would require in evaluating an initial extension of credit to a borrower and pays to Lender a non-refundable application fee in the amount of \$5,000. Lender shall have the right to approve or disapprove the proposed Buyer. In determining whether to give or withhold its approval of the proposed Buyer, Lender shall consider the Buyer's experience and track record in owning and operating facilities similar to the Property, the Buyer's financial strength, the Buyer's general business standing and the Buyer's relationships and experience with contractors, vendors, tenants, lenders and other business entities; provided, however, that, notwithstanding Lender's agreement to consider the foregoing factors in determining whether to give or withhold such approval, such approval shall be given or withheld based on what Lender determines to be commercially reasonable in Lender's sole discretion and, if given, may be given subject to such conditions as Lender may deem appropriate;

(3) Borrower pays Lender, concurrently with the closing of such Sale, a non-refundable assumption fee in an amount equal to all out-of-pocket costs and expenses, including, without limitation, reasonable attorneys' fees and Rating Agency fees, incurred by Lender in connection with the Sale, plus an amount equal to one-half of one percent (0.5%) of the then outstanding principal balance of the Note on the first Sale, and one percent (1.0%) of the then outstanding principal balance of the Note on each Sale thereafter;

(4) In the event that such Sale is a Transfer of the Property in its entirety, the Buyer assumes and agrees to pay the Debt subject to the provisions of Section 6.27 hereof and, in all cases (whether such Sale is a Transfer of the Property in its entirety or a Transfer of direct or indirect interests in the Borrower for which consent is

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required under this Section 2.9), prior to or concurrently with the closing of such Sale, the Buyer executes, without any cost or expense to Lender, such documents and agreements as Lender shall reasonably require to evidence and effectuate said assumption and delivers such legal opinions (including, without limitation, a REMIC opinion) as Lender may require;

(5) A party associated with the Buyer approved by Lender in its sole discretion assumes the obligations of the current Indemnitor under its guaranty or indemnity agreement and environmental indemnity agreement and such party associated with the Buyer executes, without any cost or expense to Lender, a substitution agreement or a new guaranty or indemnity agreement or environmental indemnity agreement in form and substance satisfactory to Lender and delivers such legal opinions as Lender may require;

(6) Borrower and the Buyer execute, without any cost or expense to Lender, new financing statements or financing statement amendments (and new financing statements as may be necessary) and any additional documents reasonably requested by Lender;

(7) Borrower delivers to Lender, without any cost or expense to Lender, such replacement policy or endorsements to Lender's title insurance policy, hazard insurance policy endorsements or certificates and other similar materials as Lender may deem necessary at the time of the Sale, all in form and substance satisfactory to Lender, including, without limitation, a replacement policy or an endorsement or endorsements to Lender's title insurance policy insuring the lien of this Mortgage, extending the effective date of such policy to the date of execution and delivery (or, if later, of recording) of the assumption agreement referenced above in subparagraph (4) of this Section, with no additional exceptions added to such policy, and, in the event that such Sale is a Transfer of the Property in its entirety, insuring that fee simple title to the Property is vested in the Buyer;

(8) Borrower and any current Indemnitor execute and deliver to Lender, without any cost or expense to Lender, a release of Lender, its officers, directors, employees and agents, from all claims and liability relating to the transactions evidenced by the Loan Documents, through and including the date of the closing of the Sale, which agreement shall be in form and substance satisfactory to Lender and shall be binding upon the Buyer and any new Indemnitor;

(9) Subject to the provisions of Section 6.27 hereof, such Sale is not construed so as to relieve Borrower of any personal liability under the Note or any of the other Loan Documents for any acts or events occurring or obligations arising prior to or simultaneously with the closing of such Sale, whether or not same is discovered prior or subsequent to the closing of such Sale, and Borrower executes, without any cost or expense to Lender, such documents and agreements as Lender shall reasonably require to evidence and effectuate the ratification of said personal liability. In the event that such Transfer is a Sale of the Property in its entirety, Borrower shall be released from and relieved of any personal liability under the Note or any of the other Loan Documents for

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any acts or events occurring or obligations arising after the closing of such Sale which are not caused by or arising out of any acts or events occurring or obligations arising prior to or simultaneously with the closing of such Sale;

(10) Such Sale is not construed so as to relieve any current Indemnitor of its obligations under any guaranty or indemnity agreement for any acts or events occurring or obligations arising prior to or simultaneously with the closing of such Sale, and each such current Indemnitor executes, without any cost or expense to Lender, such documents and agreements as Lender shall reasonably require to evidence and effectuate the ratification of each such guaranty and indemnity agreement. In the event that such Sale is a Transfer of the Property in its entirety, each such current Indemnitor shall be released from and relieved of any of its obligations under any guaranty or indemnity agreement executed in connection with the loan secured hereby for any acts or events occurring or obligations arising after the closing of such Sale which are not caused by or arising out of any acts or events occurring or obligations arising prior to or simultaneously with the closing of such Sale;

(11) The Buyer shall furnish, if the Buyer is a corporation, partnership or other entity, all appropriate papers evidencing the Buyer's capacity and good standing, and the qualification of the signers to execute the assumption of the Debt, which papers shall include certified copies of all documents relating to the organization and formation of the Buyer and of the entities, if any, which are partners of the Buyer. In the event that such Sale is a Transfer of the Property in its entirety, the Buyer shall be a Single Purpose Entity whose formation documents shall be approved by counsel to Lender, and who shall comply with the requirements set forth in Section 2.29 hereof;

(12) Borrower delivers to Lender confirmation in writing (a "No-Downgrade Confirmation") from each Rating Agency that such Sale will not result in a qualification, downgrade or withdrawal of any ratings issued in connection with any Secondary Market Transaction (as hereinafter defined) or, in the event the Secondary Market Transaction has not yet occurred, Lender shall, in its sole discretion, have approved the Sale;

(13) The applicable transfer will not result in an increase in the real property taxes for the Premises and Improvements that would cause the debt service coverage ratio of the Debt with respect to the immediately succeeding twelve (12) month period to be less than the debt service coverage ratio of the Debt for the twelve (12) month period immediately preceding such transfer, in each case as determined by Lender; and

(14) Borrower delivers to Lender an opinion with respect to substantive non-consolidation opinion after giving effect to such transfer in form and substance and from a law firm acceptable to Lender and the Rating Agencies.

Section 2.10 Payment of Utilities, Assessments, Charges, Etc. Borrower shall pay when due all utility charges which are incurred by Borrower or which may become a charge or lien against any portion of the Property for gas, electricity, water and sewer services furnished to

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the Premises and/or the Improvements and all other assessments or charges of a similar nature, or assessments payable pursuant to any restrictive covenants, whether public or private, affecting the Premises and/or the Improvements or any portion thereof, whether or not such assessments or charges are or may become liens thereon.

Section 2.11 Access Privileges and Inspections. Lender and the agents, representatives and employees of Lender shall, subject to the rights of Tenants, have full and free access to the Premises and the Improvements and any other location where books and records concerning the Property are kept at all reasonable times and, except in the event of an emergency, upon not less than 24 hours prior notice (which notice may be telephonic) for the purposes of inspecting the Property and of examining, copying and making extracts from the books and records of Borrower relating to the Property. Borrower shall lend assistance to all such agents, representatives and employees of Lender.

Section 2.12 Waste; Alteration of Improvements. Borrower shall not commit, suffer or permit any waste on the Property nor take any actions that might invalidate any insurance carried on the Property. Borrower shall maintain the Property in good condition and repair. No part of the Improvements may be removed, demolished or materially altered, without the prior written consent of Lender other than in connection with non-structural day to day maintenance and except for tenant improvements under Leases. Without the prior written consent of Lender, Borrower shall not commence construction of any improvements on the Premises other than improvements required for the maintenance or repair of the Property. Lender reserves the right to condition its consent to any material alteration, removal, demolition or new construction on the following: (i) such conditions as would be required by a prudent interim construction lender, including, but not limited to, the prior approval by Lender of plans and specifications, construction budgets, contractors and form of construction contracts and the furnishing to Lender of evidence regarding funds, permits, approvals bonds, insurance, lien waivers, title endorsements, appraisals, surveys, certificates of occupancy, certificates regarding completion, invoices, receipts and affidavits from contractors and subcontractors, in form and substance satisfactory to Lender in its discretion, (ii) the delivery of an opinion from counsel satisfactory to Lender in its discretion and in form and substance satisfactory to Lender in its discretion opining as to such matters as Lender may reasonably require, including, without limitation, an opinion that such alteration, removal, demolition or new construction will not have an adverse effect on the status of any trust formed in connection with a Secondary Market Transaction a "real estate mortgage investment conduit" within the meaning of Section 860D of the Code ("REMIC"), and (iii) Borrower's agreement to pay all fees, costs and expenses incurred by Lender in granting such consent, including, without limitation, reasonable attorneys' fees and expenses.

Section 2.13 Zoning. Without the prior written consent of Lender, Borrower shall not seek, make, suffer, consent to or acquiesce in any change in the zoning or conditions of use of the Premises or the Improvements. Borrower shall comply with and make all payments required under the provisions of any covenants, conditions or restrictions affecting the Premises or the Improvements. Borrower shall comply with all existing and future requirements of all governmental authorities having jurisdiction over the Property. Borrower shall keep all licenses, permits, franchises and other approvals necessary for the operation of the Property in full force and effect. Borrower shall operate the Property as an office building for so long as the Debt is outstanding. If, under applicable zoning provisions, the use of all or any part of the Premises or

the Improvements is or becomes a nonconforming use, Borrower shall not cause or permit such use to be discontinued or abandoned without the prior written consent of Lender. Further, without Lender's prior written consent, Borrower shall not file or subject any part of the Premises or the Improvements to any declaration of condominium or co-operative or convert any part of the Premises or the Improvements to a condominium, co-operative or other form of multiple ownership and governance.

Section 2.14 Financial Statements and Books and Records. Borrower shall keep accurate books and records of account of the Property and its own financial affairs sufficient to permit the preparation of financial statements therefrom in accordance with generally accepted accounting principles. Lender and its duly authorized representatives shall have the right to examine, copy and audit Borrower's records and books of account at all reasonable times. So long as this Mortgage continues in effect, Borrower shall provide to Lender, in addition to any other financial statements required hereunder or under any of the other Loan Documents, the following financial statements and information, all of which must be certified to Lender as being true and correct by the Chief Financial Officer of Borrower or the person or entity to which they pertain, as applicable, and, be prepared in accordance with generally accepted accounting principles consistently applied and be in form and substance acceptable to Lender:

- (a) copies of all tax returns filed by Borrower, within forty-five (45) days after the date of filing;
- (b) monthly operating statements for the Property within forty-five (45) days after the end of each month until the earlier to occur of (X) the date that is twelve (12) months following the date hereof and (Y) the occurrence of a Secondary Market Transaction;
- (c) quarterly operating statements for the Property, within forty-five (45) days after the end of each calendar quarter from and after the earlier to occur of (X) the date that is twelve (12) months following the date hereof and (Y) the occurrence of a Secondary Market Transaction;
- (d) annual balance sheets for the Property and annual financial statements for Borrower, and each Indemnitee (including any Form 10K filings), within one hundred twenty (120) days after the end of each calendar year; and
- (e) such other information with respect to the Property, Borrower, the principals or general partners in Borrower and each Indemnitee, which may be reasonably requested from time to time by Lender, within a reasonable time after the applicable request.
- (f) If, at the time one or more Disclosure Documents are being prepared for a securitization, Lender expects that Borrower alone or Borrower and one or more affiliates of Borrower collectively, or the Property alone or the Property and any other parcel(s) of real property, together with improvements thereon and personal property related thereto, that is "related", within the meaning of the definition of Significant Obligor, to the Property (a "Related Property") collectively, will be a Significant Obligor, Borrower shall furnish to Lender upon request (i) the selected financial data or, if applicable, net operating income, required under Item 1112(b)(1) of Regulation AB and meeting the requirements thereof, if Lender expects that the principal amount of the Loan, together with any loans made to an affiliate of Borrower or secured by a Related Property that is included in a securitization with the Loan (a "Related Loan"), as of the cut-off date for such securitization may, or if the principal amount of the Loan together with any Related Loans as of the cut-off date for such securitization and at any time during which the Loan and any Related Loans are included in a securitization does, equal or exceed ten percent (10%) (but less than twenty percent (20%)) of the aggregate principal amount of all mortgage loans included or expected to be included, as applicable, in the securitization or (ii) the financial statements required under Item 1112(b)(2) of Regulation AB and meeting the requirements thereof, if Lender expects that the

principal amount of the Loan together with any Related Loans as of the cut-off date for such securitization may, or if the principal amount of the Loan together with any Related Loans as of the cut-off date for such securitization and at any time during which the Loan and any Related Loans are included in a securitization does, equal or exceed twenty percent (20%) of the aggregate principal amount of all mortgage loans included or expected to be included, as applicable, in the securitization. Such financial data or financial statements shall be furnished to Lender (A) within ten (10) Business Days after notice from Lender in connection with the preparation of Disclosure Documents for the securitization, (B) not later than thirty (30) days after the end of each fiscal quarter of Borrower and (C) not later than seventy-five (75) days after the end of each fiscal year of Borrower; provided, however, that Borrower shall not be obligated to furnish financial data or financial statements pursuant to clauses (B) or (C) of this sentence with respect to any period for which a filing pursuant to the Securities Exchange Act of 1934 in connection with or relating to the securitization (an "Exchange Act Filing") is not required. As used herein, "Regulation AB" shall mean Regulation AB under the Securities Act of 1933 and the Securities Exchange Act of 1934 (as amended). As used herein, "Disclosure Documents" shall mean a prospectus, prospectus supplement, private placement memorandum, or similar offering memorandum or offering circular, in each case in preliminary or final form, used to offer securities in connection with a securitization. As used herein, "Significant Obligor" shall have the meaning set forth in Item

If any of the aforementioned materials are not furnished to Lender within the applicable time periods, are not prepared in accordance with generally accepted accounting principles or Lender is dissatisfied with the form of any of the foregoing and has notified Borrower of its dissatisfaction, in addition to any other rights and remedies of Lender contained herein and provided Lender has given Borrower at least ten (10) days notice of such failure and opportunity to cure, (i) Borrower shall pay to Lender upon demand, at Lender's option and in its sole discretion, an amount equal to \$2,500 per reporting period, and (ii) Lender shall have the right, but not the obligation, to obtain the same by means of an audit by an independent certified public accountant selected by Lender, in which event Borrower agrees to pay, or to reimburse Lender for, any expense of such audit and further agrees to provide all necessary information to said accountant and to otherwise cooperate in the making of such audit.

Section 2.15 Further Assurances. Borrower shall, on the request of Lender and at the expense of Borrower: (a) promptly correct any defect, error or omission which may be discovered in the contents of this Mortgage or in the contents of any of the other Loan Documents; (b) promptly execute, acknowledge, deliver and record or file such further instruments (including, without limitation, further mortgages, deeds of trust, security deeds, security agreements, financing statements, continuation statements and assignments of rents or leases) and promptly do such further acts as may be necessary, desirable or proper to carry out

more effectively the purposes of this Mortgage and the other Loan Documents and to subject to the liens and security interests hereof and thereof any property intended by the terms hereof and thereof to be covered hereby and thereby, including specifically, but without limitation, any renewals, additions, substitutions, replacements or appurtenances to the Property; (c) promptly execute, acknowledge, deliver, procure and record or file any document or instrument (including specifically, without limitation, any financing statement) deemed advisable by Lender to protect, continue or perfect the liens or the security interests hereunder against the rights or interests of third persons; and (d) promptly furnish to Lender, upon Lender's request, a duly acknowledged written statement and estoppel certificate addressed to such party or parties as directed by Lender and in form and substance supplied by Lender, setting forth all amounts due under the Note, stating whether any Default or Event of Default has occurred hereunder, stating whether any offsets or defenses exist against the Debt and containing such other matters as Lender may reasonably require.

Section 2.16 Payment of Costs; Reimbursement to Lender. Borrower shall pay all costs and expenses of every character reasonably incurred in connection with the closing of the loan evidenced by the Note and secured hereby, attributable or chargeable to Borrower as the owner of the Property or otherwise attributable to any consent requested of Lender or any Rating Agency under the terms hereof or any other Loan Document, including, without limitation, customary servicing and consent fees, appraisal fees, recording fees, documentary, stamp, mortgage or intangible taxes, brokerage fees and commissions, title policy premiums and title search fees, uniform commercial code/tax lien/litigation search fees, escrow fees, consultants' fees, No-Downgrade Confirmations and reasonable attorneys' fees. If Borrower defaults in any such payment, which default is not cured within any applicable grace or cure period, Lender may pay the same and Borrower shall reimburse Lender on demand for all such costs and expenses incurred or paid by Lender, together with such interest thereon at the Default Interest Rate from and after the date of Lender's making such payment until reimbursement thereof by Borrower. Any such sums disbursed by Lender, together with such interest thereon, shall be additional indebtedness of Borrower secured by this Mortgage and by all of the other Loan Documents securing all or any part of the Debt. Further, Borrower shall promptly notify Lender in writing of any litigation or threatened litigation affecting the Property, or any other demand or claim which, if enforced, could impair or threaten to impair Lender's security hereunder. Without limiting or waiving any other rights and remedies of Lender hereunder, if Borrower fails to perform any of its covenants or agreements contained in this Mortgage or in any of the other Loan

Documents and such failure is not cured within any applicable grace or cure period, or if any action or proceeding of any kind (including, but not limited to, any bankruptcy, insolvency, arrangement, reorganization or other debtor relief proceeding) is commenced which might affect Lender's interest in the Property or Lender's right to enforce its security, then Lender may, at its option, with or without notice to Borrower, make any appearances, disburse any sums and take any actions as may be necessary or desirable to protect or enforce the security of this Mortgage or to remedy the failure of Borrower to perform its covenants and agreements (without, however, waiving any default of Borrower). Borrower agrees to pay on demand all expenses of Lender incurred with respect to the foregoing (including, but not limited to, reasonable fees and disbursements of counsel), together with interest thereon at the Default Interest Rate from and after the date on which Lender incurs such expenses until reimbursement thereof by Borrower. Any such expenses so incurred by Lender, together with interest thereon as provided above, shall be additional indebtedness of Borrower secured by this Mortgage and by all of the other Loan Documents securing all or any part of the Debt. The necessity for any such actions and of the amounts to be paid shall be determined by Lender in its discretion. Lender is hereby empowered to enter and to authorize others to enter upon the Property or any part thereof for the purpose of performing or observing any such defaulted term, covenant or condition without thereby becoming liable to Borrower or any person in possession holding under Borrower. Borrower hereby acknowledges and agrees that the remedies set forth in this Section 2.16 shall be exercisable by Lender, and any and all payments made or costs or expenses incurred by Lender in connection therewith shall be secured hereby and shall be, without demand, immediately repaid by Borrower with interest thereon at the Default Interest Rate, notwithstanding the fact that such remedies were exercised and such payments made and costs incurred by Lender after the filing by Borrower of a voluntary case or the filing against Borrower of an involuntary case pursuant to or within the meaning of the Bankruptcy Reform Act of 1978, as amended, Title 11 U.S.C., or after any similar action pursuant to any other debtor relief law (whether statutory, common law, case law or otherwise) of any jurisdiction whatsoever, now or hereafter in effect, which may be or become applicable to Borrower, Lender, any Indemnitor, the Debt or any of the Loan Documents. Borrower hereby indemnifies and holds Lender harmless from and against all loss, cost and expenses with respect to any Event of Default hereof, any liens (i.e., judgments, mechanics' and materialmen's liens, or otherwise), charges and encumbrances filed against the Property, and from any claims and demands for damages or injury, including claims for property damage, personal injury or wrongful death, arising out of or in connection with any accident or fire or other casualty on the Premises or the Improvements or any nuisance made or suffered thereon, except those that are due to Lender's gross negligence or willful misconduct as finally determined by a court of competent jurisdiction, including, without limitation, in any case, reasonable attorneys' fees, costs and expenses as aforesaid, whether at pretrial, trial or appellate level, and such indemnity shall survive payment in full of the Debt. This Section shall not be construed to require Lender to incur any expenses, make any appearances or take any actions.

Section 2.17 Security Interest. This Mortgage is also intended to encumber and create a security interest in, and Borrower hereby grants to Lender a security interest in, all sums on deposit with Lender pursuant to the provisions of Article III hereof or any other Section hereof or of any other Loan Document and all fixtures, chattels, accounts, equipment, inventory, contract rights, general intangibles and other personal property included within the Property, all renewals, replacements of any of the aforementioned items, or articles in substitution therefor or in addition thereto or the proceeds thereof (said property is hereinafter referred to collectively as the "Collateral"), whether or not the same shall be attached to the Premises or the Improvements in any manner. It is hereby agreed that to the extent permitted by law, all of the foregoing property is to be deemed and held to be a part of and affixed to the Premises and the Improvements. The foregoing security interest shall also cover Borrower's leasehold interest in any of the foregoing property which is leased by Borrower. Notwithstanding the foregoing, all of the foregoing property shall be owned by Borrower and no leasing or installment sales or other financing or title retention agreement in connection therewith shall be permitted without the prior written approval of Lender. Borrower shall, from time to time upon the request of Lender, supply Lender with a current inventory of all of the property in which Lender is granted a security interest hereunder, in such detail as Lender may reasonably require. Borrower shall promptly replace all of the Collateral subject to the lien or security interest of this Mortgage when worn or obsolete with Collateral comparable to the worn out or obsolete Collateral when new and will not, without the prior written consent of Lender, remove from the Premises or the Improvements

any of the Collateral subject to the lien or security interest of this Mortgage except such as is replaced by an article of equal suitability and value as above provided, owned by Borrower free and clear of any lien or security interest except that created by this Mortgage and the other Loan Documents. All of the Collateral shall be kept at the location of the Premises except as otherwise required by the terms of the Loan Documents. Borrower shall not use any of the Collateral in violation of any applicable statute, ordinance or insurance policy.

Section 2.18 Security Agreement. This Mortgage constitutes a security agreement between Borrower and Lender with respect to the Collateral in which Lender is granted a security interest hereunder, and, cumulative of all other rights and remedies of Lender hereunder, Lender shall have all of the rights and remedies of a secured party under any applicable Uniform Commercial Code. Borrower hereby agrees to execute and deliver on demand and hereby irrevocably constitutes and appoints Lender the attorney-in-fact of Borrower to execute and deliver and, if appropriate, to file with the appropriate filing officer or office, such security agreements, financing statements, continuation statements or other instruments as Lender may request or require in order to impose, perfect or continue the perfection of the lien or security interest created hereby. To the extent specifically provided herein, Lender shall have the right of possession of all cash, securities, instruments, negotiable instruments, documents, certificates and any other evidences of cash or other property or evidences of rights to cash rather than property, which are now or hereafter a part of the Property, and Borrower shall promptly deliver the same to Lender, endorsed to Lender, without further notice from Lender. Borrower agrees to furnish Lender with notice of any change in the name, identity, organizational structure, residence, or principal place of business or mailing address of Borrower within ten (10) days of the effective date of any such change. Upon the occurrence of any Event of Default, Lender shall have the rights and remedies as prescribed in this Mortgage, or as prescribed by general law, or as prescribed by any applicable Uniform Commercial Code, all at Lender's election. Any disposition of the Collateral may be conducted by an employee or agent of Lender. Any person, including both Borrower and Lender, shall be eligible to purchase any part or all of the Collateral at any such disposition. Expenses of retaking, holding, preparing for sale, selling or the like (including, without limitation, Lender's reasonable attorneys' fees and legal expenses), together with interest thereon at the Default Interest Rate from the date incurred by Lender until actually paid by Borrower, shall be paid by Borrower on demand and shall be secured by this Mortgage and by all of the other Loan Documents securing all or any part of the Debt. Lender shall have the right to enter upon the Premises and the Improvements or any real property where any of the property which is the subject of the security interest granted herein is located to take possession of, assemble and collect the same or to render it unusable, or Borrower, upon demand of Lender, shall assemble such property and make it available to Lender at the Premises, or at a place which is mutually agreed upon or, if no such place is agreed upon, at a place reasonably designated by Lender to be reasonably convenient to Lender and Borrower. If notice is required by law, Lender shall give Borrower at least ten (10) days' prior written notice of the time and place of any public sale of such property, or adjournments thereof, or of the time of or after which any private sale or any other intended disposition thereof is to be made, and if such notice is sent to Borrower, as the same is provided for the mailing of notices herein, it is hereby deemed that such notice shall be and is reasonable notice to Borrower. No such notice is necessary for any such property which is perishable, threatens to decline speedily in value or is of a type customarily sold on a recognized market. Any sale made pursuant to the provisions of this Section shall be deemed to have been a public sale conducted in a commercially reasonable manner if held

contemporaneously with a foreclosure sale as provided in Section 5.1(e) hereof upon giving the same notice with respect to the sale of the Property hereunder as is required under said Section 5.1(e). Furthermore, to the extent permitted by law, in conjunction with, in addition to or in substitution for the rights and remedies available to Lender pursuant to any applicable Uniform Commercial Code:

- (a) In the event of a foreclosure sale, the Property may, at the option of Lender, be sold as a whole; and
- (b) It shall not be necessary that Lender take possession of the aforementioned Collateral, or any part thereof, prior to the time that any sale pursuant to the provisions of this Section is conducted and it shall not be necessary that said Collateral, or any part thereof, be present at the location of such sale; and
- (c) Lender may appoint or delegate any one or more persons as agent to perform any act or acts necessary or incident to any sale held by Lender, including the sending of notices and the conduct of the sale, but in the name and on behalf of Lender. The name and address of Borrower (as Debtor under any applicable Uniform Commercial Code) are as set forth on the first page hereof. The name and address of Lender (as Secured Party under any applicable Uniform Commercial Code) are as set forth on the first page hereof.

Section 2.19 Easements and Rights-of-Way. Borrower shall not grant any easement or right-of-way with respect to all or any portion of the Premises or the Improvements without the prior written consent of Lender. Borrower shall comply with all easements affecting the Property. The purchaser at any foreclosure sale hereunder may, at its discretion, disaffirm any easement or right-of-way granted in violation of any of the provisions of this Mortgage and may take immediate possession of the Property free from, and despite the terms of, such grant of easement or right-of-way. If Lender consents to the grant of an easement or right-of-way, Lender agrees to grant such consent without charge to Borrower other than expenses, including, without limitation, reasonable attorneys' fees, incurred by Lender in the review of Borrower's request and in the preparation of documents effecting the subordination.

Section 2.20 Compliance with Laws. Borrower shall at all times comply with all statutes, ordinances, regulations and other governmental or quasi-governmental requirements and private covenants now or hereafter relating to the ownership, construction, use or operation of the Property, including, but not limited to, those concerning employment and compensation of persons engaged in operation and maintenance of the Property and any environmental or ecological requirements, even if such compliance shall require structural changes to the Property; provided, however, that, Borrower may, upon providing Lender with security satisfactory to Lender, proceed diligently and in good faith to contest the validity or applicability of any such statute, ordinance, regulation or requirement so long as during such contest the Property shall not be subject to any lien, charge, fine or other liability and shall not be in danger of being forfeited, lost or closed. Borrower shall not use or occupy, or allow the use or occupancy of, the Property in any manner which violates any Lease of or any other agreement applicable to the Property or any applicable law, rule, regulation or order or which constitutes a public or private nuisance or which makes void, voidable or cancelable, or increases the premium of, any insurance then in force with respect thereto.

Section 2.21 Additional Taxes. In the event of the enactment after the date hereof of any law of the state in which the Property is located or of any other governmental entity deducting from the value of the Property for the purpose of taxing any lien or security interest thereon, or imposing upon Lender the payment of the whole or any part of the taxes or assessments or charges or liens herein required to be paid by Borrower, or changing in any way the laws relating to the taxation of deeds of trust, mortgages or security agreements or debts secured by deeds of trust, mortgages or security agreements or the interest of the Lender, mortgagee or secured party in the property covered thereby, or the manner of collection of such taxes, so as to adversely affect this Mortgage or the Debt or Lender, then, and in any such event, Borrower, upon demand by Lender, shall pay such taxes, assessments, charges or liens, or reimburse Lender therefor; provided, however, that if in the opinion of counsel for Lender (a) it might be unlawful to require Borrower to make such payment, or (b) the making of such payment might result in the imposition of interest beyond the maximum amount permitted by law, then and in either such event, Lender may elect, by notice in writing given to Borrower, to declare all of the Debt to be and become due and payable in full thirty (30) days from the giving of such notice, and, in connection with the payment of such Debt, no prepayment premium or fee shall be due unless, at the time of such payment, an Event of Default or a Default shall have occurred, which Default or Event of Default is unrelated to the provisions of this Section 2.21, in which event any applicable prepayment premium or fee in accordance with the terms of the Note shall be due and payable.

Section 2.22 Secured Indebtedness. It is understood and agreed that this Mortgage shall secure payment of not only the indebtedness evidenced by the Note but also any and all substitutions, replacements, renewals and extensions of the Note, any and all indebtedness and obligations arising pursuant to the terms hereof and any and all indebtedness and obligations arising pursuant to the terms of any of the other Loan Documents, all of which indebtedness is equally secured with and has the same priority as any amounts advanced as of the date hereof. It is agreed that any future advances made by Lender to or for the benefit of Borrower from time to time under this Mortgage or the other Loan Documents and whether or not such advances are obligatory or are made at the option of Lender, or otherwise, made for any purpose, and all interest accruing thereon, shall be equally secured by this Mortgage and shall have the same priority as all amounts, if any, advanced as of the date hereof and shall be subject to all of the terms and provisions of this Mortgage.

Section 2.23 Borrower's Waivers. To the full extent permitted by law, Borrower agrees that Borrower shall not at any time insist upon, plead, claim or take the benefit or advantage of any law now or hereafter in force providing for any appraisal, valuation, stay, moratorium or extension, or any law now or hereafter in force providing for the reinstatement of the Debt prior to any sale of the Property to be made pursuant to any provisions contained herein or prior to the entering of any decree, judgment or order of any court of competent jurisdiction, or any right under any statute to redeem all or any part of the Property so sold. Borrower, for Borrower and Borrower's successors and assigns, and for any and all persons ever claiming any interest in the Property, to the full extent permitted by law, hereby knowingly, intentionally and voluntarily, with and upon the advice of competent counsel: (a) waives, releases, relinquishes and forever forgoes all rights of valuation, appraisal, stay of execution, reinstatement and notice of election or intention to mature or declare due the Debt (except such notices as are specifically provided for herein); (b) waives, releases, relinquishes and forever forgoes all right to a

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marshaling of the assets of Borrower, including the Property, to a sale in the inverse order of alienation, or to direct the order in which any of the Property shall be sold in the event of foreclosure of the liens and security interests hereby created and agrees that any court having jurisdiction to foreclose such liens and security interests may order the Property sold as an entirety; and (c) waives, releases, relinquishes and forever forgoes all rights and periods of redemption provided under applicable law. To the full extent permitted by law, Borrower shall not have or assert any right under any statute or rule of law pertaining to the exemption of homestead or other exemption under any federal, state or local law now or hereafter in effect, the administration of estates of decedents or other matters whatever to defeat, reduce or affect the right of Lender under the terms of this Mortgage to a sale of the Property, for the collection of the Debt without any prior or different resort for collection, or the right of Lender under the terms of this Mortgage to the payment of the Debt out of the proceeds of sale of the Property in preference to every other claimant whatever. Furthermore, Borrower hereby knowingly, intentionally and voluntarily, with and upon the advice of competent counsel, waives, releases, relinquishes and forever forgoes all present and future statutes of limitations as a defense to any action to enforce the provisions of this Mortgage or to collect any of the Debt to the fullest extent permitted by law. Borrower covenants and agrees that upon the commencement of a voluntary or involuntary bankruptcy proceeding by or against Borrower, Borrower shall not seek a supplemental stay or otherwise shall not seek pursuant to 11 U.S.C. §105 or any other provision of the Bankruptcy Reform Act of 1978, as amended, or any other debtor relief law (whether statutory, common law, case law, or otherwise) of any jurisdiction whatsoever, now or hereafter in effect, which may be or become applicable, to stay, interdict, condition, reduce or inhibit the ability of Lender to enforce any rights of Lender against any guarantor or indemnitor of the secured obligations or any other party liable with respect thereto by virtue of any indemnity, guaranty or otherwise.

Section 2.24 SUBMISSION TO JURISDICTION; WAIVER OF JURY TRIAL

(a) **BORROWER AND LENDER, TO THE FULL EXTENT PERMITTED BY LAW, HEREBY KNOWINGLY, INTENTIONALLY AND VOLUNTARILY, WITH AND UPON THE ADVICE OF COMPETENT COUNSEL, (i) SUBMIT TO PERSONAL JURISDICTION IN THE STATE IN WHICH THE PREMISES IS LOCATED OVER ANY SUIT, ACTION OR PROCEEDING BY ANY PERSON ARISING FROM OR RELATING TO THE NOTE, THIS MORTGAGE OR ANY OTHER OF THE LOAN DOCUMENTS, (ii) AGREE THAT ANY SUCH ACTION, SUIT OR PROCEEDING MAY BE BROUGHT IN ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION SITTING IN THE COUNTY IN WHICH THE PREMISES IS LOCATED, (iii) SUBMIT TO THE JURISDICTION OF SUCH COURTS, AND (iv) TO THE FULLEST EXTENT PERMITTED BY LAW, AGREE THAT IT WILL NOT BRING ANY ACTION, SUIT OR PROCEEDING IN ANY OTHER FORUM (BUT NOTHING HEREIN SHALL AFFECT THE RIGHT OF LENDER TO BRING ANY ACTION, SUIT OR PROCEEDING IN ANY OTHER FORUM).**

(b) **BORROWER AND LENDER, TO THE FULL EXTENT PERMITTED BY LAW, HEREBY KNOWINGLY, INTENTIONALLY AND VOLUNTARILY, WITH AND UPON THE ADVICE OF COMPETENT COUNSEL, WAIVE, RELINQUISH AND FOREVER FORGO THE RIGHT TO A TRIAL BY JURY**

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IN ANY ACTION OR PROCEEDING BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATING TO THE DEBT OR ANY CONDUCT, ACT OR OMISSION OF LENDER OR BORROWER, OR ANY OF THEIR RESPECTIVE DIRECTORS, OFFICERS, PARTNERS, MEMBERS, EMPLOYEES, AGENTS OR ATTORNEYS, OR ANY OTHER PERSONS AFFILIATED WITH LENDER OR BORROWER, IN EACH OF THE FOREGOING CASES, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE.

Section 2.25 Attorney-in-Fact Provisions. With respect to any provision of this Mortgage or any other Loan Document whereby Borrower grants to Lender a power-of-attorney, provided no Default or Event of Default has occurred under this Mortgage, Lender shall first give Borrower written notice at least three (3) days prior to acting under such power, which notice shall demand that Borrower first take the proposed action within such period and advising Borrower that if it fails to do so, Lender will so act under the power; provided, however, that, in the event that a Default or an Event of Default has occurred, or if necessary to prevent imminent death, serious injury, damage, loss, forfeiture or diminution in value to the Property or any surrounding property or to prevent any adverse affect on Lender's interest in the Property, Lender may act immediately and without first giving such notice. In such event, Lender will give Borrower notice of such action as soon thereafter as reasonably practical.

Section 2.26 Management. The management of the Property shall be by either: (a) Borrower or an entity affiliated with Borrower approved by Lender for so long as Borrower or said affiliated entity is managing the Property in a first class manner; or (b) a professional property management company approved by Lender. Such management by an affiliated entity or a professional property management company shall be pursuant to a written agreement approved by Lender. In no event shall any manager be removed or replaced or the terms of any management agreement modified or amended without the prior written consent of Lender which approval may be conditioned upon, among other things, receipt by Lender of a No-Downgrade Confirmation from each Rating Agency. After an Event of Default or a default under any management contract then in effect, which default is not cured within any applicable grace or cure period or if at any time during the term of the Loan the debt service coverage ratio of the Property is ever less than 1.05:1, as determined by Lender, Lender shall have the right to terminate, or to direct Borrower to terminate, such management contract upon thirty (30) days' notice and to retain, or to direct Borrower to retain, a new management agent approved by Lender which approval may be conditioned upon, among other things, receipt by Lender of a No-Downgrade Confirmation from each Rating Agency. All Rents and Profits generated by or derived from the Property shall first be utilized solely for current expenses directly attributable to the ownership and operation of the Property, including, without limitation, current expenses relating to Borrower's liabilities and obligations with respect to this Mortgage and the other Loan Documents, and none of the Rents and Profits generated by or derived from the Property shall be diverted by Borrower and utilized for any other purposes unless all such current expenses attributable to the ownership and operation of the Property have been fully paid and satisfied.

(a) Borrower hereby represents and warrants to Lender that, as of the date hereof to the best of Borrower's knowledge, information and belief and other than as set forth in

the Environmental Report: (i) none of Borrower nor the Property nor any Tenant at the Premises nor the operations conducted thereon is in direct or indirect violation of or otherwise exposed to any liability under any local, state or federal law, rule or regulation or common law duty pertaining to human health, natural resources or the environment, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. §9601 et seq.) ("CERCLA"), the Resource Conservation and Recovery Act of 1976 (42 U.S.C. §6901 et seq.), the Federal Water Pollution Control Act (33 U.S.C. §1251 et seq.), the Clean Air Act (42 U.S.C. §7401 et seq.), the Emergency Planning and Community-Right-to-Know Act (42 U.S.C. §11001 et seq.), the Endangered Species Act (16 U.S.C. §1531 et seq.), the Toxic Substances Control Act (15 U.S.C. §2601 et seq.), the Occupational Safety and Health Act (29 U.S.C. §651 et seq.), the Industrial Site Recovery Act, N.J.S.A. 13:1K-6, et seq. ("ISRA"); the Spill Compensation and Control Act, N.J.S.A. 58:10-23.11, et seq. ("Spill Act"); the Underground Storage of Hazardous Substances Act, N.J.S.A. 58:10A-21, et seq.; the Toxic Catastrophe Prevention Act N.J.S.A. 13:1K-19, et seq.; the Worker and Community Right to Know Act, N.J.S.A. 34:5A-1, et seq.; the Pollution Prevention Act, N.J.S.A. 13:1D-35, et seq.; the Air Pollution Control Act, N.J.S.A. 26:2C-1, et seq.; the Solid Waste Management Act, N.J.S.A. 13:1E-1, et seq.; the Sanitary Landfill Closure and Contingency Fund Act, N.J.S.A. 13:1E-100, et seq.; the Solid Waste Utility Control Act, N.J.S.A. 48:13A-1, et seq.; the Water Pollution Control Act, N.J.S.A. 58:10A-1, et seq.; the Flood Hazard Control Act, N.J.S.A. 58:16A-50, et seq.; the Freshwater Wetlands Protection Act, N.J.S.A. 13:9B-1, et seq.; the Coastal Area Facility Review Act, N.J.S.A. 13:19-1, et seq.; the Wetlands Act of 1970, N.J.S.A. 13:9A-1, et seq.; the Waterfront and Harbor Facilities Act, N.J.S.A. 12:5-1, et seq.; the Noise Control Act, N.J.S.A. 13:1G-1, et seq.; and the Pesticide Control Act, N.J.S.A. 13:1F-1, et seq., and the Hazardous Materials Transportation Act (49 U.S.C. §1801 et seq.), and those relating to Lead Based Paint (as hereinafter defined) and the regulations promulgated pursuant to said laws, all as amended from time to time (collectively, "Environmental Laws") or otherwise exposed to any liability under any Environmental Law relating to or affecting the Property, whether or not used by or within the control of Borrower; (ii) no hazardous, toxic or harmful substances, wastes, materials, pollutants or contaminants (including, without limitation, asbestos or asbestos-containing materials, lead based paint, Toxic Mold (as hereinafter defined) polychlorinated biphenyls, petroleum or petroleum products or byproducts, flammable explosives, radioactive materials, infectious substances or raw materials which include hazardous constituents) or any other substances or materials which are included under or regulated by Environmental Laws (collectively, "Hazardous Substances") are located on, in or under or have been handled, generated, stored, processed or disposed of on or released or discharged from the Property (including underground contamination), except for those substances used by Borrower or any Tenant in the ordinary course of their respective businesses and in compliance with all Environmental Laws and where such Hazardous Substances could not reasonably be expected to give rise to liability under Environmental Laws; (iii) radon is not present at the Property in excess or in violation of any applicable thresholds or standards or in amounts that require disclosure under applicable law to any tenant or occupant of or invitee to the Property or to any governmental agency or the general public; (iv) the Property is not subject to any private or governmental lien or judicial or administrative notice or action arising under Environmental Laws; (v) there is no pending, nor, to Borrower's knowledge, information or belief, threatened litigation arising under Environmental Laws affecting Borrower or the Property; (vi) there are no and have been no existing or closed underground storage tanks or other underground storage

receptacles for Hazardous Substances or landfills or dumps on the Property; (vii) Borrower has received no notice of, and to the best of Borrower's knowledge and belief, there exists no investigation, action, proceeding or claim by any agency, authority or unit of government or by any third party which could result in any liability, penalty, sanction or judgment under any Environmental Laws with respect to any condition, use or operation of the Property, nor does Borrower know of any basis for such an investigation, action, proceeding or claim; and (viii) Borrower has received no notice of and, to the best of Borrower's knowledge and belief, there has been no claim by any party that any use, operation or condition of the Property has caused any nuisance or any other liability or adverse condition on any other property, nor does Borrower know of any basis for such an investigation, action, proceeding or claim. For the purposes hereof, "Toxic Mold" shall mean any mold or fungus at the Property which is of a type (i) that might pose a significant risk to human health or the environment or (ii) that would negatively impact the value of the Property.

(b) Borrower has not received nor to the best of Borrower's knowledge, information and belief has there been issued, any notice, notification, demand, request for information, citation, summons, or order in any way relating to any actual, alleged or potential violation or liability arising under Environmental Laws.

(c) Neither the Property, nor to the best of Borrower's knowledge, information and belief, any property to which Borrower has, in connection with the maintenance or operation of the Property, directly or indirectly transported or arranged for the transportation of any Hazardous Substances is listed or, to the best of Borrower's knowledge, information and belief, proposed for listing on the National Priorities List promulgated pursuant to CERCLA, or CERCLIS (as defined in CERCLA) or on any similar federal or state list of sites requiring environmental investigation or clean-up.

(d) Borrower shall comply with all applicable Environmental Laws. Borrower shall keep the Property or cause the Property to be kept free from Hazardous Substances (except those substances used by Borrower or any Tenant in the ordinary course of their respective businesses and except in compliance with all Environmental Laws and where such Hazardous Substances could not reasonably be expected to give rise to liability under Environmental Laws) and in compliance with all Environmental Laws, Borrower shall not install or use any underground storage tanks, shall expressly prohibit the use, generation, handling, storage, production, processing and disposal of Hazardous Substances by all Tenants in quantities or conditions that would violate or give rise to any obligation to take remedial or other action under any applicable Environmental Laws. Without limiting the generality of the foregoing, during the term of this Mortgage, Borrower shall not install in the Improvements or permit to be installed in the Improvements any asbestos or asbestos-containing materials.

(e) Borrower shall promptly notify Lender if Borrower shall become aware of (i) the actual or potential existence of any Hazardous Substances on the Property other than those occurring in the ordinary course of Borrower's business and which do not violate, or would not otherwise give rise to liability under Environmental Laws, (ii) any direct or indirect violation of, or other exposure to liability under, any Environmental Laws, (iii) any lien, action or notice affecting the Property or Borrower resulting from any violation or alleged violation of or liability or alleged liability under any Environmental Laws, (iv) the institution of any investigation,

inquiry or proceeding concerning Borrower or the Property pursuant to any Environmental Laws or otherwise relating to Hazardous Substances, or (v) the discovery of any occurrence, condition or state of facts which would render any representation or warranty contained in this Mortgage incorrect in any respect if made at the time of such discovery. Immediately upon receipt of same, Borrower, shall deliver to Lender copies of any and all requests for information, complaints, citations, summonses, orders, notices, reports or other communications, documents or instruments in any way relating to any actual, alleged or potential violation or liability of any nature whatsoever arising under Environmental Laws and relating to the Property or to Borrower. Borrower shall remedy or cause to be remedied in a timely manner (and in any event within the time period permitted by applicable Environmental Laws) any violation of Environmental Laws or any condition that could give rise to liability under Environmental Laws.

Without limiting the foregoing, Borrower shall, promptly and regardless of the source of the contamination or threat to the environment or human health, at its own expense, take all actions as shall be necessary or prudent, for the clean-up of any and all portions of the Property or other affected property, including, without limitation, all investigative, monitoring, removal, containment and remedial actions in accordance with all applicable Environmental Laws (and in all events in a manner satisfactory to Lender) and shall further pay or cause to be paid, at no expense to Lender, all clean-up, administrative and enforcement costs of applicable governmental agencies which may be asserted against the Property. In the event Borrower fails to do so, Lender may, but shall not be obligated to, cause the Property or other affected property to be freed from any Hazardous Substances or otherwise brought into conformance with Environmental Laws and any and all costs and expenses incurred by Lender in connection therewith, together with interest thereon at the Default Interest Rate from the date incurred by Lender until actually paid by Borrower, shall be immediately paid by Borrower on demand and shall be secured by this Mortgage and by all of the other Loan Documents securing all or any part of the Debt. Borrower hereby grants to Lender and its agents and employees access to the Property and a license to remove any items deemed by Lender to be Hazardous Substances and to do all things Lender shall deem necessary to bring the Property into conformance with Environmental Laws.

(f) Borrower covenants and agrees, at Borrower's sole cost and expense, to indemnify, defend (at trial and appellate levels, and with attorneys, consultants and experts acceptable to Lender), and hold Lender harmless from and against any and all liens, damages (including without limitation, punitive or exemplary damages), losses, liabilities (including, without limitation, strict liability), obligations, settlement payments, penalties, fines, assessments, citations, directives, claims, litigation, demands, defenses, judgments, suits, proceedings, costs, disbursements or expenses of any kind or of any nature whatsoever (including, without limitation, reasonable attorneys', consultants' and experts' fees and disbursements actually incurred in investigating, defending, settling or prosecuting any claim, litigation or proceeding) which may at any time be imposed upon, incurred by or asserted or awarded against Lender or the Property, and arising directly or indirectly from or out of: (i) any violation or alleged violation of, or liability or alleged liability under, any Environmental Law; (ii) the presence, release or threat of release of or exposure to any Hazardous Substances or radon on, in, under or affecting all or any portion of the Property or any surrounding areas, regardless of whether or not caused by or within the control of Borrower; (iii) any transport, treatment, recycling, storage, disposal or arrangement thereof of Hazardous Substances whether on the Property, originating from the Property, or otherwise associated with Borrower or any

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operations conducted on the Property at any time; (iv) the failure by Borrower to comply fully with the terms and conditions of this Section 2.27; (v) the breach of any representation or warranty contained in this Section 2.27; or (vi) the enforcement of this Section 2.27, including, without limitation, the cost of assessment, investigation, containment, removal and/or remediation of any and all Hazardous Substances from all or any portion of the Property or any surrounding areas, the cost of any actions taken in response to the presence, release or threat of release of any Hazardous Substances on, in, under or affecting any portion of the Property or any surrounding areas to prevent or minimize such release or threat of release so that it does not migrate or otherwise cause or threaten danger to present or future public health, safety, welfare or the environment, and costs incurred to comply with Environmental Laws in connection with all or any portion of the Property or any surrounding areas. The indemnity set forth in this Section 2.27 shall also include any diminution in the value of the security afforded by the Property or any future reduction in the sales price of the Property by reason of any matter set forth in this Section 2.27. The foregoing indemnity shall specifically not include any such costs relating to Hazardous Substances which are initially placed on, in or under the Property after foreclosure or other taking of title to the Property by Lender or its successor or assigns. Lender's rights under this Section shall survive payment in full of the Debt and shall be in addition to all other rights of Lender under this Mortgage, the Note and the other Loan Documents.

(g) Upon Lender's request, at any time after the occurrence of an Event of Default or at such other time as Lender has reasonable grounds to believe that Hazardous Substances are or have been released, stored or disposed of on the Property, or on property contiguous with the Property, or that the Property may be in violation of the Environmental Laws, Borrower shall perform or cause to be performed, at Borrower's sole cost and expense and in scope, form and substance satisfactory to Lender, an inspection or audit of the Property prepared by a hydrogeologist or environmental engineer or other appropriate consultant approved by Lender indicating the presence or absence of Hazardous Substances on the Property, the compliance or non-compliance status of the Property and the operations conducted thereon with applicable Environmental Laws, or an inspection or audit of the Property prepared by an engineering or consulting firm approved by Lender indicating the presence or absence of friable asbestos or substances containing asbestos or lead or substances containing lead or lead based paint ("Lead Based Paint") on the Property. If Borrower fails to provide reports of such inspection or audit within thirty (30) days after such request, Lender may order the same, and Borrower hereby grants to Lender and its employees and agents access to the Property and an irrevocable license to undertake such inspection or audit. The cost of such inspection or audit, together with interest thereon at the Default Interest Rate from the date incurred by Lender until actually paid by Borrower, shall be immediately paid by Borrower on demand and shall be secured by this Mortgage and by all of the other Loan Documents securing all or any part of the Debt.

(h) Reference is made to that certain Environmental Indemnity Agreement of even date herewith by and among Borrower and any other principal signatory named therein in favor of Lender (the "Environmental Indemnity Agreement"). The provisions of this Mortgage and the Environmental Indemnity Agreement shall be read together to maximize the coverage with respect to the subject matter thereof, as determined by Lender.

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(i) If prior to the date hereof, it was determined that the Property contains asbestos-containing materials ("ACM's"), Borrower covenants and agrees to institute, within thirty (30) days after the date hereof, an operations and maintenance program (the "Maintenance Program") designed by an environmental consultant, satisfactory to Lender, with respect to ACM's, consistent with "Guidelines for Controlling Asbestos-Containing Materials in Buildings" (USEPA, 1985) and other relevant guidelines, and such Maintenance Program will hereafter continuously remain in effect until the Debt secured hereby is repaid in full. In furtherance of the foregoing, Borrower shall inspect and maintain all ACM's on a regular basis and ensure that all ACM's shall be maintained in a condition that prevents exposure of residents to ACM's at all times. Without limiting the generality of the preceding sentence, Lender may require (i) periodic notices or reports to Lender in form, substance and at such intervals as Lender may specify, (ii) an amendment to such operations and maintenance program to address changing circumstances, laws or other matters, (iii) at Borrower's sole expense, supplemental examination of the Property by consultants specified by Lender, and (iv) variation of the operations and maintenance program in response to the reports provided by any such consultants.

(j) If, prior to the date hereof, it was determined that the Property contains Lead Based Paint, Borrower had prepared an assessment report describing the location and condition of the Lead Based Paint (a "Lead Based Paint Report"). If, at any time hereafter, Lead Based Paint is suspected of being present on the Property, Borrower agrees, at its sole cost and expense and within twenty (20) days thereafter, to cause to be prepared a Lead Based Paint Report prepared by an expert, and in form, scope and substance, acceptable to Lender. Borrower agrees that if it has been, or if at any time hereafter it is, determined that the Property contains Lead Based Paint, on or before thirty (30) days following (i) the date hereof, if such determination was made prior to the date hereof or (ii) such determination, if such determination is hereafter made, as applicable, Borrower shall, at its sole cost and expenses, develop and implement, and thereafter diligently and continuously carry out (or cause to be developed and implemented and thereafter diligently and continually to be carried out), an operations, abatement and maintenance plan for the Lead Based Paint on the Property, which plan shall be prepared by an expert, and be in form, scope and substance, acceptable to Lender (together with any Lead Based Paint Report, the "O&M Plan"). If an O&M Plan has been prepared prior to the date hereof, Borrower agrees to diligently and continually carry out (or cause to be carried out) the provisions thereof. Compliance with the O&M Plan shall require or be deemed to require, without limitation, the proper preparation and maintenance of all records, papers and forms required under the Environmental Laws.

(a) Borrower shall indemnify, defend and hold Lender harmless against: (i) any and all claims for brokerage, leasing, finders or similar fees which may be made relating to the Property or the Debt, and (ii) any and all liability, obligations, losses, damages, penalties, claims, actions, suits, costs and expenses (including Lender's reasonable attorneys' fees) of whatever kind or nature which may be asserted against, imposed on or incurred by Lender in connection with the Debt, this Mortgage, the Property, or any part thereof, or the exercise by Lender of any rights or remedies granted to it under this Mortgage or arise from the information provided in accordance with the terms hereof; provided, however, that nothing herein shall be construed to obligate Borrower to indemnify, defend and hold harmless Lender from and against

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any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs and expenses enacted against, imposed on or incurred by Lender by reason of Lender's willful misconduct or gross negligence.

(b) If Lender is made a party defendant to any litigation or any claim is threatened or brought against Lender concerning the Debt, this Mortgage, the Property, or any part thereof, or any interest therein, or the construction, maintenance, operation or occupancy or use thereof, then Borrower shall indemnify, defend and hold Lender harmless from and against all liability by reason of said litigation or claims, including reasonable attorneys' fees and expenses incurred by Lender in any such litigation or claim, whether or not any such litigation or claim is prosecuted to judgment. If Lender commences an action against Borrower to enforce any of the terms hereof or to prosecute any breach by Borrower of any of the terms hereof or to recover any sum secured hereby, Borrower shall pay to Lender its reasonable attorneys' fees and expenses. The right to such attorneys' fees and expenses shall be deemed to have accrued on the commencement of such action, and shall be enforceable whether or not such action is prosecuted to judgment. If Borrower breaches any term of this Mortgage, Lender may engage the services of an attorney or attorneys to protect its rights hereunder, and in the event of such engagement following any breach by Borrower, Borrower shall pay Lender reasonable attorneys' fees and expenses incurred by Lender, whether or not an action is actually commenced against Borrower by reason of such breach. All references to "attorneys" in this Subsection and elsewhere in this Mortgage shall include, without limitation, any attorney or law firm engaged by Lender and Lender's in-house counsel, and all references to "fees and expenses" in this Subsection and elsewhere in this Mortgage shall include, without limitation, any fees of such attorney or law firm, any appellate counsel fees, if applicable, and any allocation charges and allocation costs of Lender's in-house counsel.

(c) A waiver of subrogation shall be obtained by Borrower from its insurance carrier and, consequently, Borrower waives any and all right to claim or recover against Lender, its officers, employees, agents and representatives, for loss of or damage to Borrower, the Property, Borrower's property or the property of others under Borrower's control from any cause insured against or required to be insured against by the provisions of this Mortgage.

Section 2.29 Covenants with Respect to Existence, Indebtedness, Operations, Fundamental Changes of Borrower

(a) Borrower, and any general partner or managing member of Borrower, as applicable, have each done since the date of their formation and shall do or cause to be done all things necessary to (i) preserve, renew and keep in full force and effect its existence, rights, and franchises, (ii) continue to engage in the business presently conducted by it, (iii) obtain and maintain all licenses, and (iv) qualify to do business and remain in good standing under the laws of each jurisdiction, in each case as and to the extent required for the ownership, maintenance, management and operation of the Property. Borrower hereby represents, warrants and covenants as of the date hereof and until such time as the Debt is paid in full, that Borrower has been, since the date of its formation, is and shall remain a Single-Purpose Entity (as hereinafter defined). Each general partner or the SPE Member (as hereinafter defined) of Borrower (each, an "SPE Equity Owner"), has since the date of its formation complied and will at all times comply, with each of the representations, warranties and covenants contained in this Section 2.29 as if such

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representation, warranty or covenant was made directly by such SPE Equity Owner. A "Single-Purpose Entity" or "SPE" means a corporation, limited partnership or limited liability company that:

(1) if a corporation, must have at least two Independent Directors (as hereinafter defined), or if requested by Lender (which request Borrower shall comply with within five (5) business days) in connection with a Secondary Market Transaction, two Independent Directors, and must not take any action that, under the terms of any certificate or articles of incorporation, by-laws, or any voting trust agreement with respect to such entity's common stock, requires the unanimous affirmative vote of 100% of the members of the board of directors unless all of the directors, including, without limitation, all Independent Directors, shall have participated in such vote ("SPE Corporation");

(2) if a limited partnership, must have each general partner be an SPE Corporation;

(3) if a limited liability company, must have one managing member (the "SPE Member") and such managing member must be an SPE Corporation. Only the SPE Member may be designated as a manager under Borrower's operating agreement and pursuant to the law where Borrower is organized. Borrower may be a single member Delaware limited liability company without an SPE Corporation managing member so long as Borrower complies with the provisions set forth in Sections 2.29(b) and (c) below;

(4) was and will be organized solely for the purpose of (i) owning an interest in the Property, (ii) acting as a general partner of a limited partnership that owns an interest in the Property, or (iii) acting as the managing member of a limited liability company that owns an interest in the Property;

(5) will not, nor will any partner, limited or general, member or shareholder thereof, as applicable, amend, modify or otherwise change its partnership certificate, partnership agreement, articles of incorporation, by-laws, operating agreement, articles of organization, or other formation agreement or document, as applicable, in any material term or manner, or in a manner which adversely affects Borrower's existence as a Single Purpose Entity;

(6) will not liquidate or dissolve (or suffer any liquidation or dissolution), or enter into any transaction of merger or consolidation, or acquire by purchase or otherwise all or substantially all the business or assets of, or any stock or other evidence of beneficial ownership of any entity;

(7) will not, nor will any partner, limited or general, member or shareholder thereof, as applicable, violate the terms of its partnership certificate, partnership agreement, articles of incorporation, by-laws, operating agreement, articles of organization, or other formation agreement or document, as applicable;

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- (8) has not and will not guarantee, pledge its assets for the benefit of, or otherwise become liable on or in connection with, any obligation of any other person or entity;
- Property;
- (9) does not own and will not own any asset other than (i) the Property, and (ii) incidental personal property necessary for the operation of the Property;
- (10) is not engaged and will not engage, either directly or indirectly, in any business other than the ownership, management and operation of the Property;
- (11) will not enter into any contract or agreement with any general partner, principal, affiliate or member of Borrower, as applicable, or any affiliate of any general partner, principal or member of Borrower, except upon terms and conditions that are intrinsically fair and substantially similar to those that would be available on an arms-length basis with third parties other than an affiliate;
- (12) has not incurred and will not incur any debt, secured or unsecured, direct or contingent (including guaranteeing any obligation), other than (i) the Debt, and (ii) trade payables or accrued expenses incurred in the ordinary course of business of operating the Property customarily satisfied within thirty (30) days not evidenced by a note and in an aggregate amount not to exceed two percent (2.0%) of the existing principal balance of the Note, and no other debt will be secured (senior, subordinate or pari passu) by the Property;
- (13) has not made and will not make any loans or advances to any third party (including any affiliate);
- (14) is and will be solvent and pay its debts from its assets as the same shall become due;
- (15) has done or caused to be done and will do all things necessary to preserve its existence, and will observe all formalities applicable to it;
- (16) will conduct and operate its business in its own name and as presently conducted and operated;
- (17) will maintain financial statements, books and records and bank accounts separate from those of its affiliates, including, without limitation, its general partners or members, as applicable;
- (18) will be, and at all times will hold itself out to the public as, a legal entity separate and distinct from any other entity (including, without limitation, any affiliate, general partner, or member, as applicable, or any affiliate of any general partner or member of Borrower, as applicable) and will correct any known misunderstanding concerning its separate identity;
- (19) will file its own tax returns;

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- (20) will maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations;
- (21) will establish and maintain an office through which its business will be conducted separate and apart from those of its affiliates or shall allocate fairly and reasonably any overhead and expense for shared office space;
- (22) will not commingle the funds and other assets of Borrower with those of any general partner, member, affiliate, principal or any other person;
- (23) has and will maintain its assets in such a manner that it is not costly or difficult to segregate, ascertain or identify its individual assets from those of any affiliate or any other person;
- (24) does not and will not hold itself out to be responsible for the debts or obligations of any other person;
- (25) will pay the salaries of its own employees (if any) from its own funds and maintain a sufficient number of employees (if any) in light of its contemplated business operations;
- (26) will pay any liabilities out of its own funds, including salaries of its employees, not funds of any affiliate; and
- (27) will use stationery, invoices, and checks separate from its affiliates.

(b) In the event Borrower is a single-member Delaware limited liability company, the limited liability company agreement of Borrower (the "LLC Agreement") shall provide that (i) upon the occurrence of any event that causes the sole member of Borrower ("Member") to cease to be the member of Borrower (other than (A) upon an assignment by Member of all of its limited liability company interest in Borrower and the admission of the transferee, or (B) the resignation of Member and the admission of an additional member in either case in accordance with the terms of the Loan Documents and the LLC Agreement), any person acting as Independent Director of Borrower shall without any action of any other Person and simultaneously with the Member ceasing to be the member of Borrower, automatically be admitted to Borrower ("Special Member") and shall continue Borrower without dissolution and (ii) Special Member may not resign from Borrower or transfer its rights as Special Member unless (A) a successor Special Member has been admitted to Borrower as Special Member in accordance with requirements of Delaware law and (B) such successor Special Member has also accepted its appointment as an Independent Director. The LLC Agreement shall further provide that (i) Special Member shall automatically cease to be a member of Borrower upon the admission to Borrower of a substitute Member, (ii) Special Member shall be a member of Borrower that has no interest in the profits, losses and capital of Borrower and has no right to receive any distributions of Borrower assets, (iii) pursuant to Section 18-301 of the Delaware Limited Liability Company Act (the "Act"), Special Member shall not be required to make any capital contributions to Borrower and shall not receive a limited liability company interest in Borrower, (iv) Special Member, in its capacity as Special Member, may not bind Borrower, and

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(v) except as required by any mandatory provision of the Act, Special Member, in its capacity as Special Member, shall have no right to vote on, approve or otherwise consent to any action by, or matter relating to, Borrower, including, without limitation, the merger, consolidation or conversion of Borrower; provided, however, such prohibition shall not limit the obligations of Special Member, in its capacity as Independent Director, to vote on such matters required by the Loan Documents or the LLC Agreement. In order

to implement the admission to Borrower of Special Member, Special Member shall execute a counterpart to the LLC Agreement. Prior to its admission to Borrower as Special Member, Special Member shall not be a member of Borrower.

(c) Upon the occurrence of any event that causes the Member to cease to be a member of Borrower, to the fullest extent permitted by law, the personal representative of Member shall, within ninety (90) days after the occurrence of the event that terminated the continued membership of Member in Borrower, agree in writing (i) to continue Borrower and (ii) to the admission of the personal representative or its nominee or designee, as the case may be, as a substitute member of Borrower, effective as of the occurrence of the event that terminated the continued membership of Member of Borrower in Borrower. Any action initiated by or brought against Member or Special Member under any creditors rights laws shall not cause Member or Special Member to cease to be a member of Borrower and upon the occurrence of such an event, the business of Borrower shall continue without dissolution. The LLC Agreement shall provide that each of Member and Special Member waives any right it might have to agree in writing to dissolve Borrower upon the occurrence of any action initiated by or brought against Member or Special Member under any creditors rights laws, or the occurrence of an event that causes Member or Special Member to cease to be a member of Borrower.

As used in this Section 2.29, "Independent Director" shall mean a duly appointed member of the board of directors of any SPE Corporation or board of managers or of a single member Delaware limited liability company which is an SPE who is provided by a nationally-recognized company that provides professional independent directors who shall not have been at the time of initial appointment or at any time while serving as an Independent Director, and may not have been at any time (i) a stockholder, director, officer, employee, partner, attorney or counsel of such SPE Corporation, single member Delaware limited liability company which is an SPE, Borrower or any affiliate of any of them, (ii) a customer, supplier or other Person who derives any of its purchases or revenues from its activities with such SPE Corporation, single member Delaware limited liability company which is an SPE, Borrower or any affiliate of any of them, (iii) a Person or other entity controlling or under common control with any such stockholder, partner, customer, supplier or other Person, or (iv) a member of the immediate family of any such stockholder, director, officer, employee, partner, customer, supplier or other Person. As used in this definition, the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management, policies or activities of a Person, whether through ownership of voting securities, by contract or otherwise. As used herein, the term "affiliate" shall mean: (1) any person or entity directly or indirectly owning, controlling or holding with power to vote ten percent (10%) or more of the outstanding voting securities or interests of such other person or entity; (2) any person or entity ten percent (10%) or more of whose outstanding voting securities are directly or indirectly owned, controlled or held with power to vote by such other person or entity; (3) any person or entity directly or indirectly controlling, controlled by or under common control with such other person or entity; (4) any officer, director or partner of such other person or entity; (5) if such other person or entity is an

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officer, director or partner, any company for which such person or entity acts in any such capacity; and (6) any close relative or spouse of the specified person.

Section 2.30 Embargoed Person. At all times throughout the term of the Loan, including after giving effect to any Sale hereunder, (a) none of the funds or assets of Indemnitee that are used to repay the Loan or of Borrower shall constitute property of, or shall be beneficially owned directly or, to Borrower's best knowledge, indirectly, by any person subject to sanctions or trade restrictions under United States law ("Embargoed Person" or "Embargoed Persons") that are identified on (1) the "List of Specially Designated Nationals and Blocked Persons" maintained by the Office of Foreign Assets Control (OFAC), U.S. Department of the Treasury, and/or to Borrower's best knowledge, as of the date thereof, based upon reasonable inquiry by Borrower, on any other similar list maintained by OFAC pursuant to any authorizing statute including, but not limited to, the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701 et seq., The Trading with the Enemy Act, 50 U.S.C. App. 1 et seq., and any Executive Order or regulation promulgated thereunder, with the result that the investment in Borrower or any Indemnitee, as applicable (whether directly or indirectly), is prohibited by law, or the Loan made by Lender would be in violation of law, or (2) Executive Order 13224 (September 23, 2001) issued by the President of the United States ("Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism"), any related enabling legislation or any other similar Executive Orders, and (b) no Embargoed Person shall have any direct interest, and to Borrower's best knowledge, as of the date hereof, based upon reasonable inquiry by Borrower, indirect interest, of any nature whatsoever in Borrower or any Indemnitee, as applicable, with the result that the investment in Borrower or any Indemnitee, as applicable (whether directly or indirectly), is prohibited by law or the Loan is in violation of law. Notwithstanding the foregoing, Borrower makes no representation, warranty or covenant as to the individual shareholders of Mack-Cali Realty Corporation, a Maryland corporation, a publicly traded company that would otherwise be covered by the foregoing representations, warranties and covenants.

Section 2.31 Anti-Money Laundering. At all times throughout the term of the Loan, including after giving effect to any Transfers permitted pursuant to the Loan Documents, none of the funds of Borrower or any Indemnitee, as applicable, that are used to repay the Loan shall be derived from any unlawful activity, with the result that the investment in Borrower or any Indemnitee, as applicable (whether directly or indirectly), is prohibited by law or the Loan is in violation of law.

Section 2.32 ERISA.

(a) Borrower shall not engage in any transaction which would cause any obligation, or action taken or to be taken, hereunder (or the exercise by Lender of any of its rights under the Note, this Mortgage or any of the other Loan Documents) to be a non-exempt (under a statutory or administrative class exemption) prohibited transaction under ERISA.

(b) Borrower further covenants and agrees to deliver to Lender such certifications or other evidence from time to time throughout the term of this Mortgage, as requested by Lender in its sole discretion, that (i) Borrower is not an "employee benefit plan" as defined in Section 3(3) of ERISA, which is subject to Title I of ERISA, or a "governmental plan"

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within the meaning of Section 3(32) of ERISA; (ii) Borrower is not subject to Federal or state statutes regulating investments and fiduciary obligations with respect to governmental plans; and (iii) one or more of the following circumstances is true:

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

(2) Less than 25 percent of each outstanding class of equity interests in Borrower are held by "benefit plan investors" within the meaning of 29 C.F.R. Section 2510.3-101(f)(2); or

(3) Borrower qualifies as an "operating company" within the meaning of 29 C.F.R. Section 2510.3-101 or an investment company registered under the Investment Company Act of 1940.

(c) Borrower shall indemnify Lender and defend and hold Lender harmless from and against all civil penalties, excise taxes, or other loss, cost damage and expense (including, without limitation, reasonable attorneys' fees and disbursements and costs incurred in the investigation, defense and settlement of claims and losses incurred in correcting any prohibited transaction or in the sale of a prohibited loan, and in obtaining any individual prohibited transaction exemption under ERISA that may be required, in Lender's sole discretion) that Lender may incur, directly or indirectly, as a result of a default under this Section. This indemnity shall survive any

termination, satisfaction or foreclosure of this Mortgage.

Section 2.33 Opinion Assumptions. Borrower shall at all times conduct its business so that the assumptions made with respect to Borrower in the Non-Consolidation Opinion shall be true and correct in all respects.

Section 2.34 Certificates of Occupancy. Borrower acknowledges that it is not in possession of certain certificates of occupancy for the Building and/or Improvements located on the Property ("Certificates of Occupancy"). Borrower undertakes, covenants and agrees, to use commercially reasonable efforts to obtain or caused to be obtained any one of the following: (i) copies of all missing Certificates of Occupancy, or if same were never issued, to take any and all required actions in connection therewith in order to obtain the Certificates of Occupancy as may be required by the appropriate municipality or governmental authority, (ii) proof reasonably acceptable to Lender that a Certificate of Occupancy is not required by the applicable municipality for the Property, for which a legal opinion in form and substance reasonably acceptable to Lender shall be deemed to be satisfactory proof thereof, (iii) proof reasonably acceptable to Lender that failure to have a Certificate of Occupancy is not a violation of law and that the buildings missing a Certificate of Occupancy can remain legally occupied, for which a legal opinion in form and substance reasonably acceptable to Lender shall be deemed to be satisfactory proof thereof, (iv) a letter from the municipality stating either (A) that the Property predates any requirement for Certificate of Occupancy or (B) that although it no longer maintains copies of Certificates of Occupancy the Property can remain legally occupied, in either case, with proof reasonably acceptable to Lender that no material zoning code or building code violations exist with respect to the Property, or (v) a letter from the applicable municipality stating that such municipality does not have the Certificates of Occupancy because they have

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been lost, misplaced or purged and that the Property can remain legally occupied ((i)-(v) above, collectively, a "Certificate of Occupancy Satisfaction Event"). Borrower's failure to use commercially reasonable efforts to obtain any of the aforementioned items shall constitute an "Event of Default" under this Security Instrument. Borrower shall keep Lender apprised periodically, which shall be on a basis reasonably acceptable to Lender, on the progress of Borrower's efforts to satisfy the foregoing obligation. Borrower's obligations under this Section 2.34 with respect to each missing Certificate of Occupancy shall be deemed satisfied by the occurrence of a Certificate of Occupancy Satisfaction Event with respect to such missing Certificate of Occupancy.

Section 2.35 Violations. Borrower undertakes, covenants and agrees, to use commercially reasonable efforts to correct and satisfy any and all violations against the Property (including, without limitation, zoning, floor area, building code and fire and safety) (the "Property Violations"). Borrower's failure to use commercially reasonable efforts to correct and satisfy any and all Property Violations shall constitute an "Event of Default" under this Security Instrument. Borrower shall keep Lender apprised periodically, which shall be on a basis reasonably acceptable to Lender, on the progress of the satisfaction and release of the Property Violations.

ARTICLE III

RESERVES AND CASH MANAGEMENT

Section 3.1 Reserves Generally.

(a) As additional security for the payment and performance by Borrower of all duties, responsibilities and obligations under the Note and the other Loan Documents, Borrower hereby unconditionally and irrevocably assigns, conveys, pledges, mortgages, transfers, delivers, deposits, sets over and confirms unto Lender, and hereby grants to Lender a security interest in, (i) the Impound Account, the Immediate Repairs Reserve, the Replacement Reserve, the Vacancy Reserve, the Outstanding TILC Reserve, the Free Rent Reserve, the Rollover Reserve, as applicable (each as hereinafter defined) and any other reserve or escrow account established pursuant to the terms hereof or of any other Loan Document (collectively, the "Reserves"), (ii) the accounts into which the Reserves have been deposited, (iii) all insurance on said accounts, (iv) all accounts, contract rights and general intangibles or other rights and interests pertaining thereto, (v) all sums now or hereafter therein or represented thereby, (vi) all replacements, substitutions or proceeds thereof, (vii) all instruments and documents now or hereafter evidencing the Reserves or such accounts, (viii) all powers, options, rights, privileges and immunities pertaining to the Reserves (including the right to make withdrawals therefrom), and (ix) all proceeds of the foregoing. Borrower hereby authorizes and consents to the account into which the Reserves have been deposited being held in Lender's name or the name of any entity servicing the Note for Lender and hereby acknowledges and agrees that Lender, or at Lender's election, such servicing agent, shall have exclusive control over said account. Notice of the assignment and security interest granted to Lender herein may be delivered by Lender at any time to the financial institution wherein the Reserves have been established, and Lender, or such servicing entity, shall have possession of all passbooks or other evidences of such accounts. Borrower hereby assumes all risk of loss with respect to amounts on deposit in the Reserves.

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Funds on deposit in the Replacement Reserve, the Vacancy Reserve, the Outstanding TILC Reserve, the Free Rent Reserve, and the Rollover Reserve shall bear interest at a rate equal to the then prevailing commercial money market rate. All amounts deemed earned on funds contributed to the Replacement Reserve, the Vacancy Reserve, the Outstanding TILC Reserve, the Free Rent Reserve and the Rollover Reserve at the rate referenced in the immediately preceding sentence shall be retained by Lender and accumulated for the benefit of Borrower and added to the balance in the Replacement Reserve, the Outstanding TILC Reserve, the Free Rent Reserve, the Vacancy Reserve and the Rollover Reserve and shall be disbursed for payment of the items for which other funds in the Replacement Reserve, the Outstanding TILC Reserve, the Free Rent Reserve, the Vacancy Reserve and the Rollover Reserve are to be disbursed. Borrower shall not be entitled to earn any interest with respect to funds on deposit in the Impound Account and the Immediate Repairs Reserve. Borrower hereby knowingly, voluntarily and intentionally stipulates, acknowledges and agrees that the advancement of the funds from the Reserves as set forth herein is at Borrower's direction and is not the exercise by Lender of any right of set-off or other remedy upon a Default or an Event of Default. Borrower hereby waives all right to withdraw funds from the Reserves except as provided for in this Mortgage. If an Event of Default shall occur hereunder or under any other of the Loan Documents Lender may, without notice or demand on Borrower, at its option: (A) withdraw any or all of the funds (including, without limitation, interest) then remaining in the Reserves and apply the same, after deducting all costs and expenses of safekeeping, collection and delivery (including, but not limited to, reasonable attorneys' fees, costs and expenses) to the Debt or any other obligations of Borrower under the other Loan Documents in such manner as Lender shall deem appropriate in its sole discretion, and the excess, if any, shall be paid to Borrower, (B) exercise any and all rights and remedies of a secured party under any applicable Uniform Commercial Code, or (C) exercise any other remedies available at law or in equity. No such use or application of the funds contained in the Reserves shall be deemed to cure any Default or Event of Default.

(b) The Reserves shall not, unless otherwise explicitly required by applicable law, be or be deemed to be escrow or trust funds, but, at Lender's option and in Lender's discretion, may either be held in a separate account or be commingled by Lender with the general funds of Lender. The Reserves are solely for the protection of Lender and entail no responsibility on Lender's part beyond the payment of the respective items for which they are held following receipt of bills, invoices or statements therefor in accordance with the terms hereof and beyond the allowing of due credit for the sums actually received. Upon assignment of this Mortgage by Lender, any funds in the Reserves shall be turned over to the assignee and any responsibility of Lender, as assignor, with respect thereto shall terminate. If the funds in the applicable Reserve shall exceed the amount of payments actually applied by Lender for the purposes and items for which the applicable Reserve is held, such excess may be credited by Lender on subsequent payments to be made hereunder or, at the option of Lender, refunded to Borrower. If, however, the applicable Reserve shall not contain sufficient funds to pay the sums required by the dates on which such sums are required to be on deposit in such account, Borrower shall, within ten (10) days after receipt of written notice

thereof, deposit with Lender the full amount of any such deficiency. If Borrower shall fail to deposit with Lender the full amount of such deficiency as provided above, Lender shall have the option, but not the obligation, to make such deposit, and all amounts so deposited by Lender, together with interest thereon at the Default Interest Rate from the date so deposited by Lender until actually paid by Borrower, shall be immediately paid by Borrower on demand and shall be secured by this

Mortgage and by all of the other Loan Documents securing all or any part of the Debt. If there is an Event of Default under this Mortgage, Lender may, but shall not be obligated to, apply at any time the balance then remaining in any or all of the Reserves against the Debt in whatever order Lender shall subjectively determine. No such application of any or all of the Reserves shall be deemed to cure any Event of Default. Upon full payment of the Debt in accordance with its terms or at such earlier time as Lender may elect, the balance of any or all of the Reserves then in Lender's possession shall be paid over to Borrower and no other party shall have any right or claim thereto.

Section 3.2 Intentionally Omitted

Section 3.3 Impound Account. Borrower shall establish and maintain at all times while this Mortgage continues in effect an impound account (the "Impound Account") with Lender for payment of real estate taxes and assessments and insurance on the Property and as additional security for the Debt. Simultaneously with the execution hereof, Borrower shall deposit in the Impound Account an amount determined by Lender to be necessary to ensure that there will be on deposit with Lender an amount which, when added to the monthly payments subsequently required to be deposited with Lender hereunder on account of real estate taxes, assessments and insurance premiums, will result in there being on deposit with Lender in the Impound Account an amount sufficient to pay the next due installment of real estate taxes and assessments on the Property at least one (1) month prior to the earlier of (a) the due date thereof or (b) any such date by which Borrower or Lender is required by law to pay same and the next due annual insurance premiums with respect to the Property at least one (1) month prior to the due date thereof. Commencing on the first monthly payment date under the Note and continuing thereafter on each monthly payment date under the Note, Borrower shall pay to Lender, concurrently with and in addition to the monthly payment due under the Note and until the Debt is fully paid and performed, deposits in an amount equal to one-twelfth (1/12) of the amount of the annual real estate taxes and assessments that will next become due and payable on the Property, plus one-twelfth (1/12) of the amount of the annual premiums that will next become due and payable on insurance policies which Borrower is required to maintain hereunder, each as estimated and determined by Lender. So long as no Default or Event of Default has occurred, and no event has occurred or failed to occur which with the passage of time, the giving of notice, or both would constitute an Event of Default (a "Default"), all sums in the Impound Account shall be held by Lender in the Impound Account to pay said taxes, assessments and insurance premiums before the same become delinquent. Borrower shall be responsible for ensuring the receipt by Lender, at least thirty (30) days prior to the respective due date for payment thereof, of all bills, invoices and statements for all taxes, assessments and insurance premiums to be paid from the Impound Account, and so long as no Event of Default has occurred, Lender shall pay the governmental authority or other party entitled thereto directly to the extent funds are available for such purpose in the Impound Account. In making any payment from the Impound Account, Lender shall be entitled to rely on any bill, statement or estimate procured from the appropriate public office or insurance company or agent without any inquiry into the accuracy of such bill, statement or estimate and without any inquiry into the accuracy, validity, enforceability or contestability of any tax, assessment, valuation, sale, forfeiture, tax lien or title or claim thereof.

Notwithstanding the foregoing, so long as an Event of Default has not occurred, Borrower shall not be required to deposit into the Impound Account payments with respect to insurance premiums in connection with the Property so long as Borrower promptly provides Lender with proof of payment of all insurance premiums and other charges in connection with the insurance premiums required in connection with the Property and evidence that such required insurance is in place and is renewed at least thirty (30) days prior to the expiration of any insurance coverage. In the event that (i) an Event of Default occurs, and/or (ii) Borrower fails to provide Lender with the foregoing proof of payment of insurance premiums and/or evidence that the insurance required is in place at least thirty (30) days prior to the due date thereof, Borrower shall be required to deposit payments into the Impound Account with respect to insurance premiums in connection with the Property as set forth in this Section 3.3.

Section 3.4 Immediate Repairs Reserve. Prior to the execution of this Mortgage, Lender has caused the Property to be inspected and such inspection has revealed that the Property is in need of certain maintenance, repairs and/or remedial or corrective work. Contemporaneously with the execution hereof, Borrower has established with Lender a reserve in the amount of \$10,000.00 (the "Immediate Repair Reserve") by depositing such amount with Lender. Borrower shall cause each of the items described in that certain Property Condition Report (the "Deferred Maintenance") to be completed, performed, remediated and corrected to the satisfaction of Lender and as necessary to bring the Property into compliance with all applicable laws, ordinances, rules and regulations on or before the expiration of six (6) months after the effective date hereof, as such time period may be extended by Lender in its sole discretion. So long as no Event of Default has occurred, all sums in the Immediate Repair Reserve shall be held by Lender in the Immediate Repair Reserve to pay the costs and expenses of completing the Deferred Maintenance. So long as no Default or Event of Default has occurred, Lender shall, to the extent funds are available for such purpose in the Immediate Repair Reserve, disburse to Borrower the amount paid or incurred by Borrower in completing, performing, remediating or correcting the Deferred Maintenance upon (a) the receipt by Lender of a written request from Borrower for disbursement from the Immediate Repair Reserve and a certification by Borrower in a form as may be required by Lender that the applicable item of Deferred Maintenance has been completed in accordance with the terms of this Mortgage, (b) delivery to Lender of invoices, receipts or other evidence satisfactory to Lender verifying the costs of the Deferred Maintenance to be reimbursed, (c) delivery to Lender of a certification from an inspecting architect, engineer or other consultant reasonably acceptable to Lender describing the completed work, verifying the completion of the work and the value of the completed work and, if applicable, certifying that the Property is, as a result of such work, in compliance with all applicable laws, ordinances, rules and regulations relating to the Deferred Maintenance so performed, and (d) delivery to Lender of affidavits, lien waivers or other evidence reasonably satisfactory to Lender showing that all materialmen, laborers, subcontractors and any other parties who might or could claim statutory or common law liens and are furnishing or have furnished materials or labor to the Property have been paid all amounts due for such labor and materials furnished to the Property. Lender shall not be required to make advances from the Immediate Repair Reserve more frequently than once in any thirty (30) day period. In making any payment from the Immediate Repair Reserve, Lender shall be entitled to rely on such request from Borrower without any inquiry into the accuracy, validity or contestability of any such amount. Borrower hereby grants to Lender a power-of-attorney, coupled with an interest, to cause the Deferred Maintenance to be completed, performed,

remediated and corrected to the satisfaction of Lender upon Borrower's failure to do so in accordance with the terms and conditions of this Section 3.4, and to apply the amounts on deposit in the Immediate Repair Reserve to the costs associated therewith, all as Lender may determine in its sole and absolute discretion but without obligation to do so.

Section 3.5 Replacement Reserve. As additional security for the Debt, Borrower shall establish and maintain at all times while this Mortgage continues in effect a repair reserve (the "Replacement Reserve") with Lender for payment of costs and expenses incurred by Borrower in connection with the performance of work to the roofs, chimneys, gutters, downspouts, paving, curbs, ramps, driveways, balconies, porches, patios, exterior walls, exterior doors and doorways, windows, elevators and mechanical and HVAC equipment (collectively, the "Repairs"). Commencing on the first monthly Payment Date under the Note and continuing thereafter on each monthly Payment Date under the Note, Borrower shall pay to Lender, concurrently with and in addition to the monthly payment due under the Note and until the Debt is fully paid and

performed, a deposit to the Replacement Reserve in an amount equal to \$1,479.24 per month. So long as no Event of Default has occurred, all sums in the Replacement Reserve shall be held by Lender in the Replacement Reserve to pay the costs and expenses of Repairs. So long as no Default or Event of Default has occurred, Lender shall, to the extent funds are available for such purpose in the Replacement Reserve, disburse to Borrower the amount paid or incurred by Borrower in performing such Repairs within ten (10) days following: (a) the receipt by Lender of a written request from Borrower for disbursement from the Replacement Reserve and a certification by Borrower in a form approved in writing by Lender that the applicable item of Repair has been completed; (b) the delivery to Lender of invoices, receipts or other evidence satisfactory to Lender, verifying the cost of performing the Repairs; (c) for disbursement requests in excess of \$25,000.00, the delivery to Lender of affidavits, lien waivers or other evidence reasonably satisfactory to Lender showing that all materialmen, laborers, subcontractors and any other parties who might or could claim statutory or common law liens and are furnishing or have furnished material or labor to the Property have been paid all amounts due for labor and materials furnished to the Property; (d) for disbursement requests in excess of \$25,000.00, delivery to Lender of a certification from an inspecting architect or other third party acceptable to Lender describing the completed Repairs and verifying the completion of the Repairs and the value of the completed Repairs; and (e) for disbursement requests in excess of \$25,000.00, delivery to Lender of a new certificate of occupancy for the portion of the Improvements covered by such Repairs, if said new certificate of occupancy is required by law, or a certification by Borrower that no new certificate of occupancy is required. Lender shall not be required to make advances from the Replacement Reserve more frequently than once in any thirty (30) day period. In making any payment from the Replacement Reserve, Lender shall be entitled to rely on such request from Borrower without any inquiry into the accuracy, validity or contestability of any such amount. Lender may, at Borrower's expense, make or cause to be made during the term of this Mortgage an annual inspection of the Property to determine the need, as determined by Lender in its reasonable judgment, for further Repairs of the Property. In the event that such inspection reveals that further Repairs of the Property are required, Lender shall provide Borrower with a written description of the required Repairs and Borrower shall complete such Repairs to the reasonable satisfaction of Lender within ninety (90) days after the receipt of such description from Lender, or such later date as may be approved by Lender in its sole discretion.

Section 3.6 Rollover Reserve. (a) Borrower shall pay to Lender \$12,326.92 on each Payment Date (the "Rollover Reserve"). Borrower shall also pay to Lender for transfer into the Rollover Reserve all payments received from tenants in connection with the early termination or cancellation of any Leases, including fees, penalties and commissions. If Lender determines in its reasonable judgment that the funds in the Rollover Reserve will be insufficient to pay (or in excess of) the amounts due or to become due for Approved Leasing Expenses (as hereinafter defined), Lender may increase (or decrease) the monthly contribution required to be made by Borrower to the Rollover Reserve. Provided that no Event of Default has occurred and is continuing, Lender shall disburse funds held in the Rollover Reserve to Borrower, within fifteen (15) days after the delivery by Borrower to Lender of a request therefor (but not more often than once per month), in increments of at least \$5,000, provided (i) such disbursement is for an Approved Leasing Expense; (ii) Lender shall have (if it desires) verified (by an inspection conducted at Borrower's expense) performance of any construction work associated with such Approved Leasing Expense; and (iii) the request for disbursement is accompanied by (A) an officer's certificate from an authorized officer of the Borrower certifying (v) that such funds will be used only to pay (or reimburse Borrower for) Approved Leasing Expenses and a description thereof, (w) that all outstanding trade payables (other than those to be paid from the requested disbursement) have been paid in full, (x) that the same has not been the subject of a previous disbursement, (y) that all previous disbursements have been used only to pay (or reimburse Borrower for) the previously identified Approved Leasing Expenses and (z) that any construction work associated with such Approved Leasing Expenses has been completed in a good and workmanlike manner and in accordance with all applicable legal requirements, (B) reasonably detailed supporting documentation as to the amount, necessity and purpose thereof, (C) copies of appropriate lien waivers or other evidence of payment satisfactory to Lender in connection with any construction work associated with such Approved Leasing Expenses and (D) at Lender's option, a title search for the Property indicating that it is free from all liens not previously approved by Lender. Any such disbursement of more than \$10,000 to pay (rather than reimburse) Approved Leasing Expenses may, at Lender's option, be made by joint check payable to Borrower and the payee of such Approved Leasing Expenses. For the purposes hereof an "Approved Leasing Expense" shall mean the actual out-of-pocket expenses incurred by Borrower and payable to third parties that are not affiliates of Borrower or any Indemnitee in leasing space at the Premises pursuant to Leases entered into in accordance with the Loan Documents, including brokerage commissions and tenant improvements, which expenses (i) are (A) specifically approved by Lender in connection with approving the applicable Lease, (B) incurred in the ordinary course of business and on market terms and conditions in connection with Leases which do not require Lender's approval under the Loan Documents, or (C) otherwise approved by Lender, which approval shall not be unreasonably withheld or delayed, and (ii) are substantiated by executed Lease documents and brokerage agreements.

(b) In connection with the sums deposited into the Rollover Reserve pursuant to this Section 3.6, at the end of each calendar year, Borrower shall have the option upon thirty (30) days prior written notice to Lender, to deliver or cause to be delivered to Lender and deposited into the Rollover Reserve a clean, unconditional, irrevocable and freely transferable, sight-draft, issued by a bank having a rating of "AA" or better by Standard & Poor's (or equivalent rating agency) and being acceptable to Lender (in its sole and absolute discretion), having an initial expiry date of not earlier than one year after the delivery of such letter of credit, containing an "evergreen" provision for renewals of successive twelve (12) month terms, and otherwise in form

and substance acceptable to Lender ("**Letter of Credit**") equal to the amount of cash then on deposit in the Rollover Reserve. Upon the delivery of the Letter of Credit to Lender, Lender shall, within fifteen (15) days receipt of such Letter of Credit, deliver to Borrower the cash funds then-held in the Rollover Reserve equal to the amount of the Letter of Credit, which disbursement shall in no event be of more funds than Lender then-holds in the Rollover Reserve in cash sums. At any time after delivery of the Letter of Credit, (i) after the occurrence of an Event of Default, Lender shall have the right to draw upon the Letter of Credit, at Lender's option, and, from the proceeds thereof (which shall be deposited in the Rollover Reserve), advance to itself any amounts held therein pursuant to Lender's rights and remedies under the Loan Documents, and (ii) so long as no Event of Default has occurred and is continuing and if Borrower requests a disbursement from the Rollover Reserve in accordance with Section 3.6(a) at a time when there is a Letter of Credit outstanding in the amount of such disbursement request but for which there are insufficient cash funds then-held in the Rollover Reserve, at Borrower's request, Borrower shall have the right to request that Lender draw upon the Letter of Credit, and, from the proceeds thereof (which shall be deposited in the Rollover Reserve), advance to Borrower the amount of the requested disbursement (subject to fulfillment of the conditions related to such disbursement set forth in this Section 3.6) for which there is insufficient cash funds then-held in the Rollover Reserve but sufficient funds held in the Letter of Credit. Notwithstanding anything contained herein to the contrary, the delivery of the Letter of Credit to Lender shall in no way waive Borrower's obligation to continue to make the monthly deposits into the Rollover Reserve in accordance with this Section 3.6, and in no event shall the delivery of a Letter of Credit to Lender be deemed a waiver or termination of such obligation. In connection with the Letter of Credit, Borrower shall enter into a letter of credit agreement with Lender pledging the Letter of Credit to Lender and governing the terms and conditions of such Letter of Credit and otherwise in form and substance satisfactory to Lender, in Lender's sole discretion (the "LC Agreement"). Borrower shall pay any and all fees and costs incurred by Lender in connection with the any of the LC Agreement and/or the Letter of Credit, including, without limitation, the review of the LC Agreement and/or the Letter of Credit and the preparation, execution and delivery of the LC Agreement and/or the Letter of Credit (including, without limitation, attorneys' fees).

Section 3.7 Outstanding TILC Reserve. On the date hereof Borrower has established with Lender a reserve (the "Outstanding TILC Reserve") in the amount of \$157,621.93 in connection with certain leasing commissions and tenant improvement obligations of Borrower that are outstanding as of the date hereof but not yet paid to those certain tenants (each a "Outstanding TILC Tenant", and collectively, the "Outstanding TILC Tenants") as more particularly set forth on Exhibit B annexed hereto. Provided that no Event of Default has occurred and is continuing, Borrower may submit to Lender a written request for disbursement from the Outstanding TILC Reserve in an amount not to exceed the initial deposit made by Borrower into the Outstanding TILC Reserve on the date hereof, relating to space leased by an Outstanding TILC Tenant together with (x) copies of all documentation required to be delivered by the Outstanding TILC Tenant to Borrower under the applicable Leases as a prerequisite to the Outstanding TILC Tenant receiving its tenant allowance, (y) an estoppel by the applicable Outstanding TILC Tenant stating that the tenant allowance due to such Outstanding TILC Tenant is due and payable, that the Outstanding TILC Tenant is in possession of its demised premises, is open for business and is paying base rent under its Lease, and

that there are no material defaults under the Lease to the Outstanding TILC Tenant and (z) a copy of the check sent by Borrower to the Outstanding TILC Tenant evidencing the payment of the tenant allowance; provided,

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however, that Borrower shall not be reimbursed for more than a total of \$157,621.93. In no event shall Borrower be reimbursed for more than the amount allocated for the applicable Outstanding TILC Tenant as set forth on Exhibit B. All funds deposited into the Outstanding TILC Reserve shall be held by Lender pursuant to the provisions of this Security Instrument and, provided that no Event of Default shall have occurred and be continuing, all such funds shall be applied in payment of leasing commissions and tenant improvement obligations with respect to the Outstanding TILC Tenants. Should an Event of Default occur and be continuing, the sums on deposit in the Outstanding TILC Reserve may be applied by Lender in payment of any leasing commissions or tenant improvements with respect to any Outstanding TILC Tenants or may be applied to the payment of the Debt or any other charges affecting all or any portion of the Property, as Lender, in its sole discretion, may determine; provided, however, that no such application shall be deemed to have been made by operation of law or otherwise until actually made by Lender as herein provided. To the extent there are any excess funds remaining in the Outstanding TILC Reserve after Borrower has paid all of its obligations to all Outstanding TILC Tenants, upon Lender's receipt of a written request, which request shall be delivered with a statement from the Borrower that no further leasing commissions, tenant improvement obligations and/or tenant allowance obligations exist under this Section 3.7, Lender shall within twenty (20) days thereafter, disburse any of the balance of the Outstanding TILC Reserve to Borrower.

Section 3.8 Free Rent Reserve. On the date hereof Borrower has established with Lender a reserve (the "Free Rent Reserve") in the amount of \$112,866.08 in connection with the free rent and/or rent concessions due to Walder, Hayden & Brogan, P.A., a New Jersey professional corporation ("Walder") under that certain Agreement of Lease between Borrower (as successor in interest to 5 Becker Associates, a New Jersey limited partnership) and Walder, dated as of December 3, 1982, as same has been and may be further amended from time to time. So long as Borrower has made all of Borrower's required monthly debt service payments (including reserves and escrows) to Lender in connection with the Loan Documents and provided that no Event of Default has occurred and is continuing, Borrower may submit to Lender a written request for disbursement from the Free Rent Reserve once each month in the amount set forth on Exhibit C attached hereto for each such month for the number of months set forth on Exhibit C

Section 3.9 Vacancy Reserve. On the date hereof Borrower has established with Lender a reserve (the "Vacancy Reserve") in the amount of \$1,000,000 in connection with the leasing of certain vacant space of Borrower equal to 7,100 square feet (the "Vacant Space") at the Property to one or more bona-fide third-party tenants acceptable to Lender (each an "Outstanding Vacancy Space Tenant") pursuant to one or more Leases in form and substance acceptable to Lender (each a "Vacancy Lease"). Provided that no Event of Default has occurred and is continuing, Borrower may submit to Lender a written request for disbursement from the Vacancy Reserve in an amount not to exceed the initial deposit made by Borrower into the Vacancy Reserve on the date hereof, relating to the Vacant Space leased by an Outstanding Vacancy Space Tenant together with (x) copies of all documentation in connection with the Vacancy Lease, and (y) a tenant estoppel certificate from the Outstanding Vacancy Space Tenant which shall be in form and substance satisfactory to Lender and provide, among other things, that (i) Outstanding Vacancy Space Tenant is occupying all of the Vacant Space, is open for business in its ordinary course and paying base rent in accordance with the lease of the Vacant

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Space to such Outstanding Vacancy Space Tenant, (ii) all of the obligations of Borrower under the Vacancy Lease which are required to be fulfilled as of the date of the tenant estoppel certificate have been duly performed and completed including, without limitation, any obligations of Borrower to make or to pay or reimburse Outstanding Vacancy Space Tenant for any tenant improvements at the premises leased under the Vacancy Lease, and to Borrower's best knowledge, the improvements described in the Vacancy Lease have been constructed substantially in accordance with the plans and specifications therefor, lien-free, and have been accepted by Outstanding Vacancy Space Tenant, (iii) Outstanding Vacancy Space Tenant is not then entitled to any concession or rebate of rent or other charges from time to time due and payable under the Vacancy Lease that are not acceptable to Lender in its reasonable discretion, (iv) there are no unpaid or unreimbursed construction or other allowances or other offsets due Outstanding Vacancy Space Tenant under the Vacancy Lease which are then due and payable, and (v) to Borrower's best knowledge there are no defaults by Borrower under the Vacancy Lease; and Borrower shall deliver or cause to be delivered to Lender, at Lender's option, a subordination, non-disturbance and attornment agreement from the Outstanding Vacancy Space Tenant in form and substance satisfactory to Lender; provided, however, that Borrower shall not be reimbursed for more than the proportionate share of the amount held in the Vacancy Reserve attributable to the portion of the Vacant Space leased to such Outstanding Vacancy Space Tenant and in the aggregate Borrower shall not be reimbursed for more than a total of \$1,000,000. So long as no Event of Default shall have occurred and be continuing, and provided that the provisions of Section 3.6 hereof have been complied with in full to Lender's satisfaction, the sums held in this Vacancy Reserve may be used in part for tenant improvements and leasing commissions solely with respect to the Vacant Space in accordance with the disbursement procedures set forth in Section 3.6 hereof. Should an Event of Default occur and be continuing, the sums on deposit in the Vacancy Reserve may be applied by Lender in payment of any leasing commissions or tenant improvements with respect to the Vacant Space or may be applied to the payment of the Debt or any other charges affecting all or any portion of the Property, as Lender, in its sole discretion, may determine; provided, however, that no such application shall be deemed to have been made by operation of law or otherwise until actually made by Lender as herein provided. Upon Borrower's written request to Lender and satisfaction of the conditions set forth in this Section 3.9 to the extent that ninety-four percent (94%) of the Vacant Space has been leased in accordance with Section 3.6, in Lender's reasonable discretion, Lender shall within twenty (20) days thereafter, disburse any of the balance of the Vacancy Reserve to Borrower.

ARTICLE IV

EVENTS OF DEFAULT

Section 4.1 Events of Default. The occurrence of any of the following events shall be an Event of Default hereunder:

(a) Borrower (x) fails to pay any payments due under the Note or to the Reserves on the date when the same is due and payable, or (y) fails to pay any money to Lender required hereunder at the time or within any applicable grace period set forth herein, or if no grace period is set forth herein, then within seven (7) days of the date such payment is due

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(except those regarding payments to be made under the Note or to the Reserves, which failure is not subject to any grace or cure period).

(b) Borrower fails to provide insurance as required by Section 2.3 hereof or fails to perform any covenant, agreement, obligation, term or condition set forth in Section 2.27 or Section 2.29 hereof.

(c) Borrower fails to perform any other covenant, agreement, obligation, term or condition set forth herein, other than those otherwise described in this Section 4.1, and, to the extent such failure or default is susceptible of being cured, the continuance of such failure or default for thirty (30) days after written notice thereof from Lender to Borrower; provided, however, that if such default is susceptible of cure but such cure cannot be accomplished with reasonable diligence within said period of time, and if Borrower commences to cure such default promptly after receipt of notice thereof from Lender, and thereafter prosecutes the curing of such default with reasonable diligence, such period of time shall be extended for such period of time as may be necessary to cure such default with reasonable diligence, but not to exceed an additional sixty (60) days.

(d) Any representation or warranty made herein, in or in connection with any application or commitment relating to the loan evidenced by the Note, or in any of the other Loan Documents to Lender by Borrower, by any principal, general partner, manager or member in Borrower, or by any Indemnitee is determined by Lender to have been false or misleading in any material respect at the time made.

(e) There shall be a sale, conveyance, disposition, alienation, hypothecation, leasing, assignment, pledge, mortgage, granting of a security interest in or other transfer or further encumbering of the Property, Borrower or its general partners or managing members, or any portion thereof or any interest therein, in violation of Section 2.9 hereof.

(f) A default occurs under any of the other Loan Documents which has not been cured within any applicable grace or cure period therein provided.

(g) Borrower, general partner or managing member in Borrower or any Indemnitee becomes insolvent, or makes a transfer in fraud of creditors, or makes an assignment for the benefit of creditors, or files a petition in bankruptcy, or is voluntarily adjudicated insolvent or bankrupt or admits in writing the inability to pay its debts as they mature, or petitions or applies to any tribunal for or consents to or fails to contest the appointment of a receiver, trustee, custodian or similar officer for Borrower, for any such general partner or managing member of Borrower or for any Indemnitee or for a substantial part of the assets of Borrower, of any such general partner or managing member of Borrower or of any Indemnitee, or commences any case, proceeding or other action under any bankruptcy, reorganization, arrangement, readjustment or debt, dissolution or liquidation law or statute of any jurisdiction, whether now or hereafter in effect.

(h) A petition is filed or any case, proceeding or other action is commenced against Borrower, against any general partner or managing member of Borrower or against any Indemnitee seeking to have an order for relief entered against it as debtor or seeking

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reorganization, arrangement, adjustment, liquidation, dissolution or composition of it or its debts or other relief under any law relating to bankruptcy, insolvency, arrangement, reorganization, receivership or other debtor relief under any law or statute of any jurisdiction, whether now or hereafter in effect, or a court of competent jurisdiction enters an order for relief against Borrower, against any general partner or managing member of Borrower or against any Indemnitee, as debtor, or an order, judgment or decree is entered appointing, with or without the consent of Borrower, of any such general partner or managing member of Borrower or of any Indemnitee, a receiver, trustee, custodian or similar officer for Borrower, for any such general partner or managing member of Borrower or for any Indemnitee, or for any substantial part of any of the properties of Borrower, of any such general partner or managing member of Borrower or of any Indemnitee, and if any such event shall occur, such petition, case, proceeding, action, order, judgment or decree is not dismissed within sixty (60) days after being commenced.

(i) The Property or any part thereof is taken on execution or other process of law in any action against Borrower.

(j) Borrower abandons all or a portion of the Property.

(k) The holder of any lien or security interest on the Property (without implying the consent of Lender to the existence or creation of any such lien or security interest), whether superior or subordinate to this Mortgage or any of the other Loan Documents, declares a default and such default is not cured within any applicable grace or cure period set forth in the applicable document or such holder institutes foreclosure or other proceedings for the enforcement of its remedies thereunder.

(l) The Property, or any part thereof, is subjected to waste or to removal, demolition or material alteration so that the value of the Property is materially diminished thereby and Lender determines that it is not adequately protected from any loss, damage or risk associated therewith.

(m) Any dissolution, termination, partial or complete liquidation, merger or consolidation of Borrower, any general partner or any managing member, or any Indemnitee.

ARTICLE V

REMEDIES

Section 5.1 Remedies Available. If there shall occur an Event of Default under this Mortgage, then this Mortgage is subject to foreclosure as provided by law and Lender may, at its option and by or through a trustee, nominee, assignee or otherwise, to the fullest extent permitted by law, exercise any or all of the following rights, remedies and recourses, either successively or concurrently:

(a) Acceleration. Accelerate the maturity date of the Note and declare any or all of the Debt to be immediately due and payable without any presentment, demand, protest, notice or action of any kind whatever (each of which is hereby expressly waived by Borrower), whereupon the same shall become immediately due and payable. Upon any such acceleration, payment of such accelerated amount shall constitute a prepayment of the principal balance of the

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Note and any applicable prepayment fee provided for in the Note shall then be immediately due and payable.

(b) Entry on the Property. Either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court and without regard to the adequacy of its security, enter upon and take possession of the Property, or any part thereof, without force or with such force as is permitted by law and without notice or process or with such notice or process as is required by law, unless such notice and process is waivable, in which case Borrower hereby waives such notice and process, and do any and all acts and perform any and all work which may be desirable or necessary in Lender's judgment to complete any unfinished construction on the Premises, to preserve the value, marketability or rentability of the Property, to increase the income therefrom, to manage and operate the Property or to protect the security hereof, and all sums expended by Lender therefor, together with interest thereon at the Default Interest Rate, shall be immediately due and payable to Lender by Borrower on demand and shall be secured hereby and by all of the other Loan Documents securing all or any part of the Debt.

(c) Collect Rents and Profits. With or without taking possession of the Property, sue or otherwise collect the Rents and Profits, including those past

due and unpaid.

(d) Appointment of Receiver. Upon, or at any time prior or after, initiating the exercise of any power of sale, instituting any judicial foreclosure or instituting any other foreclosure of the liens and security interests provided for herein or any other legal proceedings hereunder, make application to a court of competent jurisdiction for appointment of a receiver for all or any part of the Property, as a matter of strict right and without notice to Borrower and without regard to the adequacy of the Property for the repayment of the Debt or the solvency of Borrower or any person or persons liable for the payment of the Debt, and Borrower does hereby irrevocably consent to such appointment, waive any and all notices of and defenses to such appointment and agree not to oppose any application therefor by Lender, but nothing herein is to be construed to deprive Lender of any other right, remedy or privilege Lender may now have under the law to have a receiver appointed, provided, however, that the appointment of such receiver, trustee or other appointee by virtue of any court order, statute or regulation shall not impair or in any manner prejudice the rights of Lender to receive payment of the Rents and Profits pursuant to other terms and provisions hereof. Any such receiver shall have all of the usual powers and duties of receivers in similar cases, including, without limitation, the full power to hold, develop, rent, lease, manage, maintain, operate and otherwise use or permit the use of the Property upon such terms and conditions as said receiver may deem to be prudent and reasonable under the circumstances as more fully set forth in Section 5.3 below. Such receivership shall, at the option of Lender, continue until full payment of all of the Debt or until title to the Property shall have passed by foreclosure sale under this Mortgage or deed in lieu of foreclosure.

(e) Foreclosure. Immediately commence an action to foreclose this Mortgage or to specifically enforce its provisions with respect to any of the Debt, pursuant to the statutes in such case made and provided, and sell the Property or cause the Property to be sold in accordance with the requirements and procedures provided by said statutes in a single parcel or in several parcels at the option of Lender. In the event foreclosure proceedings are instituted by

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Lender, all expenses incident to such proceedings, including, but not limited to, reasonable attorneys' fees and costs, shall be paid by Borrower and secured by this Mortgage and by all of the other Loan Documents securing all or any part of the Debt. The Debt and all other obligations secured by this Mortgage, including, without limitation, interest at the Default Interest Rate any prepayment charge, fee or premium required to be paid under the Note in order to prepay principal (to the extent permitted by applicable law), reasonable attorneys' fees and any other amounts due and unpaid to Lender under the Loan Documents, may be bid by Lender in the event of a foreclosure sale hereunder. In the event of a judicial sale pursuant to a foreclosure decree, it is understood and agreed that Lender or its assigns may become the purchaser of the Property or any part thereof.

(f) Judicial Remedies. Proceed by suit or suits, at law or in equity, instituted by or on behalf of Lender, to enforce the payment of the Debt or the other obligations of Borrower hereunder or pursuant to the Loan Documents, to foreclose the liens and security interests of this Mortgage as against all or any part of the Property, and to have all or any part of the Property sold under the judgment or decree of a court of competent jurisdiction. This remedy shall be cumulative of any other non-judicial remedies available to Lender with respect to the Loan Documents. Proceeding with the request or receiving a judgment for legal relief shall not be or be deemed to be an election of remedies or bar any available non-judicial remedy of Lender.

(g) Other. Exercise any other right or remedy available hereunder, under any of the other Loan Documents or at law or in equity.

Section 5.2 Application of Proceeds. To the fullest extent permitted by law, the proceeds of any sale under this Mortgage shall be applied, to the extent funds are so available, to the following items in such order as Lender in its discretion may determine:

(a) To payment of the reasonable costs, expenses and fees of taking possession of the Property, and of holding, operating, maintaining, using, leasing, repairing, improving, marketing and selling the same and of otherwise enforcing Lender's rights and remedies hereunder and under the other Loan Documents, including, but not limited to, receivers' fees, court costs, attorneys', accountants', appraisers', managers' and other professional fees, title charges and transfer taxes.

(b) To payment of all sums expended by Lender under the terms of any of the Loan Documents and not yet repaid, together with interest on such sums at the Default Interest Rate.

(c) To payment of the Debt and all other obligations secured by this Mortgage, including, without limitation, interest at the Default Interest Rate and, to the extent permitted by applicable law, any prepayment fee, charge or premium required to be paid under the Note in order to prepay principal, in any order that Lender chooses in its sole discretion.

(d) The remainder, if any, of such funds shall be disbursed to Borrower or to the person or persons legally entitled thereto.

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Section 5.3 Right and Authority of Receiver or Lender in the Event of Default; Power of Attorney. Upon the occurrence of an Event of Default, and entry upon the Property pursuant to Section 5.1(b) hereof or appointment of a receiver pursuant to Section 5.1(d) hereof, and under such terms and conditions as may be prudent and reasonable under the circumstances in Lender's or the receiver's sole discretion, all at Borrower's expense, Lender or said receiver, or such other persons or entities as they shall hire, direct or engage, as the case may be, may do or permit one or more of the following, successively or concurrently: (a) enter upon and take possession and control of any and all of the Property; (b) take and maintain possession of all documents, books, records, papers and accounts relating to the Property; (c) exclude Borrower and its agents, servants and employees wholly from the Property; (d) manage and operate the Property; (e) preserve and maintain the Property; (f) make repairs and alterations to the Property; (g) complete any construction or repair of the Improvements, with such changes, additions or modifications of the plans and specifications or intended disposition and use of the Improvements as Lender may in its sole discretion deem appropriate or desirable to place the Property in such condition as will, in Lender's sole discretion, make it or any part thereof readily marketable or rentable; (h) conduct a marketing or leasing program with respect to the Property, or employ a marketing or leasing agent or agents to do so, directed to the leasing or sale of the Property under such terms and conditions as Lender may in its sole discretion deem appropriate or desirable; (i) employ such contractors, subcontractors, materialmen, architects, engineers, consultants, managers, brokers, marketing agents, or other employees, agents, independent contractors or professionals, as Lender may in its sole discretion deem appropriate or desirable to implement and effectuate the rights and powers herein granted; (j) execute and deliver, in the name of Lender as attorney-in-fact and agent of Borrower or in its own name as Lender, such documents and instruments as are necessary or appropriate to consummate authorized transactions; (k) enter such leases, whether of real or personal property, or tenancy agreements, under such terms and conditions as Lender may in its sole discretion deem appropriate or desirable; (l) collect and receive the Rents and Profits from the Property; (m) eject tenants or repossess personal property, as provided by law, for breaches of the conditions of their leases or other agreements; (n) initiate a cause of action for unpaid Rents and Profits, payments, income or proceeds in the name of Borrower or Lender; (o) maintain actions in forcible entry and detainer, ejectment for possession and actions in distress for rent; (p) compromise or give acquittance for Rents and Profits, payments, income or proceeds that may become due; (q) delegate or assign any and all rights and powers given to Lender by this Mortgage; and I do any acts which Lender in its sole discretion deems appropriate or desirable to protect the security hereof and use such measures, legal or equitable, as Lender may in its sole discretion deem appropriate or desirable to implement and effectuate the provisions of this Mortgage. This Mortgage shall constitute a direction to and full authority to any lessee, or other third party who has heretofore dealt or contracted or may hereafter deal or contract with Borrower or Lender, at the request of Lender, to pay all amounts owing under any Lease, contract, concession, license or other agreement to Lender without proof of the Event of Default relied upon. Any such lessee or third party is hereby irrevocably

authorized to rely upon and comply with (and shall be fully protected by Borrower in so doing) any request, notice or demand by Lender for the payment to Lender of any Rents and Profits or other sums which may be or thereafter become due under its Lease, contract, concession, license or other agreement, or for the performance of any undertakings under any such Lease, contract, concession, license or other agreement, and shall have no right or duty to inquire whether any Event of Default under this Mortgage or under any of the other Loan Documents has actually occurred or is then

existing. Borrower hereby constitutes and appoints Lender, its assignees, successors, transferees and nominees, as Borrower's true and lawful attorney-in-fact and agent, with full power of substitution in the Property, in Borrower's name, place and stead, to do or permit any one or more of the foregoing described rights, remedies, powers and authorities, successively or concurrently, and said power of attorney shall be deemed a power coupled with an interest and irrevocable so long as any portion of the Debt is outstanding. Any money advanced by Lender in connection with any action taken under this Section 5.3, together with interest thereon at the Default Interest Rate from the date of making such advancement by Lender until actually paid by Borrower, shall be a demand obligation owing by Borrower to Lender and shall be secured by this Mortgage and by every other instrument securing all or any portion of the Debt.

Section 5.4 Occupancy After Foreclosure. In the event there is a foreclosure sale hereunder and at the time of such sale, Borrower or Borrower's representatives, successors or assigns, or any other persons claiming any interest in the Property by, through or under Borrower (except tenants of space in the Improvements subject to leases entered into prior to the date hereof), are occupying or using the Property, or any part thereof, then, to the extent not prohibited by applicable law, each and all shall, at the option of Lender or the purchaser at such sale, as the case may be, immediately become the tenant of the purchaser at such sale, which tenancy shall be a tenancy from day-to-day, terminable at the will of either landlord or tenant, at a reasonable rental per day based upon the value of the Property occupied or used, such rental to be due daily to the purchaser. Further, to the extent permitted by applicable law, in the event the tenant fails to surrender possession of the Property upon the termination of such tenancy, the purchaser shall be entitled to institute and maintain an action for unlawful detainer of the Property in the appropriate court of the county in which the Premises is located.

Section 5.5 Notice to Account Debtors. Lender may, at any time after an Event of Default, notify the account debtors and obligors of any accounts, chattel paper, negotiable instruments or other evidences of indebtedness to Borrower included in the Property to pay Lender directly. Borrower shall at any time or from time to time upon the request of Lender provide to Lender a current list of all such account debtors and obligors and their addresses.

Section 5.6 Cumulative Remedies. All remedies contained in this Mortgage are cumulative and Lender shall also have all other remedies provided at law and in equity or in any other Loan Documents. Such remedies may be pursued separately, successively or concurrently at the sole subjective direction of Lender and may be exercised in any order and as often as occasion therefor shall arise. No act of Lender shall be construed as an election to proceed under any particular provisions of this Mortgage to the exclusion of any other provision of this Mortgage or as an election of remedies to the exclusion of any other remedy which may then or thereafter be available to Lender. No delay or failure by Lender to exercise any right or remedy under this Mortgage shall be construed to be a waiver of that right or remedy or of any Event of Default. Lender may exercise any one or more of its rights and remedies at its option without regard to the adequacy of its security.

Section 5.7 Payment of Expenses. Borrower shall pay on demand all of Lender's expenses incurred in any efforts to enforce any terms of this Mortgage, whether or not any lawsuit is filed and whether or not foreclosure is commenced but not completed, including, but not limited to, reasonable legal fees and disbursements, fees of any Rating Agency, fees related

to any No-Downgrade Confirmation, foreclosure costs and title charges, together with interest thereon from and after the date incurred by Lender until actually paid by Borrower at the Default Interest Rate, and the same shall be secured by this Mortgage and by all of the other Loan Documents securing all or any part of the Debt.

ARTICLE VI

MISCELLANEOUS TERMS AND CONDITIONS

Section 6.1 Time of Essence. Time is of the essence with respect to all provisions of this Mortgage.

Section 6.2 Release of Mortgage. If all of the Debt be paid, then and in that event only, all rights under this Mortgage, except for those provisions hereof which by their terms survive, shall terminate and the Property shall become wholly clear of the liens, security interests, conveyances and assignments evidenced hereby, which shall be promptly released of record by Lender in due form at Borrower's cost. No release of this Mortgage or the lien hereof shall be valid unless executed by Lender.

Section 6.3 Certain Rights of Lender. Without affecting Borrower's liability for the payment of any of the Debt, Lender may from time to time and without notice to Borrower: (a) release any person liable for the payment of the Debt; (b) extend or modify the terms of payment of the Debt; (c) accept additional real or personal property of any kind as security or alter, substitute or release any property securing the Debt; (d) recover any part of the Property; (e) consent in writing to the making of any subdivision map or plat thereof; (f) join in granting any easement therein; or (g) join in any extension agreement of this Mortgage or any agreement subordinating the lien hereof.

Section 6.4 Waiver of Certain Defenses. No action for the enforcement of the lien hereof or of any provision hereof shall be subject to any defense which would not be good and available to the party interposing the same in an action at law upon the Note or any of the other Loan Documents.

Section 6.5 Notices. All notices, demands, requests or other communications to be sent by one party to the other hereunder or required by law shall be in writing and shall be deemed to have been validly given or served by delivery of the same in person to the intended addressee, or by depositing the same with Federal Express or another reputable private courier service for next business day delivery, or by depositing the same in the United States mail, postage prepaid, registered or certified mail, return receipt requested, in any event addressed to the intended addressee at its address set forth on the first page of this Mortgage or at such other address as may be designated by such party as herein provided. All notices, demands and requests shall be effective upon such personal delivery, or one (1) business day after being deposited with the private courier service, or two (2) business days after being deposited in the United States mail as required above. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given as herein required shall be deemed to be receipt of the notice, demand or request sent. By giving to the other party hereto at least fifteen (15) days' prior written notice thereof in accordance with the provisions hereof, the

parties hereto shall have the right from time to time to change their respective addresses and each shall have the right to specify as its address any other address within the United States of America.

Section 6.6 Successors and Assigns; Joint and Several Liability. The terms, provisions, indemnities, covenants and conditions hereof shall be binding upon Borrower and the successors and assigns of Borrower, including all successors in interest of Borrower in and to all or any part of the Property, and shall inure to the benefit of Lender, its directors, officers, shareholders, employees and agents and their respective successors and assigns and shall constitute covenants running with the land. All references in this Mortgage to Borrower or Lender shall be deemed to include all such parties' successors and assigns, and the term "Lender" as used herein shall also mean and refer to any lawful holder or owner, including pledgees and participants, of any of the Debt. If Borrower consists of more than one person or entity, each is jointly and severally liable to perform the obligations of Borrower hereunder and all representations, warranties, covenants and agreements made by Borrower hereunder are joint and several.

Section 6.7 Severability. A determination that any provision of this Mortgage is unenforceable or invalid shall not affect the enforceability or validity of any other provision, and any determination that the application of any provision of this Mortgage to any person or circumstance is illegal or unenforceable shall not affect the enforceability or validity of such provision as it may apply to any other persons or circumstances.

Section 6.8 Gender. Within this Mortgage, words of any gender shall be held and construed to include any other gender, and words in the singular shall be held and construed to include the plural, and vice versa, unless the context otherwise requires.

Section 6.9 Waiver; Discontinuance of Proceedings. Lender may waive any single Event of Default by Borrower hereunder without waiving any other prior or subsequent Event of Default. Lender may remedy any Event of Default by Borrower hereunder without waiving the Event of Default remedied. Neither the failure by Lender to exercise, nor the delay by Lender in exercising, any right, power or remedy upon any Event of Default by Borrower hereunder shall be construed as a waiver of such Event of Default or as a waiver of the right to exercise any such right, power or remedy at a later date. No single or partial exercise by Lender of any right, power or remedy hereunder shall exhaust the same or shall preclude any other or further exercise thereof, and every such right, power or remedy hereunder may be exercised at any time and from time to time. No modification or waiver of any provision hereof nor consent to any departure by Borrower therefrom shall in any event be effective unless the same shall be in writing and signed by Lender, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose given. No notice to nor demand on Borrower in any case shall of itself entitle Borrower to any other or further notice or demand in similar or other circumstances. Acceptance by Lender of any payment in an amount less than the amount then due on any of the Debt shall be deemed an acceptance on account only and shall not in any way affect the existence of an Event of Default. In case Lender shall have proceeded to invoke any right, remedy or recourse permitted hereunder or under the other Loan Documents and shall thereafter elect to discontinue or abandon the same for any reason, Lender shall have the unqualified right to do so and, in such an event, Borrower and Lender shall be restored to their former positions

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with respect to the Debt, the Loan Documents, the Property and otherwise, and the rights, remedies, recourses and powers of Lender shall continue as if the same had never been invoked.

Section 6.10 Section Headings. The headings of the sections and paragraphs of this Mortgage are for convenience of reference only, are not to be considered a part hereof and shall not limit or otherwise affect any of the terms hereof.

Section 6.11 GOVERNING LAW. THIS MORTGAGE WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE IN WHICH THE PREMISES IS LOCATED, PROVIDED THAT TO THE EXTENT THAT ANY OF SUCH LAWS MAY NOW OR HEREAFTER BE PREEMPTED BY FEDERAL LAW, SUCH FEDERAL LAW SHALL SO GOVERN AND BE CONTROLLING, AND PROVIDED FURTHER THAT THE LAWS OF THE STATE IN WHICH THE PREMISES IS LOCATED SHALL GOVERN AS TO THE CREATION, PRIORITY AND ENFORCEMENT OF LIENS AND SECURITY INTERESTS IN THE PROPERTY LOCATED IN SUCH STATE.

Section 6.12 Counting of Days. The term "days" when used herein shall mean calendar days. If any time period ends on a Saturday, Sunday or holiday officially recognized by the state within which the Premises is located, the period shall be deemed to end on the next succeeding business day. The term "business day" when used herein shall mean a weekday, Monday through Friday, except a legal holiday or a day on which banking institutions in New York, New York are authorized by law to be closed.

Section 6.13 Relationship of the Parties. The relationship between Borrower and Lender is that of a borrower and a lender only and neither of those parties is, nor shall it hold itself out to be, the agent, employee, joint venturer or partner of the other party.

Section 6.14 Application of the Proceeds of the Note. To the extent that proceeds of the Note are used to pay indebtedness secured by any outstanding lien, security interest, charge or prior encumbrance against the Property, such proceeds have been advanced by Lender at Borrower's request and Lender shall be subrogated to any and all rights, security interests and liens owned by any owner or holder of such outstanding liens, security interests, charges or encumbrances, irrespective of whether said liens, security interests, charges or encumbrances are released.

Section 6.15 Unsecured Portion of Indebtedness. If any part of the Debt cannot be lawfully secured by this Mortgage or if any part of the Property cannot be lawfully subject to the lien and security interest hereof to the full extent of such indebtedness, then all payments made shall be applied on said indebtedness first in discharge of that portion thereof which is unsecured by this Mortgage.

Section 6.16 Cross Default. An Event of Default hereunder which has not been cured within any applicable grace or cure period shall be a default under each of the other Loan Documents.

Section 6.17 Interest After Sale. In the event the Property or any part thereof shall be sold upon foreclosure as provided hereunder, to the extent permitted by law, the sum for which

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the same shall have been sold shall, for purposes of redemption (pursuant to the laws of the state in which the Premises is located), bear interest at the Default Interest Rate.

Section 6.18 Inconsistency with Other Loan Documents. In the event of any inconsistency between the provisions hereof and the provisions in any of the other Loan Documents, it is intended that the provisions of the Note shall control over the provisions of this Mortgage, and that the provisions of this Mortgage shall control over the provisions of the Lease Assignment, the Indemnity and Guaranty Agreement, the Environmental Indemnity Agreement, and the other Loan Documents.

Section 6.19 Construction of this Document. This document may be construed as a mortgage, security deed, deed of trust, chattel mortgage, conveyance, assignment, security agreement, pledge, financing statement, hypothecation or contract, or any one or more of the foregoing, in order to fully effectuate the liens and security interests created hereby and the purposes and agreements herein set forth.

Section 6.20 No Merger. It is the desire and intention of the parties hereto that this Mortgage and the lien hereof do not merge in fee simple title to the Property. It is hereby understood and agreed that should Lender acquire any additional or other interests in or to the Property or the ownership thereof, then, unless a contrary intent is manifested by Lender as evidenced by an appropriate document duly recorded, this Mortgage and the lien hereof shall not merge in such other or additional interests in or to the Property, toward the end that this Mortgage may be foreclosed as if owned by a stranger to said other or additional interests.

Section 6.21 Rights With Respect to Junior Encumbrances. Any person or entity purporting to have or to take a junior mortgage or other lien upon the Property or any interest therein shall be subject to the rights of Lender to amend, modify, increase, vary, alter or supplement this Mortgage, the Note or any of the other Loan Documents, and to extend the maturity date of the Debt, and to increase the amount of the Debt, and to waive or forebear the exercise of any of its rights and remedies hereunder or under any of the other Loan Documents and to release any collateral or security for the Debt, in each and every case without obtaining the consent of the holder of such junior lien and without the lien or security interest of this Mortgage losing its priority over the rights of any such junior lien.

Section 6.22 Lender May File Proofs of Claim. In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other proceedings affecting Borrower or the principals, general partners or managing members in Borrower, or their respective creditors or property, Lender, to the extent permitted by law, shall be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have the claims of Lender allowed in such proceedings for the entire Debt at the date of the institution of such proceedings and for any additional amount which may become due and payable by Borrower hereunder after such date.

Section 6.23 Fixture Filing. This Mortgage shall be effective from the date of its recording as a financing statement filed as a fixture filing with respect to all goods constituting part of the Property which are or are to become fixtures. This Mortgage shall also be effective as a financing statement covering minerals or the like (including oil and gas) and is to be filed for

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record in the real estate records of the county where the Premises is situated. The mailing address of Borrower and the address of Lender from which information concerning the security interests may be obtained are set forth in Section 2.18 above.

Section 6.24 After-Acquired Property. All property acquired by Borrower after the date of this Mortgage which by the terms of this Mortgage shall be subject to the lien and the security interest created hereby, shall immediately upon the acquisition thereof by Borrower and without further mortgage, conveyance or assignment become subject to the lien and security interest created by this Mortgage. Nevertheless, Borrower shall execute, acknowledge, deliver and record or file, as appropriate, all and every such further mortgages, security agreements, financing statements, assignments and assurances as Lender shall require for accomplishing the purposes of this Mortgage.

Section 6.25 No Representation. By accepting delivery of any item required to be observed, performed or fulfilled or to be given to Lender pursuant to the Loan Documents, including, but not limited to, any officer's certificate, balance sheet, statement of profit and loss or other financial statement, survey, appraisal or insurance policy, Lender shall not be deemed to have warranted, consented to, or affirmed the sufficiency, legality, effectiveness or legal effect of the same, or of any term, provision or condition thereof, and such acceptance of delivery thereof shall not be or constitute any warranty, consent or affirmation with respect thereto by Lender.

Section 6.26 Counterparts. This Mortgage may be executed in any number of counterparts, each of which shall be effective only upon delivery and thereafter shall be deemed an original, and all of which shall be taken to be one and the same instrument, for the same effect as if all parties hereto had signed the same signature page. Any signature page of this Mortgage may be detached from any counterpart of this Mortgage without impairing the legal effect of any signatures thereon and may be attached to another counterpart of this Mortgage identical in form hereto but having attached to it one or more additional signature pages.

Section 6.27 Personal Liability. Notwithstanding anything to the contrary contained in this Mortgage, the liability of Borrower and its officers, directors, general partners, managers, members and principals for the Debt and for the performance of the other agreements, covenants and obligations contained herein and in the Loan Documents shall be limited as set forth in the Note.

Section 6.28 Recording and Filing. Borrower will cause the Loan Documents and all amendments and supplements thereto and substitutions therefor to be recorded, filed, re-recorded and re-filed in such manner and in such places as Lender shall reasonably request, and will pay on demand all such recording, filing, re-recording and re-filing taxes, fees and other charges. Borrower shall reimburse Lender, or its servicing agent, for the costs incurred in obtaining a tax service company to verify the status of payment of taxes and assessments on the Property.

Section 6.29 Entire Agreement and Modifications. This Mortgage and the other Loan Documents contain the entire agreements between the parties relating to the subject matter hereof and thereof and all prior agreements relative hereto and thereto which are not contained herein or therein are terminated. This Mortgage and the other Loan Documents may not be amended, revised, waived, discharged, released or terminated orally but only by a written

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instrument or instruments executed by the party against which enforcement of the amendment, revision, waiver, discharge, release or termination is asserted. Any alleged amendment, revision, waiver, discharge, release or termination which is not so documented shall not be effective as to any party.

Section 6.30 Intentionally Reserved.

Section 6.31 Secondary Market. Lender may sell, transfer and deliver the Note and the Loan Documents to one or more investors in the secondary mortgage market (a "Secondary Market Transaction"). In connection with such sale, Lender may retain or assign responsibility for servicing the loan evidenced by the Note or may delegate some or all of such responsibility and/or obligations to a servicer, including, but not limited to, any subservicer or master servicer, on behalf of the Investors (as hereinafter defined). All references to Lender herein shall refer to and include, without limitation, any such servicer, to the extent applicable.

Section 6.32 Dissemination of Information. If Lender determines at any time to sell, transfer or assign the Note, this Mortgage and the other Loan Documents, and any or all servicing rights with respect thereto, or to grant participations therein (the "Participations") or issue mortgage pass-through certificates or other securities evidencing a beneficial interest in a rated or unrated public offering or private placement (the "Securities"), Lender may forward to each purchaser, transferee, Lender, servicer, participant, investor, or their respective successors in such Participations and/or Securities (collectively, the "Investors") or any rating agency rating such Securities (each a "Rating Agency"), each prospective Investor and each of the foregoing's respective counsel, all documents and information which Lender now has or may hereafter acquire relating to the Debt, to Borrower, any guarantor, any indemnitor, and the Property, which shall have been furnished by Borrower and any Indemnitor, as Lender

determines necessary or desirable.

Section 6.33 Intentionally Omitted.

Section 6.34 REMIC Opinions. In the event Borrower requests Lender's consent under the Loan Documents, which Lender determines, in its discretion, may affect (i) the "REMIC" status of Lender, its successors or assigns, or (ii) the status of this Mortgage as a "qualified mortgage" as defined in Section 860G of the Internal Revenue Code of 1986 (or any succeeding provision of such law), Lender reserves the right to require Borrower, at Borrower's sole expense, to obtain, from counsel satisfactory to Lender in its discretion, an opinion, in form and substance satisfactory to Lender in its discretion, that no adverse tax consequences will arise as a result of the proposed course of action.

Section 6.35 Severed Loan Documents. Lender shall have the right from time to time to sever the Note and the other Loan Documents into one or more separate notes, mortgages, deeds of trust and other security documents (the "Severed Loan Documents") in such denominations and priorities as Lender shall determine in its sole discretion, provided, however, that the terms, provisions and clauses of the Severed Loan Documents shall be no more adverse to Borrower than those contained in the Note, this Mortgage and the other Loan Documents. Borrower shall execute and deliver to Lender from time to time, promptly after the request of

Lender, a severance agreement and such other documents as Lender shall reasonably request in order to effect the severance described in the preceding sentence, all in form and substance reasonably satisfactory to Lender. Borrower hereby absolutely and irrevocably appoints Lender as its true and lawful attorney, coupled with an interest, in its name and stead to make and execute all documents necessary or desirable to effect the aforesaid severance, Borrower ratifying all that its said attorney shall do by virtue thereof; provided, however, that Lender shall not make or execute any such documents under such power until not less than three (3) days has passed after notice has been given to Borrower by Lender of Lender's intent to exercise its rights under such power.

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IN WITNESS WHEREOF, Borrower has executed this Mortgage on the day and year first written above.

BORROWER:

5 BECKER SPE LLC,
a Delaware limited liability company

By: /s/ Mitchell E. Hersh
Name: Mitchell E. Hersh
Title: President and Chief Executive Officer

STATE OF New York
SS:
COUNTY OF New York

BE IT REMEMBERED that on the 9th day of May, 2006, Mitchell E. Hersh personally came before me, and this person acknowledged under oath, to my satisfaction, that he is the President and Chief Executive Officer of 5 Becker SPE LLC, a Delaware limited liability company, the entity named in this document, and this document was signed and delivered by the entity as its voluntary act duly authorized by a proper resolution of the limited liability company.

/s/ Marian J. Abbatepaolo
Marian J. Abbatepaolo
Notary Public, State of New York
01AB4807522
Certificate Filed in New York County
Commission Expires November 30, 2006

EXHIBIT A

Legal Description

All that tract and parcel of land situate, lying and being in the Borough of Roseland, County of Essex, State of New Jersey and more particularly described as follows: Beginning at a point in the southerly sideline of Becker Farm Road, said point being the northwesterly corner of Lot 13 in Block 30-1 as shown on a map entitled, "Amended Final Map", Bellemead Development Corporation and filed in the Essex County Register's Office on 5/19/81 as Filed Map No. 3463, said point being distant 664.84 feet westerly along same from the extended intersection of the southerly sideline of Becker Farm Road with the westerly sideline of ADP Boulevard; thence

(1) Along the Westerly line of said Lot 13, South 39 degrees 37 minutes 49 seconds West 439.55 feet to the northerly line of Lot 12 Block 30-1 as shown on the above mentioned map; thence

- (2) Along the westerly line of said Lot 12 North 48 degrees 45 minutes 58 seconds West, 32.97 feet to the northwest corner thereof; thence
- (3) Along the westerly line of said Lot 12 South 41 degrees 14 minutes 02 seconds West, 429.83 feet to the northerly line of Lot 2 Block 30-1 as shown on the above mentioned map; thence
- (4) Along the northerly line of said Lot 2 North 48 degrees 45 minutes 58 seconds West, 420.10 feet to the southeast corner of Lot 10 Block 30-1 as shown on the above mentioned map; thence
- (5) Along the easterly line of said Lot 10, North 39 degrees 37 minutes 49 seconds East, 733.60 feet to the southerly line of Becker Farm Road; thence
- (6) Along said side line on a curve curving to the left having a radius of 717.16 feet an arc distance of 65.48 feet to a point of tangency; thence
- (7) Still along said sideline South 65 degrees 32 minutes 11 seconds East 415.49 feet to the point and place of beginning.

Also known as Lot 11 Block 30-1 as shown on a map entitled "Amended Final Map, Bellemead Development Corporation, Borough of Roseland, Essex County, New Jersey" recorded 5/19/81 in the Essex County Register's Office as Filed Map No. 3463.

This description is in accordance with a survey prepared by Earl N. Strom, PLS for International Land Services, Inc., dated 2/28/06; last revised 4/11/06 job number 06-02-013:007A.

FOR INFORMATIONAL PURPOSES ONLY:

"In compliance with Chapter 157, Laws of 1977, premises herein is Lot 11 in Block 30.01 on the Tax Map of the Borough of Roseland, County of Essex, State of New Jersey.

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Exhibit B

(Outstanding TILC Tenants and Applicable TILC Amounts)

1. Walder (as defined Section 3.8)	\$	152,205.09
2. The Margolis Law Firm, P.A.	\$	4,066.58
3. Toby Solomon, LLC	\$	1,350.26

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EXHIBIT C

(Free Rent Tenant / Monthly Allocated Amount)

1. Walder Lease (Allocated Free Rent: \$112,866.08)
- Months: 2/1/2007 - 3/31/2007; Allocated Amount: \$38,708.00
 - Months: 2/1/2008 - 2/29/2008; Allocated Amount: \$35,450.08

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Loan No.: 502856397

5 Becker Farm Road, Roseland, New Jersey

PROMISSORY NOTE

\$15,500,000.00

May 9, 2006

FOR VALUE RECEIVED, the undersigned, 5 BECKER SPE LLC, a Delaware limited liability company ("Borrower"), having an address c/o Mack-Cali Realty, L.P. at 11 Commerce Drive, Cranford, New Jersey 07016, promises to pay to the order of WACHOVIA BANK, NATIONAL ASSOCIATION, a national banking association (together with its successors and assigns, "Lender"), at the office of Lender at Commercial Real Estate Services, 8739 Research Drive UR — 4, NC 1075, Charlotte, North Carolina 28262, or at such other place as Lender may designate to Borrower in writing from time to time, the principal sum of FIFTEEN MILLION FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$15,500,000.00), together with interest on so much thereof as is from time to time outstanding and unpaid, from the date of the advance of the principal evidenced hereby, at the rate of six and twenty-seven hundredths percent (6.27%) (the "Note Rate"), together with all other amounts due hereunder or under the other Loan Documents (as defined herein), in lawful money of the United States of America, which shall at the time of payment be legal tender in payment of all debts and dues, public and private.

*ARTICLE I**TERMS AND CONDITIONS*

Section 1.1 Computation of Interest. Interest shall be computed hereunder based on a 360-day year and based on the actual number of days elapsed for any period in which interest is being calculated including, without limitation, the Interest Only Period (hereinafter defined), as more particularly set forth on Annex 1 attached hereto and incorporated by this reference. Interest shall accrue from the date on which funds are advanced hereunder (regardless of the time of day) through and including the day on which funds are credited pursuant to Section 1.2 hereof.

Section 1.2 Payment of Principal and Interest. Payments in federal funds immediately available at the place designated for payment received by Lender prior to 2:00 p.m. local time on a day on which Lender is open for business at said place of payment shall be credited prior to close of business, while other payments, at the option of Lender, may not be credited until immediately available to Lender in federal funds at the place designated for payment prior to 2:00 p.m. local time on the next day on which Lender is open for business. Interest only shall be payable in sixty (60) equal consecutive monthly installments in the amount set forth on Annex 1 (the "Interest Only Monthly Payment Amount"), beginning on June 11, 2006 (the "First Payment Date"), and continuing on the eleventh (11th) day of each and every calendar month thereafter through and including May 11, 2011 (the "Interest Only Period") and, thereafter, principal and interest shall be payable in equal consecutive monthly installments of

\$95,637.88 each (the "Principal and Interest Monthly Payment Amount" and, together, with the Interest Only Monthly Payment Amount, the "Monthly Payment Amount"), beginning on June 11, 2011 and continuing on the eleventh (11th) day of each and every calendar month thereafter through and including April 11, 2016 (each, a "Payment Date"). On May 11, 2016 (the "Maturity Date") (provided that in the event that there is a Defeasance of the Loan pursuant to Section 1.5(d) hereof, the Maturity Date shall automatically be the Lockout Expiration Date), the entire outstanding principal balance hereof, together with all accrued but unpaid interest thereon, shall be due and payable in full.

Section 1.3 Application of Payments. So long as no Event of Default (as hereinafter defined) exists hereunder or under any other Loan Document, each such monthly installment shall be applied, first, to any amounts hereafter advanced by Lender hereunder or under any other Loan Document, second, to any late fees and other amounts payable to Lender, third, to the payment of accrued interest and last to reduction of principal.

Section 1.4 Payment of "Short Interest". If the advance of the principal amount evidenced by this Note is made on a date other than a Payment Date, Borrower shall pay to Lender contemporaneously with the execution hereof interest at the Note Rate for a period from the date hereof through and including the tenth (10th) day of either (x) this month, in the event that the date hereof is on or prior to the 11th of the month, and (y) the immediately succeeding month, in the event that the date hereof is after the 11th of the month.

Section 1.5 Prepayment; Defeasance.

(a) This Note may not be prepaid, in whole or in part (except as otherwise specifically provided herein), at any time prior to the Payment Date occurring three (3) Payment Dates immediately prior to the Maturity Date (the "Lockout Expiration Date"). In the event that Borrower wishes to have the Property (as hereinafter defined) released from the lien of the Security Instrument prior to the Lockout Expiration Date, Borrower's sole option shall be a Defeasance (as hereinafter defined) upon satisfaction of the terms and conditions set forth in Section 1.5(d) hereof. This Note may be prepaid in whole but not in part without premium or penalty on any Payment Date occurring on or after the Lockout Expiration Date provided (i) written notice of such prepayment is received by Lender not more than ninety (90) days and not less than thirty (30) days prior to the date of such prepayment, and (ii) such prepayment is accompanied by all interest accrued hereunder through and including the date of such prepayment and all other sums due hereunder or under the other Loan Documents. If, upon any such permitted prepayment on any Payment Date occurring on or after the Lockout Expiration Date, the aforesaid prior written notice has not been timely received by Lender, there shall be due a prepayment fee equal to the lesser of (i) thirty (30) days' interest computed at the Note Rate on the outstanding principal balance of this Note so prepaid and (ii) interest computed at the Note Rate on the outstanding principal balance of this Note so prepaid that would have been payable for the period from, and including, the date of prepayment through the Maturity Date, as though such prepayment had not occurred.

(b) If, prior to the Lockout Expiration Date, the indebtedness evidenced by this Note shall have been declared due and payable by Lender pursuant to Article II hereof or the provisions of any other Loan Document due to a default by Borrower, then, in addition to the

indebtedness evidenced by this Note being immediately due and payable, there shall also then be immediately due and payable a prepayment fee in an amount equal to the Yield Maintenance Premium (as hereinafter defined) based on the entire indebtedness on the date of such acceleration. In addition to the amounts described in the preceding sentence, in the event of any such acceleration or tender of payment of such indebtedness occurs or is made on or prior to the first (1st) anniversary of the date of this Note, there shall also then be immediately due and payable an additional prepayment fee of three percent (3%) of the principal balance of this Note. The term "Yield Maintenance

Premium” shall mean an amount equal to the greater of (A) one percent (1%) of the principal amount being prepaid, and (B) the present value of a series of payments each equal to the Payment Differential (as hereinafter defined) and payable on each Payment Date over the remaining original term of this Note and on the Maturity Date, discounted at the Reinvestment Yield (as hereinafter defined) for the number of months remaining as of the date of such prepayment to each such Payment Date and the Maturity Date. The term “Payment Differential” shall mean an amount equal to (i) the Note Rate less the Reinvestment Yield, divided by (ii) twelve (12) and multiplied by (iii) the principal sum outstanding under this Note after application of the constant monthly payment due under this Note on the date of such prepayment, provided that the Payment Differential shall in no event be less than zero. The term “Reinvestment Yield” shall mean an amount equal to the lesser of (i) the yield on the U.S. Treasury issue (primary issue) with a maturity date closest to the Maturity Date, or (ii) the yield on the U.S. Treasury issue (primary issue) with a term equal to the remaining average life of the indebtedness evidenced by this Note, with each such yield being based on the bid price for such issue as published in the Wall Street Journal on the date that is fourteen (14) days prior to the date of such prepayment (or, if such bid price is not published on that date, the next preceding date on which such bid price is so published) and converted to a monthly compounded nominal yield. In the event that any prepayment fee is due hereunder, Lender shall deliver to Borrower a statement setting forth the amount and determination of the prepayment fee, and, provided that Lender shall have in good faith applied the formula described above, Borrower shall not have the right to challenge the calculation or the method of calculation set forth in any such statement in the absence of manifest error, which calculation may be made by Lender on any day during the fifteen (15) day period preceding the date of such prepayment. Lender shall not be obligated or required to have actually reinvested the prepaid principal balance at the Reinvestment Yield or otherwise as a condition to receiving the prepayment fee.

(c) Partial prepayments of this Note shall not be permitted, except for partial prepayments resulting from Lender’s election to apply insurance or condemnation proceeds to reduce the outstanding principal balance of this Note as provided in the Security Instrument, in which event no prepayment fee or premium shall be due unless, at the time of either Lender’s receipt of such proceeds or the application of such proceeds to the outstanding principal balance of this Note, an Event of Default, or an event which, with notice or the passage of time, or both, would constitute an Event of Default, shall have occurred, which default or Event of Default is unrelated to the applicable casualty or condemnation, in which event the applicable prepayment fee or premium shall be due and payable based upon the amount of the prepayment. No notice of prepayment shall be required under the circumstances specified in the preceding sentence. No principal amount repaid may be borrowed. Any such partial prepayments of principal shall be applied to the unpaid principal balance evidenced hereby but such application shall not reduce the amount of the fixed monthly installments required to be paid pursuant to Section 1.2 above. Except as otherwise expressly provided in this Section, the prepayment fees provided above shall

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be due, to the extent permitted by applicable law, under any and all circumstances where all or any portion of this Note is paid prior to the Maturity Date, whether such prepayment is voluntary or involuntary, including, without limitation, if such prepayment results from Lender’s exercise of its rights upon Borrower’s default and acceleration of the Maturity Date of this Note (irrespective of whether foreclosure proceedings have been commenced), and shall be in addition to any other sums due hereunder or under any of the other Loan Documents. No tender of a prepayment of this Note with respect to which a prepayment fee is due shall be effective unless such prepayment is accompanied by the applicable prepayment fee.

(d) (i) On any Payment Date on or after the earlier to occur of (x) three (3) years following the first Payment Date hereunder, and (y) the day immediately following the date which is two (2) years after the “startup day,” within the meaning of Section 860G(a) (9) of the Internal Revenue Code of 1986, as amended from time to time or any successor statute (the “Code”), of a “real estate mortgage investment conduit,” within the meaning of Section 860D of the Code (a “REMIC Trust”), that holds this Note, and provided no Event of Default has occurred and is continuing hereunder or under any of the other Loan Documents, at Borrower’s option, Lender shall cause the release of the Property from the lien of the Security Instrument and the other Loan Documents (a “Defeasance”) upon the satisfaction of the following conditions:

(A) Borrower shall give not more than ninety (90) days’ or less than sixty (60) days’ prior written notice to Lender specifying the date Borrower intends for the Defeasance to be consummated (the “Release Date”), which date shall be a Payment Date.

(B) All accrued and unpaid interest and all other sums due under this Note and under the other Loan Documents up to and including the Release Date shall be paid in full on or prior to the Release Date.

(C) Borrower shall deliver to Lender on or prior to the Release Date:

(1) a sum of money in immediately available funds (the “Defeasance Deposit”) equal to the outstanding principal balance of this Note plus an amount, if any, which together with the outstanding principal balance of this Note, shall be sufficient to enable Lender to purchase, through means and sources customarily employed and available to Lender, for the account of Borrower, (x) direct, non-callable, fixed rate obligations of the United States of America or (y) non-callable, fixed rate obligations, other than U.S. Treasury Obligations, that are “government securities” within the meaning of Section 2(a)(16) of the Investment Company Act of 1940, as amended, that provide for payments prior, but as close as possible, to all successive monthly Payment Dates occurring after the Release Date and to the Lockout Expiration Date, with each such payment being equal to or greater than the amount of the corresponding installment of principal and/or interest required to be paid under this Note (including, but not limited to, the scheduled outstanding principal balance of the Loan due on the Maturity Date based upon payments of principal and interest

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through the Lockout Expiration Date) for the balance of the term hereof (the “Defeasance Collateral”), each of which shall be duly endorsed by the holder thereof as directed by Lender or accompanied by a written instrument of transfer in form and substance satisfactory to Lender in its sole discretion (including, without limitation, such instruments as may be required by the depository institution holding such securities or the issuer thereof, as the case may be, to effectuate book-entry transfers and pledges through the book-entry facilities of such institution) in order to perfect upon the delivery of the Defeasance Security Agreement (as hereinafter defined) the first priority security interest in the Defeasance Collateral in favor of Lender in conformity with all applicable state and federal laws governing granting of such security interests.

(2) a pledge and security agreement, in form and substance satisfactory to Lender, creating a first priority security interest in favor of Lender in the Defeasance Collateral (the “Defeasance Security Agreement”);

(3) a certificate of Borrower certifying that all of the requirements set forth in this subsection 1.5(d)(i) have been satisfied;

(4) one or more opinions of counsel for Borrower in form and substance and delivered by counsel which would be satisfactory to Lender stating, among other things, that (i) Lender has a perfected first priority security interest in the Defeasance Collateral and that the Defeasance

Security Agreement is enforceable against Borrower in accordance with its terms, (ii) in the event of a bankruptcy proceeding or similar occurrence with respect to Borrower, none of the Defeasance Collateral nor any proceeds thereof will be property of Borrower's estate under Section 541 of the U.S. Bankruptcy Code, as amended, or any similar statute and the grant of security interest therein to Lender shall not constitute an avoidable preference under Section 547 of the U.S. Bankruptcy Code, as amended, or applicable state law, (iii) the release of the lien of the Security Instrument and the pledge of Defeasance Collateral will not directly or indirectly result in or cause any REMIC Trust that then holds this Note to fail to maintain its status as a REMIC Trust and (iv) the defeasance will not cause any REMIC Trust to be an "investment company" under the Investment Company Act of 1940;

(5) evidence in writing from any applicable Rating Agency (as defined in the Security Instrument) to the effect that the Defeasance will not result in a downgrading, withdrawal or qualification of the respective ratings in effect immediately prior to such Defeasance for any Securities (as hereinafter defined) issued in connection with the securitization which are then outstanding; provided, however, no evidence from a Rating Agency shall be required if this Note does not meet the then-current review requirements of such Rating Agency.

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(6) a certificate in form and scope acceptable to Lender in its sole discretion from an acceptable independent accountant certifying that the Defeasance Collateral will generate amounts sufficient to make all payments of principal and interest due under this Note through the Lockout Expiration Date and the outstanding principal balance of the Loan due on the Maturity Date based upon payments of principal and interest through the Lockout Expiration Date;

(7) Borrower and any guarantor or indemnitor of Borrower's obligations under the Loan Documents for which Borrower has personal liability executes and delivers to Lender such documents and agreements as Lender shall reasonably require to evidence and effectuate the ratification of such personal liability and guaranty or indemnity, respectively;

(8) such other certificates, documents or instruments as Lender may reasonably require; and

(9) payment of all fees, costs, expenses and charges incurred by Lender in connection with the Defeasance of the Property and the purchase of the Defeasance Collateral, including, without limitation, all legal fees and costs and expenses incurred by Lender or its agents in connection with release of the Property, review of the proposed Defeasance Collateral and preparation of the Defeasance Security Agreement and related documentation, any revenue, documentary, stamp, intangible or other taxes, charges or fees due in connection with transfer of the Note, assumption of the Note, or substitution of collateral for the Property shall be paid on or before the Release Date. Without limiting Borrower's obligations with respect thereto, Lender shall be entitled to deduct all such fees, costs, expenses and charges from the Defeasance Deposit to the extent of any portion of the Defeasance Deposit which exceeds the amount necessary to purchase the Defeasance Collateral.

(D) In connection with the Defeasance Deposit, Borrower hereby authorizes and directs Lender using the means and sources customarily employed and available to Lender to use the Defeasance Deposit to purchase for the account of Borrower the Defeasance Collateral. Furthermore, the Defeasance Collateral shall be arranged such that payments received from such Defeasance Collateral shall be paid directly to Lender to be applied on account of the indebtedness of this Note. Any part of the Defeasance Deposit in excess of the amount necessary to purchase the Defeasance Collateral and to pay the other and related costs Borrower is obligated to pay under this Section 1.5 shall be refunded to Borrower.

(ii) Upon compliance with the requirements of subsection 1.5(d)(i), the Property shall be released from the lien of the Security Instrument and the other Loan Documents, and the Defeasance Collateral shall constitute collateral which shall secure this Note and all other obligations under the Loan Documents. Lender will, at

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Borrower's expense, execute and deliver any agreements reasonably requested by Borrower to release the lien of the Security Instrument from the Property.

(iii) Upon the release of the Property in accordance with this Section 1.5(d), Borrower shall assign all its obligations and rights under this Note, together with the pledged Defeasance Collateral, to a newly created successor entity which complies with the terms of Section 2.29 of the Security Instrument designated by Lender in its sole discretion. Such successor entity shall execute an assumption agreement in form and substance satisfactory to Lender in its sole discretion pursuant to which it shall assume Borrower's obligations under this Note and the Defeasance Security Agreement. As conditions to such assignment and assumption, Borrower shall (x) deliver to Lender an opinion of counsel in form and substance satisfactory to a prudent lender and delivered by counsel satisfactory to a prudent lender stating, among other things, that such assumption agreement is enforceable against Borrower and such successor entity in accordance with its terms and that this Note and the Defeasance Security Agreement as so assumed, are enforceable against such successor entity in accordance with their respective terms, and (y) pay all costs and expenses (including, but not limited to, legal fees) incurred by Lender or its agents in connection with such assignment and assumption (including, without limitation, the review of the proposed transferee and the preparation of the assumption agreement and related documentation). Upon such assumption, Borrower shall be relieved of its obligations hereunder, under the other Loan Documents other than as specified in Section 1.5(d)(i)(C)(7) above and under the Defeasance Security Agreement (or other Defeasance document).

Section 1.6 Security. The indebtedness evidenced by this Note and the obligations created hereby are secured by, among other things, that certain mortgage, deed of trust or deed to secure debt, security agreement and fixture filing (the "Security Instrument") from Borrower for the benefit of Lender, dated of even date herewith, covering the Property. The Security Instrument, together with this Note and all other documents to or of which Lender is a party or beneficiary now or hereafter evidencing, securing, guarantying, modifying or otherwise relating to the indebtedness evidenced hereby, are herein referred to collectively as the "Loan Documents". All of the terms and provisions of the Loan Documents are incorporated herein by reference. Some of the Loan Documents are to be filed for record on or about the date hereof in the appropriate public records.

ARTICLE II

DEFAULT

Section 2.1 Events of Default. It is hereby expressly agreed that should any default occur in the payment of principal or interest as stipulated above

and such payment is not made on the date such payment is due, or should any other default occur under any other Loan Document and not be cured within any applicable grace or notice period (if any), then an Event of Default (an "Event of Default") shall exist hereunder, and in such event the indebtedness evidenced hereby, including all sums advanced or accrued hereunder or under any other Loan Document, and all unpaid interest accrued thereon, shall, at the option of Lender and without

notice to Borrower, at once become due and payable and may be collected forthwith, whether or not there has been a prior demand for payment and regardless of the stipulated date of maturity.

Section 2.2 Late Charges. In the event that any payment is not received by Lender on the date when due (subject to any applicable grace period), then, in addition to any default interest payments due hereunder, Borrower shall also pay to Lender a late charge in an amount equal to five percent (5%) of the amount of such overdue payment.

Section 2.3 Default Interest Rate. So long as any Event of Default exists hereunder or under any other Loan Document, regardless of whether or not there has been an acceleration of the indebtedness evidenced hereby, and at all times after maturity of the indebtedness evidenced hereby (whether by acceleration or otherwise), interest shall accrue on the outstanding principal balance of this Note, from the date due until the date credited, at a rate per annum equal to five percent (5%) in excess of the Note Rate, or, if such increased rate of interest may not be collected under applicable law, then at the maximum rate of interest, if any, which may be collected from Borrower under applicable law (as applicable, the "Default Interest Rate"), and such default interest shall be immediately due and payable.

Section 2.4 Borrower's Agreements. Borrower acknowledges that it would be extremely difficult or impracticable to determine Lender's actual damages resulting from any late payment or default, and such late charges and default interest are reasonable estimates of those damages and do not constitute a penalty. The remedies of Lender in this Note or in the Loan Documents, or at law or in equity, shall be cumulative and concurrent, and may be pursued singly, successively or together, in Lender's discretion.

Section 2.5 Borrower to Pay Costs. In the event that this Note, or any part hereof, is collected by or through an attorney-at-law, Borrower agrees to pay all costs of collection, including, but not limited to, reasonable attorneys' fees.

Section 2.6 Exculpation. Notwithstanding anything in this Note or the Loan Documents to the contrary, but subject to the qualifications hereinbelow set forth, Lender agrees that:

(a) Borrower shall be liable upon the indebtedness evidenced hereby and for the other obligations arising under the Loan Documents to the full extent (but only to the extent) of the security therefor, the same being all properties (whether real or personal), rights, estates and interests now or at any time hereafter securing the payment of this Note and/or the other obligations of Borrower under the Loan Documents (collectively, the "Property");

(b) if a default occurs in the timely and proper payment of all or any part of such indebtedness evidenced hereby or in the timely and proper performance of the other obligations of Borrower under the Loan Documents, any judicial proceedings brought by Lender against Borrower shall be limited to the preservation, enforcement and foreclosure, or any thereof, of the liens, security titles, estates, assignments, rights and security interests now or at any time hereafter securing the payment of this Note and/or the other obligations of Borrower under the Loan Documents, and no attachment, execution or other writ of process shall be

sought, issued or levied upon any assets, properties or funds of Borrower other than the Property, except with respect to the liability described below in this section; and

(c) in the event of a foreclosure of such liens, security titles, estates, assignments, rights or security interests securing the payment of this Note and/or the other obligations of Borrower under the Loan Documents, no judgment for any deficiency upon the indebtedness evidenced hereby shall be sought or obtained by Lender against Borrower, except with respect to the liability described below in this section; provided, however, that, notwithstanding the foregoing provisions of this section, Borrower shall be fully and personally liable and subject to legal action (i) for proceeds paid under any insurance policies (or paid as a result of any other claim or cause of action against any person or entity) by reason of damage, loss or destruction to all or any portion of the Property, to the full extent of such proceeds not previously delivered to Lender, but which, under the terms of the Loan Documents, should have been delivered to Lender, (ii) for proceeds or awards resulting from the condemnation or other taking in lieu of condemnation of all or any portion of the Property, to the full extent of such proceeds or awards not previously delivered to Lender, but which, under the terms of the Loan Documents, should have been delivered to Lender, (iii) for all tenant security deposits or other refundable deposits paid to or held by Borrower or any other person or entity in connection with leases of all or any portion of the Property which are not applied in accordance with the terms of the applicable lease or other agreement, except if Lender receives such tenant security deposits or other refundable deposits and fails to refund same to the applicable tenant(s) in accordance with such tenant's lease, (iv) for rent and other payments received from tenants under leases of all or any portion of the Property paid more than one (1) month in advance, provided that with respect to any taxes and/or operating expenses paid by any tenants in other than monthly installments under the applicable lease, such payments shall not be paid more than one installment in advance, (v) for rents, issues, profits and revenues of all or any portion of the Property received or applicable to a period after the occurrence of any Event of Default hereunder or under the Loan Documents which are not either applied to the ordinary and necessary expenses of owning and operating the Property or paid to Lender, (vi) for waste committed on the Property, damage to the Property as a result of the intentional misconduct or gross negligence of Borrower or any of its principals, officers, general partners or members, any guarantor, any indemnitor, or any agent or employee of any such person, or any removal of all or any portion of the Property in violation of the terms of the Loan Documents, to the full extent of the losses or damages incurred by Lender on account of such occurrence, (vii) for failure to pay any valid taxes, assessments, mechanic's liens, materialmen's liens or other liens which could create liens on any portion of the Property which would be superior to the lien or security title of the Security Instrument or the other Loan Documents, to the full extent of the amount claimed by any such lien claimant except, with respect to any such taxes or assessments, to the extent that funds have been deposited with Lender pursuant to the terms of the Security Instrument specifically for the applicable taxes or assessments and not applied by Lender to pay such taxes and assessments, (viii) for all obligations and indemnities of Borrower under the Loan Documents relating to Hazardous Substances (as defined in the Security Instrument) or radon or compliance with Environmental Laws (as defined in the Security Instrument) and regulations to the full extent of any losses or damages (including those resulting from diminution in value of any Property) incurred by Lender and/or any of its affiliates as a result of the existence of such Hazardous Substances or radon or failure to comply with such Environmental Laws or regulations, and (ix) for fraud, material misrepresentation or failure to disclose a material fact,

any untrue statement of a material fact or omission to state a material fact in the written materials and/or information provided to Lender or any of its affiliates by or on behalf of Borrower or any of its affiliates, principals, officers, general partners or members, any guarantor, any indemnitor or any agent, employee or other person authorized or apparently authorized to make statements, representations or disclosures on behalf of Borrower, any affiliate, principal, officer, general partner or member of Borrower, any guarantor or any indemnitor, to the full extent of any losses, damages and expenses of Lender and/or any of its affiliates on account thereof. References herein to particular sections of the Loan Documents shall be deemed references to such sections as affected by other provisions of the Loan Documents relating thereto. Nothing contained in this section shall (1) be deemed to be a release or impairment of the indebtedness evidenced by this Note or the other obligations of Borrower under the Loan Documents or the lien of the Loan Documents upon the Property, or (2) preclude Lender from foreclosing the Loan Documents in case of any default or from enforcing any of the other rights of Lender except as stated in this section, or (3) limit or impair in any way whatsoever (A) the Indemnity and Guaranty Agreement (the "Indemnity Agreement") or (B) the Environmental Indemnity Agreement (the "Environmental Indemnity Agreement"), each of even date herewith executed and delivered in connection with the indebtedness evidenced by this Note or release, relieve, reduce, waive or impair in any way whatsoever, any obligation of any party to the Indemnity Agreement or the Environmental Indemnity Agreement.

Notwithstanding the foregoing, the agreement of Lender not to pursue recourse liability as set forth in this Section 2.6 SHALL BECOME NULL AND VOID and shall be of no further force and effect in the event of (i) a default by Borrower, Indemnitor (as defined in the Security Instrument) or any general partner, manager or managing member of Borrower of any of the covenants set forth in Section 2.9 of the Security Instrument or a default by Borrower, Indemnitor or any general partner, manager or managing member of Borrower which is a Single-Purpose Entity (as defined in the Security Instrument) (if any) of the covenants set forth in Section 2.29 of the Security Instrument, or (ii) if the Property or any part thereof shall become an asset in (A) a voluntary bankruptcy or insolvency proceeding of Borrower or Indemnitor, or (B) an involuntary bankruptcy or insolvency proceeding of Borrower or Indemnitor in which the Borrower or the Indemnitor colludes or any of their affiliates with creditors in such bankruptcy or insolvency proceeding and which is not dismissed within sixty (60) days of filing or (C) Borrower or Indemnitor or any of their affiliates intentionally interferes in any material respect, directly or indirectly, with Lender's exercise and/or realization of Lender's remedies under and as set forth in the Loan Documents other than by the assertion of a good faith defense based upon a failure by Lender to observe the provisions of this Section 2.6 of this Note.

Notwithstanding anything to the contrary in this Note, the Security Instrument or any of the other Loan Documents, Lender shall not be deemed to have waived any right which Lender may have under Section 506(a), 506(b), 1111(b) or any other provisions of the U.S. Bankruptcy Code to file a claim for the full amount of the indebtedness evidenced hereby or secured by the Security Instrument or any of the other Loan Documents or to require that all collateral shall continue to secure all of the indebtedness owing to Lender in accordance with this Note, the Security Instrument and the other Loan Documents.

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ARTICLE III

GENERAL CONDITIONS

Section 3.1 No Waiver; Amendment. No failure to accelerate the indebtedness evidenced hereby by reason of default hereunder, acceptance of a partial or past due payment, or indulgences granted from time to time shall be construed (i) as a novation of this Note or as a reinstatement of the indebtedness evidenced hereby or as a waiver of such right of acceleration or of the right of Lender thereafter to insist upon strict compliance with the terms of this Note, or (ii) to prevent the exercise of such right of acceleration or any other right granted hereunder or by any applicable laws; and Borrower hereby expressly waives the benefit of any statute or rule of law or equity now provided, or which may hereafter be provided, which would produce a result contrary to or in conflict with the foregoing. No extension of the time for the payment of this Note or any installment due hereunder made by agreement with any person now or hereafter liable for the payment of this Note shall operate to release, discharge, modify, change or affect the original liability of Borrower under this Note, either in whole or in part, unless Lender agrees otherwise in writing. This Note may not be changed orally, but only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

Section 3.2 Waivers. Presentment for payment, demand, protest and notice of demand, protest and nonpayment and all other notices are hereby waived by Borrower. Borrower hereby further waives and renounces, to the fullest extent permitted by law, all rights to the benefits of any moratorium, reinstatement, marshaling, forbearance, valuation, stay, extension, redemption, appraisal, exemption and homestead now or hereafter provided by the Constitution and laws of the United States of America and of each state thereof, both as to itself and in and to all of its property, real and personal, against the enforcement and collection of the obligations evidenced by this Note or the other Loan Documents.

Section 3.3 Limit of Validity. The provisions of this Note and of all agreements between Borrower and Lender, whether now existing or hereafter arising and whether written or oral, including, but not limited to, the Loan Documents, are hereby expressly limited so that in no contingency or event whatsoever, whether by reason of demand or acceleration of the maturity of this Note or otherwise, shall the amount contracted for, charged, taken, reserved, paid or agreed to be paid ("Interest") to Lender for the use, forbearance or detention of the money loaned under this Note exceed the maximum amount permissible under applicable law. If, from any circumstance whatsoever, performance or fulfillment of any provision hereof or of any agreement between Borrower and Lender shall, at the time performance or fulfillment of such provision shall be due, exceed the limit for Interest prescribed by law or otherwise transcend the limit of validity prescribed by applicable law, then, ipso facto, the obligation to be performed or fulfilled shall be reduced to such limit, and if, from any circumstance whatsoever, Lender shall ever receive anything of value deemed Interest by applicable law in excess of the maximum lawful amount, an amount equal to any excessive Interest shall be applied to the reduction of the principal balance owing under this Note in the inverse order of its maturity (whether or not then due) or, at the option of Lender, be paid over to Borrower, and not to the payment of Interest. All Interest (including any amounts or payments judicially or otherwise under the law deemed to be Interest) contracted for, charged, taken,

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reserved, paid or agreed to be paid to Lender shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the full term of this Note, including any extensions and renewals hereof until payment in full of the principal balance of this Note so that the Interest thereon for such full term will not exceed at any time the maximum amount permitted by applicable law. To the extent United States federal law permits a greater amount of interest than is permitted under the law of the State in which the Property is located, Lender will rely on United States federal law for the purpose of determining the maximum amount permitted by applicable law. Additionally, to the extent permitted by applicable law now or hereafter in effect, Lender may, at its option and from time to time, implement any other method of computing the maximum lawful rate under the law of the State in which the Property is located or under other applicable law by giving notice, if required, to Borrower as provided by applicable law now or hereafter in effect. This Section 3.3 will control all agreements between Borrower and Lender.

Section 3.4 Use of Funds. Borrower hereby warrants, represents and covenants that no funds disbursed hereunder shall be used for personal, family or household purposes.

Section 3.5 Unconditional Payment. Borrower is and shall be obligated to pay principal, interest and any and all other amounts which become payable hereunder or under the other Loan Documents absolutely and unconditionally and without any abatement, postponement, diminution or deduction and without any reduction for counterclaim or setoff. In the event that at any time any payment received by Lender hereunder shall be deemed by a court of competent jurisdiction to have been a voidable preference or fraudulent conveyance under any bankruptcy, insolvency or other debtor relief law, then the obligation to make such payment shall survive any cancellation or satisfaction of this Note or return thereof to Borrower and shall not be discharged or satisfied with any prior payment thereof or cancellation of this Note, but shall remain a valid and binding obligation enforceable in accordance with the terms and provisions hereof, and such payment shall be immediately due and payable upon demand.

Section 3.6 Governing Law. THIS NOTE SHALL BE INTERPRETED, CONSTRUED AND ENFORCED ACCORDING TO THE LAWS OF THE STATE IN WHICH THE PROPERTY IS LOCATED.

Section 3.7 Waiver of Jury Trial. BORROWER, TO THE FULL EXTENT PERMITTED BY LAW, HEREBY KNOWINGLY, INTENTIONALLY AND VOLUNTARILY, WITH AND UPON THE ADVICE OF COMPETENT COUNSEL, WAIVES, RELINQUISHES AND FOREVER FORGOES THE RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATING TO THE DEBT EVIDENCED BY THIS NOTE OR ANY CONDUCT, ACT OR OMISSION OF LENDER OR BORROWER, OR ANY OF THEIR RESPECTIVE DIRECTORS, OFFICERS, PARTNERS, MEMBERS, EMPLOYEES, AGENTS OR ATTORNEYS, OR ANY OTHER PERSONS AFFILIATED WITH LENDER OR BORROWER, IN EACH OF THE FOREGOING CASES, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE.

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ARTICLE IV

MISCELLANEOUS PROVISIONS

Section 4.1 Successors and Assigns; Joint and Several; Interpretation. The terms and provisions hereof shall be binding upon and inure to the benefit of Borrower and Lender and their respective heirs, executors, legal representatives, successors, successors in title and assigns, whether by voluntary action of the parties or by operation of law. As used herein, the terms "Borrower" and "Lender" shall be deemed to include their respective heirs, executors, legal representatives, successors, successors in title and assigns, whether by voluntary action of the parties or by operation of law. If Borrower consists of more than one person or entity, each shall be jointly and severally liable to perform the obligations of Borrower under this Note. All personal pronouns used herein, whether used in the masculine, feminine or neuter gender, shall include all other genders; the singular shall include the plural and vice versa. Titles of articles and sections are for convenience only and in no way define, limit, amplify or describe the scope or intent of any provisions hereof. Time is of the essence with respect to all provisions of this Note. This Note and the other Loan Documents contain the entire agreements between the parties hereto relating to the subject matter hereof and thereof and all prior agreements relative hereto and thereto which are not contained herein or therein are terminated.

Section 4.2 Taxpayer Identification. Borrower's Tax Identification Number is 34-2004597.

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IN WITNESS WHEREOF, Borrower has executed this Note as of the date first written above.

BORROWER:

5 BECKER SPE LLC,
a Delaware limited liability company

By: /s/ Mitchell E. Hersh
Name: Mitchell E. Hersh
Title: President and Chief Executive Officer

\
STATE OF New Jersey

SS:

COUNTY OF Union

BE IT REMEMBERED that on the 8th day of May, 2006, Mitchell E. Hersh personally came before me, and this person acknowledged under oath, to my satisfaction, that he is the President and Chief Executive Officer of 5 Becker SPE LLC, a Delaware limited liability company, the entity named in this document, and this document was signed and delivered by the entity as its voluntary act duly authorized by a proper resolution of the limited liability company.

/s/ Beverly E. Sturr
Beverly E. Sturr
Notary Public of New Jersey
My Commission expires on March 30, 2010

INTEREST ONLY

ANNEX 1 TO \$15,500,000 PROMISSORY NOTE
 BY 5 BECKER SPE LLC
 TO WACHOVIA BANK, NATIONAL ASSOCIATION

[SEE ATTACHED]

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LOAN TERMS

Original Principal Amount	\$ 15,500,000.00
Note Rate % (Per Annum)	6.270%
Original Amortization Term (Months)	360
Monthly Payment Amount (Excluding IO Period)	\$ 95,637.88
Note Date	5/9/2006
First Pay Date	6/11/2006
Original Loan Term (Months)	120
Scheduled Maturity Date	5/11/2016
Interest Accrual Basis During Amortization Periods	ACTUAL/360
Interest Only (IO) Periods (Months)	60
Interest Accrual Basis During IO Period	ACTUAL/360

5 BECKER FARM ROAD

502856397

Pay Period	Pay Date	Accrual Days in Period	Scheduled Payment	Interest Component of Scheduled Payment	Principal Component of Scheduled Payment	Ending Unpaid Principal Balance
0	5/11/2006	2	\$ 0.00	\$ 5,399.16	\$ 0.00	\$ 15,500,000.00
1	6/11/2006	31	\$ 83,687.08	\$ 83,687.08	\$ 0.00	\$ 15,500,000.00
2	7/11/2006	30	\$ 80,987.50	\$ 80,987.50	\$ 0.00	\$ 15,500,000.00
3	8/11/2006	31	\$ 83,687.08	\$ 83,687.08	\$ 0.00	\$ 15,500,000.00
4	9/11/2006	31	\$ 83,687.08	\$ 83,687.08	\$ 0.00	\$ 15,500,000.00
5	10/11/2006	30	\$ 80,987.50	\$ 80,987.50	\$ 0.00	\$ 15,500,000.00
6	11/11/2006	31	\$ 83,687.08	\$ 83,687.08	\$ 0.00	\$ 15,500,000.00
7	12/11/2006	30	\$ 80,987.50	\$ 80,987.50	\$ 0.00	\$ 15,500,000.00
8	1/11/2007	31	\$ 83,687.08	\$ 83,687.08	\$ 0.00	\$ 15,500,000.00
9	2/11/2007	31	\$ 83,687.08	\$ 83,687.08	\$ 0.00	\$ 15,500,000.00
10	3/11/2007	28	\$ 75,588.33	\$ 75,588.33	\$ 0.00	\$ 15,500,000.00
11	4/11/2007	31	\$ 83,687.08	\$ 83,687.08	\$ 0.00	\$ 15,500,000.00
12	5/11/2007	30	\$ 80,987.50	\$ 80,987.50	\$ 0.00	\$ 15,500,000.00
13	6/11/2007	31	\$ 83,687.08	\$ 83,687.08	\$ 0.00	\$ 15,500,000.00

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14	7/11/2007	30	\$ 80,987.50	\$ 80,987.50	\$ 0.00	\$ 15,500,000.00
15	8/11/2007	31	\$ 83,687.08	\$ 83,687.08	\$ 0.00	\$ 15,500,000.00
16	9/11/2007	31	\$ 83,687.08	\$ 83,687.08	\$ 0.00	\$ 15,500,000.00
17	10/11/2007	30	\$ 80,987.50	\$ 80,987.50	\$ 0.00	\$ 15,500,000.00
18	11/11/2007	31	\$ 83,687.08	\$ 83,687.08	\$ 0.00	\$ 15,500,000.00
19	12/11/2007	30	\$ 80,987.50	\$ 80,987.50	\$ 0.00	\$ 15,500,000.00
20	1/11/2008	31	\$ 83,687.08	\$ 83,687.08	\$ 0.00	\$ 15,500,000.00
21	2/11/2008	31	\$ 83,687.08	\$ 83,687.08	\$ 0.00	\$ 15,500,000.00
22	3/11/2008	29	\$ 78,287.92	\$ 78,287.92	\$ 0.00	\$ 15,500,000.00
23	4/11/2008	31	\$ 83,687.08	\$ 83,687.08	\$ 0.00	\$ 15,500,000.00

24	5/11/2008	30	\$	80,987.50	\$	80,987.50	\$	0.00	\$	15,500,000.00
25	6/11/2008	31	\$	83,687.08	\$	83,687.08	\$	0.00	\$	15,500,000.00
26	7/11/2008	30	\$	80,987.50	\$	80,987.50	\$	0.00	\$	15,500,000.00
27	8/11/2008	31	\$	83,687.08	\$	83,687.08	\$	0.00	\$	15,500,000.00
28	9/11/2008	31	\$	83,687.08	\$	83,687.08	\$	0.00	\$	15,500,000.00
29	10/11/2008	30	\$	80,987.50	\$	80,987.50	\$	0.00	\$	15,500,000.00
30	11/11/2008	31	\$	83,687.08	\$	83,687.08	\$	0.00	\$	15,500,000.00
31	12/11/2008	30	\$	80,987.50	\$	80,987.50	\$	0.00	\$	15,500,000.00
32	1/11/2009	31	\$	83,687.08	\$	83,687.08	\$	0.00	\$	15,500,000.00
33	2/11/2009	31	\$	83,687.08	\$	83,687.08	\$	0.00	\$	15,500,000.00
34	3/11/2009	28	\$	75,588.33	\$	75,588.33	\$	0.00	\$	15,500,000.00
35	4/11/2009	31	\$	83,687.08	\$	83,687.08	\$	0.00	\$	15,500,000.00
36	5/11/2009	30	\$	80,987.50	\$	80,987.50	\$	0.00	\$	15,500,000.00
37	6/11/2009	31	\$	83,687.08	\$	83,687.08	\$	0.00	\$	15,500,000.00
38	7/11/2009	30	\$	80,987.50	\$	80,987.50	\$	0.00	\$	15,500,000.00
39	8/11/2009	31	\$	83,687.08	\$	83,687.08	\$	0.00	\$	15,500,000.00
40	9/11/2009	31	\$	83,687.08	\$	83,687.08	\$	0.00	\$	15,500,000.00
41	10/11/2009	30	\$	80,987.50	\$	80,987.50	\$	0.00	\$	15,500,000.00
42	11/11/2009	31	\$	83,687.08	\$	83,687.08	\$	0.00	\$	15,500,000.00
43	12/11/2009	30	\$	80,987.50	\$	80,987.50	\$	0.00	\$	15,500,000.00
44	1/11/2010	31	\$	83,687.08	\$	83,687.08	\$	0.00	\$	15,500,000.00
45	2/11/2010	31	\$	83,687.08	\$	83,687.08	\$	0.00	\$	15,500,000.00
46	3/11/2010	28	\$	75,588.33	\$	75,588.33	\$	0.00	\$	15,500,000.00
47	4/11/2010	31	\$	83,687.08	\$	83,687.08	\$	0.00	\$	15,500,000.00
48	5/11/2010	30	\$	80,987.50	\$	80,987.50	\$	0.00	\$	15,500,000.00
49	6/11/2010	31	\$	83,687.08	\$	83,687.08	\$	0.00	\$	15,500,000.00

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50	7/11/2010	30	\$	80,987.50	\$	80,987.50	\$	0.00	\$	15,500,000.00
51	8/11/2010	31	\$	83,687.08	\$	83,687.08	\$	0.00	\$	15,500,000.00
52	9/11/2010	31	\$	83,687.08	\$	83,687.08	\$	0.00	\$	15,500,000.00
53	10/11/2010	30	\$	80,987.50	\$	80,987.50	\$	0.00	\$	15,500,000.00
54	11/11/2010	31	\$	83,687.08	\$	83,687.08	\$	0.00	\$	15,500,000.00
55	12/11/2010	30	\$	80,987.50	\$	80,987.50	\$	0.00	\$	15,500,000.00
56	1/11/2011	31	\$	83,687.08	\$	83,687.08	\$	0.00	\$	15,500,000.00
57	2/11/2011	31	\$	83,687.08	\$	83,687.08	\$	0.00	\$	15,500,000.00
58	3/11/2011	28	\$	75,588.33	\$	75,588.33	\$	0.00	\$	15,500,000.00
59	4/11/2011	31	\$	83,687.08	\$	83,687.08	\$	0.00	\$	15,500,000.00
60	5/11/2011	30	\$	80,987.50	\$	80,987.50	\$	0.00	\$	15,500,000.00
61	6/11/2011	31	\$	95,637.88	\$	83,687.08	\$	11,950.80	\$	15,488,049.20
62	7/11/2011	30	\$	95,637.88	\$	80,925.06	\$	14,712.82	\$	15,473,336.38
63	8/11/2011	31	\$	95,637.88	\$	83,543.12	\$	12,094.76	\$	15,461,241.62
64	9/11/2011	31	\$	95,637.88	\$	83,477.82	\$	12,160.06	\$	15,449,081.56
65	10/11/2011	30	\$	95,637.88	\$	80,721.45	\$	14,916.43	\$	15,434,165.13
66	11/11/2011	31	\$	95,637.88	\$	83,331.63	\$	12,306.25	\$	15,421,858.88
67	12/11/2011	30	\$	95,637.88	\$	80,579.21	\$	15,058.67	\$	15,406,800.21
68	1/11/2012	31	\$	95,637.88	\$	83,183.88	\$	12,454.00	\$	15,394,346.21
69	2/11/2012	31	\$	95,637.88	\$	83,116.64	\$	12,521.24	\$	15,381,824.97
70	3/11/2012	29	\$	95,637.88	\$	77,691.03	\$	17,946.85	\$	15,363,878.12
71	4/11/2012	31	\$	95,637.88	\$	82,952.14	\$	12,685.74	\$	15,351,192.38
72	5/11/2012	30	\$	95,637.88	\$	80,209.98	\$	15,427.90	\$	15,335,764.48
73	6/11/2012	31	\$	95,637.88	\$	82,800.35	\$	12,837.53	\$	15,322,926.95
74	7/11/2012	30	\$	95,637.88	\$	80,062.29	\$	15,575.59	\$	15,307,351.36
75	8/11/2012	31	\$	95,637.88	\$	82,646.94	\$	12,990.94	\$	15,294,360.42
76	9/11/2012	31	\$	95,637.88	\$	82,576.80	\$	13,061.08	\$	15,281,299.34
77	10/11/2012	30	\$	95,637.88	\$	79,844.79	\$	15,793.09	\$	15,265,506.25
78	11/11/2012	31	\$	95,637.88	\$	82,421.01	\$	13,216.87	\$	15,252,289.38
79	12/11/2012	30	\$	95,637.88	\$	79,693.21	\$	15,944.67	\$	15,236,344.71
80	1/11/2013	31	\$	95,637.88	\$	82,263.56	\$	13,374.32	\$	15,222,970.39
81	2/11/2013	31	\$	95,637.88	\$	82,191.35	\$	13,446.53	\$	15,209,523.86
82	3/11/2013	28	\$	95,637.88	\$	74,171.78	\$	21,466.10	\$	15,188,057.76
83	4/11/2013	31	\$	95,637.88	\$	82,002.86	\$	13,635.02	\$	15,174,422.74
84	5/11/2013	30	\$	95,637.88	\$	79,286.36	\$	16,351.52	\$	15,158,071.22
85	6/11/2013	31	\$	95,637.88	\$	81,840.95	\$	13,796.93	\$	15,144,274.29

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86	7/11/2013	30	\$	95,637.88	\$	79,128.83	\$	16,509.05	\$	15,127,765.24
87	8/11/2013	31	\$	95,637.88	\$	81,677.33	\$	13,960.55	\$	15,113,804.69
88	9/11/2013	31	\$	95,637.88	\$	81,601.95	\$	14,035.93	\$	15,099,768.76
89	10/11/2013	30	\$	95,637.88	\$	78,896.29	\$	16,741.59	\$	15,083,027.17
90	11/11/2013	31	\$	95,637.88	\$	81,435.78	\$	14,202.10	\$	15,068,825.07

91	12/11/2013	30	\$	95,637.88	\$	78,734.61	\$	16,903.27	\$	15,051,921.80
92	1/11/2014	31	\$	95,637.88	\$	81,267.83	\$	14,370.05	\$	15,037,551.75
93	2/11/2014	31	\$	95,637.88	\$	81,190.25	\$	14,447.63	\$	15,023,104.12
94	3/11/2014	28	\$	95,637.88	\$	73,262.67	\$	22,375.21	\$	15,000,728.91
95	4/11/2014	31	\$	95,637.88	\$	80,991.44	\$	14,646.44	\$	14,986,082.47
96	5/11/2014	30	\$	95,637.88	\$	78,302.28	\$	17,335.60	\$	14,968,746.87
97	6/11/2014	31	\$	95,637.88	\$	80,818.76	\$	14,819.12	\$	14,953,927.75
98	7/11/2014	30	\$	95,637.88	\$	78,134.27	\$	17,503.61	\$	14,936,424.14
99	8/11/2014	31	\$	95,637.88	\$	80,644.24	\$	14,993.64	\$	14,921,430.50
100	9/11/2014	31	\$	95,637.88	\$	80,563.29	\$	15,074.59	\$	14,906,355.91
101	10/11/2014	30	\$	95,637.88	\$	77,885.71	\$	17,752.17	\$	14,888,603.74
102	11/11/2014	31	\$	95,637.88	\$	80,386.05	\$	15,251.83	\$	14,873,351.91
103	12/11/2014	30	\$	95,637.88	\$	77,713.26	\$	17,924.62	\$	14,855,427.29
104	1/11/2015	31	\$	95,637.88	\$	80,206.93	\$	15,430.95	\$	14,839,996.34
105	2/11/2015	31	\$	95,637.88	\$	80,123.61	\$	15,514.27	\$	14,824,482.07
106	3/11/2015	28	\$	95,637.88	\$	72,294.06	\$	23,343.82	\$	14,801,138.25
107	4/11/2015	31	\$	95,637.88	\$	79,913.81	\$	15,724.07	\$	14,785,414.18
108	5/11/2015	30	\$	95,637.88	\$	77,253.79	\$	18,384.09	\$	14,767,030.09
109	6/11/2015	31	\$	95,637.88	\$	79,729.66	\$	15,908.22	\$	14,751,121.87
110	7/11/2015	30	\$	95,637.88	\$	77,074.61	\$	18,563.27	\$	14,732,558.60
111	8/11/2015	31	\$	95,637.88	\$	79,543.54	\$	16,094.34	\$	14,716,464.26
112	9/11/2015	31	\$	95,637.88	\$	79,456.64	\$	16,181.24	\$	14,700,283.02
113	10/11/2015	30	\$	95,637.88	\$	76,808.98	\$	18,828.90	\$	14,681,454.12
114	11/11/2015	31	\$	95,637.88	\$	79,267.62	\$	16,370.26	\$	14,665,083.86
115	12/11/2015	30	\$	95,637.88	\$	76,625.06	\$	19,012.82	\$	14,646,071.04
116	1/11/2016	31	\$	95,637.88	\$	79,076.58	\$	16,561.30	\$	14,629,509.74
117	2/11/2016	31	\$	95,637.88	\$	78,987.16	\$	16,650.72	\$	14,612,859.02
118	3/11/2016	29	\$	95,637.88	\$	73,807.12	\$	21,830.76	\$	14,591,028.26
119	4/11/2016	31	\$	95,637.88	\$	78,779.39	\$	16,858.49	\$	14,574,169.77
120	5/11/2016	30	\$	14,650,319.81	\$	76,150.04	\$	14,574,169.77	\$	0.00

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120	3,653	\$	25,222,393.77	\$	9,722,393.77	\$	15,500,000.00
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PREPARED BY AND UPON RECORDATION
RETURN TO:

Winston & Strawn LLP
200 Park Avenue
New York, New York
Attention: Corey A. Tessler, Esq.

Loan No.: 502856399

51 Imclone Drive, Branchburg, New Jersey

51 CHUBB SPE LLC,
as Borrower

to

WACHOVIA BANK, NATIONAL ASSOCIATION,
as Lender

MORTGAGE, SECURITY AGREEMENT AND FIXTURE FILING

Date: May 9, 2006

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MORTGAGE, SECURITY AGREEMENT AND FIXTURE FILING

THIS MORTGAGE, SECURITY AGREEMENT AND FIXTURE FILING(as the same may be from time to time amended, consolidated, renewed or replaced, this "Mortgage") is made as of May 9, 2006 by 51 CHUBB SPE LLC, a Delaware limited liability company, as grantor ("Borrower"), whose address c/o Mack-Cali Realty, L.P. at 11 Commerce Drive, Cranford, New Jersey 07016, to WACHOVIA BANK, NATIONAL ASSOCIATION, a national banking association, as beneficiary (together with its successors and assigns, "Lender"), whose address is Commercial Real Estate Services, 8739 Research Drive URP — 4, NC 1075, Charlotte, North Carolina 28262.

WITNESSETH:

THAT FOR AND IN CONSIDERATION OF THE SUM OF TEN AND NO/100 DOLLARS (\$10.00), AND OTHER VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH ARE HEREBY ACKNOWLEDGED, BORROWER HEREBY IRREVOCABLY MORTGAGES, GRANTS, BARGAINS, SELLS, CONVEYS, TRANSFERS, PLEDGES, SETS OVER AND ASSIGNS, with power of sale, all of Borrower's estate, right, title and interest in, to and under any and all of the following described property, whether now owned or hereafter acquired by Borrower (collectively, the "Property"):

(A) All that certain real property situated in the County of Somerset, State of New Jersey, more particularly described on Exhibit A attached hereto and incorporated herein by this reference (the "Premises"), together with all of the easements, rights, privileges, franchises, tenements, hereditaments and appurtenances now or hereafter thereto belonging or in any way appertaining thereto, and all of the estate, right, title, interest, claim and demand whatsoever of Borrower therein or thereto, either at law or in equity, in possession or in expectancy, now or hereafter acquired;

(B) All structures, buildings and improvements of every kind and description now or at any time hereafter located or placed on the Premises (the "Improvements");

(C) All furniture, furnishings, fixtures, goods, equipment, inventory or personal property owned by Borrower and now or hereafter located on, attached to or used in and about the Improvements, including, but not limited to, all machines, engines, boilers, dynamos, elevators, stokers, tanks, cabinets, awnings, screens, shades, blinds, carpets, draperies, lawn mowers, and all appliances, plumbing, heating, air conditioning, lighting, ventilating, refrigerating, disposal and incinerating equipment, and all fixtures and appurtenances thereto, and such other goods and chattels and personal property owned by Borrower as are now or hereafter used or furnished in operating the Improvements, or the activities conducted therein, and all building materials and equipment hereafter situated on or about the Premises or Improvements, and all warranties and guaranties relating thereto, and all additions thereto and substitutions and replacements therefor (exclusive of any of the foregoing owned or leased by tenants of space in the Improvements);

(D) All easements, rights-of-way, strips and gores of land, vaults, streets, ways, alleys, passages, sewer rights, and other emblements now or hereafter located on the Premises or under or above the same or any part or parcel thereof, and all estates, rights, titles, interests, tenements, hereditaments and appurtenances, reversions and remainders whatsoever, in any way belonging, relating or appertaining to the Property or any part thereof, or which hereafter shall in any way belong, relate or be appurtenant thereto, whether now owned or hereafter acquired by Borrower;

(E) All water, ditches, wells, reservoirs and drains and all water, ditch, well, reservoir and drainage rights which are appurtenant to, located on, under or above or used in connection with the Premises or the Improvements, or any part thereof, whether now existing or hereafter created or acquired;

(F) All minerals, crops, timber, trees, shrubs, flowers and landscaping features now or hereafter located on, under or above the Premises;

(G) All cash funds, deposit accounts and other rights and evidence of rights to cash, now or hereafter created or held by Lender pursuant to this Mortgage or any other of the Loan Documents (as hereinafter defined), including, without limitation, all funds now or hereafter on deposit in the Reserves (as hereinafter defined);

(H) All leases (including, without limitation, oil, gas and mineral leases), licenses, concessions and occupancy agreements of all or any part of the Premises or the Improvements (each, a "Lease" and collectively, "Leases"), whether written or oral, now or hereafter entered into and all rents, royalties, issues, profits, bonus money, revenue, income, rights and other benefits (collectively, the "Rents and Profits") of the Premises or the Improvements, now or hereafter arising from the use or enjoyment of all or any portion thereof or from any present or future Lease or other agreement pertaining thereto or arising from any of the Leases or any of the General Intangibles (as hereinafter defined) and all cash or securities deposited to secure performance by the tenants, lessees or licensees (each, a "Tenant" and collectively, "Tenants"), as applicable, of their obligations under any such Leases, whether said cash or securities are to be held until the expiration of the terms of said Leases or applied to one or more of the installments of rent coming due prior to the expiration of said terms, subject, however, to the provisions contained in Section 2.7 hereinbelow;

(I) All contracts and agreements now or hereafter entered into covering any part of the Premises or the Improvements (collectively, the "Contracts") and all revenue, income and other benefits thereof, including, without limitation, management agreements, service contracts, maintenance contracts, equipment leases,

personal property leases and any contracts or documents relating to construction on any part of the Premises or the Improvements (including plans, drawings, surveys, tests, reports, bonds and governmental approvals) or to the management or operation of any part of the Premises or the Improvements;

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(J) All present and future monetary deposits given to any public or private utility with respect to utility services furnished to any part of the Premises or the Improvements;

(K) All present and future funds, accounts, instruments, accounts receivable, documents, causes of action, claims, general intangibles (including, without limitation, trademarks, trade names, service marks and symbols now or hereafter used in connection with any part of the Premises or the Improvements, all names by which the Premises or the Improvements may be operated or known, all rights to carry on business under such names, and all rights, interest and privileges which Borrower has or may have as developer or declarant under any covenants, restrictions or declarations now or hereafter relating to the Premises or the Improvements) and all notes or chattel paper now or hereafter arising from or by virtue of any transactions related to the Premises or the Improvements (collectively, the "General Intangibles");

(L) All water taps, sewer taps, certificates of occupancy, permits, licenses, franchises, certificates, consents, approvals and other rights and privileges now or hereafter obtained in connection with the Premises or the Improvements and all present and future warranties and guaranties relating to the Improvements or to any equipment, fixtures, furniture, furnishings, personal property or components of any of the foregoing now or hereafter located or installed on the Premises or the Improvements;

(M) All building materials, supplies and equipment now or hereafter placed on the Premises or in the Improvements and all architectural renderings, models, drawings, plans, specifications, studies and data now or hereafter relating to the Premises or the Improvements;

(N) All right, title and interest of Borrower in any insurance policies or binders now or hereafter relating to the Property, including any unearned premiums thereon;

(O) All proceeds, products, substitutions and accessions (including claims and demands therefor) of the conversion, voluntary or involuntary, of any of the foregoing into cash or liquidated claims, including, without limitation, proceeds of insurance and condemnation awards; and

(P) All other or greater rights and interests of every nature in the Premises or the Improvements and in the possession or use thereof and income therefrom, whether now owned or hereafter acquired by Borrower.

FOR THE PURPOSE OF SECURING:

(1) The loan (the "Loan") evidenced by that certain Promissory Note (such Promissory Note, together with any and all renewals, amendments, modifications, consolidations and extensions thereof, is hereinafter referred to as the "Note") of even date with this Mortgage, made by Borrower payable to the order of Lender in the principal face amount of FOUR MILLION FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$4,500,000.00), together with interest as therein provided;

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(2) The full and prompt payment and performance of all of the provisions, agreements, covenants and obligations herein contained and contained in any other agreements, documents or instruments now or hereafter evidencing, securing or otherwise relating to the Debt (as hereinafter defined), the Environmental Indemnity Agreement (as hereinafter defined) and the Indemnity and Guaranty Agreement (as hereinafter defined) (the Note, this Mortgage, and such other agreements, documents and instruments, together with any and all renewals, amendments, extensions and modifications thereof, are hereinafter collectively referred to as the "Loan Documents") and the payment of all other sums herein or therein covenanted to be paid;

(3) Any and all additional advances made by Lender to protect or preserve the Property or the lien or security interest created hereby on the Property, or for taxes, assessments or insurance premiums as hereinafter provided or for performance of any of Borrower's obligations hereunder or under the other Loan Documents or for any other purpose provided herein or in the other Loan Documents (whether or not the original Borrower remains the owner of the Property at the time of such advances); and

(4) Any and all other indebtedness now owing or which may hereafter be owing by Borrower to Lender, including, without limitation, all prepayment fees, however and whenever incurred or evidenced, whether express or implied, direct or indirect, absolute or contingent, or due or to become due, and all renewals, modifications, consolidations, replacements and extensions thereof, it being contemplated by Borrower and Lender that Borrower may hereafter become so indebted to Lender.

(All of the sums referred to in Paragraphs (1) through (4) above are herein referred to as the "Debt").

TO HAVE AND TO HOLD the Property unto Lender, its successors and assigns forever, and Borrower does hereby bind itself, its successors and assigns, to WARRANT AND FOREVER DEFEND the title to the Property, subject to the Permitted Encumbrances (as hereinafter defined), to Lender against every person whomsoever lawfully claiming or to claim the same or any part thereof;

PROVIDED, HOWEVER, that if the principal and interest and all other sums due or to become due under the Note or under the other Loan Documents, including, without limitation, any prepayment fees required pursuant to the terms of the Note, shall have been paid at the time and in the manner stipulated therein and the Debt shall have been paid and all other covenants contained in the Loan Documents shall have been performed, then, in such case, the liens, security interests, estates and rights granted by this Mortgage shall be satisfied and the estate, right, title and interest of Lender in the Property shall cease, and upon payment to Lender of all costs and expenses incurred for the preparation of the release hereinafter referenced and all recording costs if allowed by law, Lender shall promptly satisfy and release this Mortgage of record and the lien hereof by proper instrument.

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ARTICLE I

REPRESENTATIONS AND WARRANTIES OF BORROWER

Borrower, for itself and its successors and assigns, does hereby represent, warrant and covenant to and with Lender, its successors and assigns, that:

Section 1.1 Organization; Special Purpose. Borrower has been duly organized and is validly existing and in good standing under the laws of the state of its formation, with requisite power and authority, and all rights, licenses, permits and authorizations, governmental or otherwise, necessary to own its properties and to transact the business in which it is now engaged. Borrower is duly qualified to do business and is in good standing in each jurisdiction where it is required to be so qualified in connection with its properties, business and operations. Borrower possesses all franchises, patents, copyrights, trademarks, trade names, licenses and permits necessary for the conduct of its business substantially as now conducted. Borrower is a Single-Purpose Entity in compliance with the provisions of Section 2.29 hereof. All of the assumptions made in that certain substantive non-consolidation opinion letter dated the date hereof, delivered by Borrower's counsel in connection with the Loan and any subsequent non-consolidation opinion delivered in accordance with the terms and conditions of this Mortgage (the "Non-Consolidation Opinion"), including, but not limited to, any exhibits attached thereto, are true and correct in all respects.

Section 1.2 Title. Borrower has good, marketable and indefeasible fee simple title to the Property, subject only to those matters expressly set forth as exceptions to or subordinate matters in the title insurance policy insuring the lien of this Mortgage delivered as of the date hereof which Lender has agreed to accept, excepting therefrom all preprinted and/or standard exceptions (such items being the "Permitted Encumbrances"), and has full power and lawful authority to grant, bargain, sell, convey, assign, transfer, encumber and mortgage its interest in the Property in the manner and form hereby done or intended. Borrower will preserve its interest in and title to the Property and will forever warrant and defend the same to Lender against any and all claims whatsoever and will forever warrant and defend the validity and priority of the lien and security interest created herein against the claims of all persons and parties whomsoever, subject to the Permitted Encumbrances. This Mortgage creates (i) a valid, perfected lien on the Premises, subject only to Permitted Encumbrances and the liens created by the Loan Documents and (ii) perfected security interests in and to, and perfected collateral assignments of, all personalty, all in accordance with the terms thereof, in each case subject only to any applicable Permitted Encumbrances, such other liens as are permitted pursuant to the Loan Documents and the liens created by the Loan Documents. There are no security agreements or financing statements affecting all or any portion of the Property other than (i) as disclosed in writing by Borrower to Lender prior to the date hereof and (ii) the security agreements and financing statements created in favor of Lender. There are no claims for payment for work, labor or materials affecting the Premises which are or may become a lien prior to, or of equal priority with, the liens created by the Loan Documents. None of the Permitted Encumbrances, individually or in the aggregate, materially interfere with the benefits of the security intended to be provided by this Mortgage, materially and adversely affect the value of the Premises, impair the use or operations of the Premises or impair Borrower's ability to pay its obligations in a timely manner. The foregoing warranty of title shall survive the foreclosure of this Mortgage

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and shall inure to the benefit of and be enforceable by Lender in the event Lender acquires title to the Property pursuant to any foreclosure.

Section 1.3 No Bankruptcy Filing. No bankruptcy, insolvency proceedings or liquidation of all or a substantial portion of the Property is pending or contemplated by Borrower or, to the best knowledge of Borrower, against Borrower or by or against any endorser or cosigner of the Note or of any portion of the Debt, or any guarantor or indemnitor under any guaranty or indemnity agreement, including, without limitation, that certain Indemnity and Guaranty Agreement, dated the date hereof, executed by Mack-Cali Realty, L.P., a Delaware limited partnership, in favor of Lender (the "Guaranty Agreement"), executed in connection with the Note or the loan evidenced thereby and secured hereby (an "Indemnitor"). No petition in bankruptcy has been filed against Borrower or any general partner, manager, sole member, managing member or majority shareholder of Borrower, as applicable (collectively, the "Borrower Parties", each a "Borrower Party"), and neither Borrower Party or any principal of a Borrower Party has ever made an assignment for the benefit of creditors or taken advantage of any insolvency act for the benefit of debtors.

Section 1.4 Full and Accurate Disclosure. No statement of fact made by Borrower in any Loan Documents contains any untrue statement of a material fact or omits to state any material fact necessary to make statements contained therein not misleading. There is no material fact presently known to Borrower that has not been disclosed to Lender which adversely affects, or, as far as Borrower can foresee, might adversely affect, the Property or the business, operations or condition (financial or otherwise) of Borrower. All financial data, including the statements of cash flow and income and operating expense, that have been delivered to Lender in respect of Borrower and the Property (i) are true, complete and correct in all material respects, (ii) accurately represent the financial condition of Borrower and the Property as of the date of such reports, and (iii) to the extent prepared by an independent certified public accounting firm, have been prepared in accordance with generally accepted accounting principles consistently applied throughout the periods covered, except as disclosed therein. Borrower has no contingent liabilities, liabilities for taxes, unusual forward or long-term commitments, unrealized or anticipated losses from any unfavorable commitments or any liabilities or obligations not expressly permitted by this Mortgage. Since the date of such financial statements, there has been no materially adverse change in the financial condition, operations or business of Borrower or the Property from that set forth in said financial statements.

Section 1.5 Proceedings; Enforceability. The execution, delivery and performance of this Mortgage, the Note and all of the other Loan Documents have been duly authorized by all necessary action to be, and are, binding and enforceable against Borrower in accordance with the respective terms thereof and do not contravene, result in a breach of or constitute a default (nor upon the giving of notice or the passage of time or both will same constitute a default) under the partnership agreement, articles of incorporation, operating agreement or other organizational documents of Borrower or any contract or agreement of any nature to which Borrower is a party or by which Borrower or any of its property may be bound and do not violate or contravene any law, order, decree, rule or regulation to which Borrower is subject. The Loan Documents are not subject to, and Borrower has not asserted, any right of rescission, set-off, counterclaim or defense, including the defense of usury.

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Section 1.6 No Conflicts. Borrower is not required to obtain any consent, approval or authorization from or to file any declaration or statement with, any governmental authority or agency in connection with or as a condition to the execution, delivery or performance of this Mortgage, the Note or the other Loan Documents which has not been so obtained or filed. Borrower has obtained or made all necessary (i) consents, approvals and authorizations and registrations and filings of or with all governmental authorities or agencies and (ii) consents, approvals, waivers and notifications of partners, stockholders, members, creditors, lessors and other non-governmental persons and/or entities, in each case, which are required to be obtained or made by Borrower in connection with the execution and delivery of, and the performance by Borrower of its obligations under, the Loan Documents.

Section 1.7 Federal Reserve Regulations; Investment Company Act. No part of the proceeds of the Loan will be used for the purpose of purchasing or acquiring any "margin stock" within the meaning of Regulation T, U or X of the Board of Governors of the Federal Reserve System or for any other purpose that would be inconsistent with such Regulation T, U or X or any other regulation of such Board of Governors, or for any purpose prohibited by law or any Loan Document. Borrower is not (i) an "investment company" or a company "controlled" by an "investment company," within the meaning of the Investment Company Act of 1940, as amended; (ii) a

“holding company” or a “subsidiary company” of a “holding company” or an “affiliate” of either a “holding company” or a “subsidiary company” within the meaning of the Public Utility Holding Company Act of 1935, as amended; or (iii) subject to any other federal or state law or regulation which purports to restrict or regulate its ability to borrow money.

Section 1.8 Taxes. Borrower and any general partner or managing member of Borrower, if any, has filed all federal, state and local tax returns required to be filed as of the date hereof and has paid or made adequate provision for the payment of all federal, state and local taxes, charges and assessments payable by Borrower and any general partner or managing member, if any, as of the date hereof. Borrower and any general partner or managing member, if any, believe that their respective tax returns properly reflect the income and taxes of Borrower and said general partner or managing member, if any, for the periods covered thereby, subject only to reasonable adjustments required by the Internal Revenue Service or other applicable tax authority upon audit. Borrower and the Property are free from any past due obligations for sales and payroll taxes.

Section 1.9 ERISA. Borrower (i) has no knowledge of any material liability that has been incurred or is expected to be incurred by Borrower that is or remains unsatisfied for any taxes or penalties with respect to any “employee benefit plan”, as defined in section 3(3) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), or any “plan” within the meaning of Section 4975(e)(1) of the Internal Revenue Code of 1986, as amended (the “Code”) or any other benefit plan (other than a multi-employer plan) maintained, contributed to, or required to be contributed to by Borrower or by any entity that is under the common control with Borrower within the meaning of ERISA Section 4001(a)(14) (collectively, a “Plan”) or any plan that would be a Plan but for the fact that it is a multi-employer plan within the meaning of ERISA Section 3(37) and (ii) has made and shall continue to make when due all required contributions to all such Plans, if any. Each such Plan, if any, has been and will be administered in compliance with its terms and the applicable provisions of ERISA, the Code and any other applicable Federal or state law and no action shall be taken or fail to be taken that would result in

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the disqualification or loss of the tax-exempt status of any such Plan, if any, intended to be qualified or tax-exempt. The assets of Borrower do not constitute “plan assets” of one or more such plans within the meaning of 29 C.F.R. Section 2510.3-101.

Section 1.10 Property Compliance. The Premises and the Improvements and the current intended use thereof by Borrower comply in all material respects with all applicable restrictive covenants, zoning ordinances, subdivision and building codes, flood disaster laws, health and environmental laws and regulations and all other ordinances, orders or requirements issued by any state, federal or municipal authorities having or claiming jurisdiction over the Property, except as otherwise previously disclosed to Lender in writing. In the event that all or any part of the Improvements are destroyed or damaged, said Improvements can be legally reconstructed to their condition prior to such damage or destruction, and thereafter exist for the same use without violating any zoning or other ordinances applicable thereto and without the necessity of obtaining any variances or special permits. No legal proceedings are pending or, to the knowledge of Borrower, threatened with respect to the zoning of the Premises. Neither the zoning nor any other right to construct, use or operate the Premises is in any way dependent upon or related to any property other than the Premises. All certifications, permits, licenses and approvals, including certificates of completion and occupancy permits required for the legal use, occupancy and operation of the Premises have been obtained and are in full force and effect. The Premises and Improvements constitute one or more separate tax parcels for purposes of ad valorem taxation. The Premises and Improvements do not require any rights over, or restrictions against, other property in order to comply with any of the aforesaid governmental ordinances, orders or requirements.

Section 1.11 Utilities. All utility services necessary and sufficient for the full use, occupancy, operation and disposition of the Premises and the Improvements for their intended purposes are available to the Property, including water, storm sewer, sanitary sewer, gas, electric, cable and telephone facilities, through public rights-of-way or perpetual private easements approved by Lender. The Property is free from delinquent water charges, sewer rents, taxes and assessments.

Section 1.12 Public Access. All streets, roads, highways, bridges and waterways necessary for access to and full use, occupancy, operation and disposition of the Premises and the Improvements have been completed, have been dedicated to and accepted by the appropriate municipal authority and are open and available to the Premises and the Improvements without further condition or cost to Borrower. All curb cuts, driveways and traffic signals shown on the survey delivered to Lender prior to the execution and delivery of this Mortgage are existing and have been fully approved by the appropriate governmental authority.

Section 1.13 Litigation: Agreements. There are no judicial, administrative, mediation or arbitration actions, suits or proceedings pending or threatened against or affecting Borrower (or, if Borrower is a partnership or a limited liability company, any of its general partners or members) or the Property which, if adversely determined, would materially impair either the Property or Borrower’s ability to perform the covenants or obligations required to be performed under the Loan Documents. Borrower is not a party to any agreement or instrument or subject to any restriction which might adversely affect Borrower or the Property, or Borrower’s business, properties, operations or condition, financial or otherwise. Borrower is not in default in any

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material respect in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any Permitted Encumbrance or any other agreement or instrument to which it is a party or by which it or the Property is bound.

Section 1.14 Physical Condition. As of the date of this Mortgage, (i) the Property is free from unrepaired damage caused by fire, flood, accident or other casualty, (ii) no part of the Premises or the Improvements has been taken in condemnation, eminent domain or like proceeding nor is any such proceeding pending or, to Borrower’s knowledge and belief, threatened or contemplated, (iii) except as may otherwise be disclosed in that certain Property Condition Report (the “Property Condition Report”) dated May 5, 2006 and prepared by IVI Due Diligence Services, Inc., the Improvements are structurally sound, in good repair and free of defects in materials and workmanship and have been constructed and installed in substantial compliance with the plans and specifications relating thereto, and (iv) all major building systems located within the Improvements, including, without limitation, the heating and air conditioning systems and the electrical and plumbing systems, are in good working order and condition.

Section 1.15 Contracts. Borrower has delivered to Lender true, correct and complete copies of all Contracts and all amendments thereto or modifications thereof. Each Contract constitutes the legal, valid and binding obligation of Borrower and, to the best of Borrower’s knowledge and belief, is enforceable against any other party thereto. No default exists, or with the passing of time or the giving of notice or both would exist, under any Contract which would, in the aggregate, have a material adverse effect on Borrower or the Property. No Contract provides any party with the right to obtain a lien or encumbrance upon the Property superior to the lien of this Mortgage. All Contracts affecting the Property have been entered into at arms-length in the ordinary course of Borrower’s business and provide for the payment of fees in amounts and upon terms comparable to existing market rates.

Section 1.16 Leases. Borrower has delivered (i) a true, correct and complete schedule (the “Rent Roll”) of all Leases affecting the Property as of the date hereof, which accurately and completely sets forth in all material respects for each such Lease, the following: the name of the Tenant, the Lease expiration date, extension and renewal provisions, the base rent payable, the security deposit held thereunder and any other material provisions of such Lease and (ii) true, correct and complete copies of all Leases described in the Rent Roll. Each Lease constitutes the legal, valid and binding obligation of Borrower and, to the best of Borrower’s knowledge and belief, is

enforceable against the Tenant thereof. No default exists, or with the passing of time or the giving of notice or both would exist, under any Lease which would, in the aggregate, have a material adverse effect on Borrower or the Property. No Tenant under any Lease has, as of the date hereof, paid rent more than thirty (30) days in advance, and the rents under such Leases have not been waived, released, or otherwise discharged or compromised. All security deposits required under such Leases have been fully funded and are held by Borrower as permitted by applicable law. All work to be performed by Borrower under the Leases has been substantially performed, all contributions to be made by Borrower to the Tenants thereunder have been made and all other conditions precedent to each such Tenant's obligations thereunder have been satisfied. Each Tenant under a Lease has entered into occupancy of the demised premises. To the best of Borrower's knowledge and belief, each Tenant is free from bankruptcy, reorganization or arrangement proceedings or a general assignment for the benefit of creditors.

No Lease provides any party with the right to obtain a lien or encumbrance upon the Property superior to the lien of this Mortgage.

Section 1.17 Foreign Person. Borrower is not a "foreign person" within the meaning of §1445(f)(3) of the Code, and the related Treasury Department regulations, including temporary regulations.

Section 1.18 Management Agreement. The property management agreement relating to the Premises (the "Management Agreement") is in full force and effect and to the best of Borrower's knowledge, there is no default, breach or violation existing thereunder by any party thereto beyond the expiration of applicable notice and grace periods thereunder and no event has occurred (other than payments due but not yet delinquent) that, with the passage of time or the giving of notice, or both, would constitute a default, breach or violation by any party thereunder. The fee due under the Management Agreement, and the terms and provisions of the Management Agreement, are subordinate to this Mortgage.

Section 1.19 Fraudulent Transfer. Borrower has not entered into the Loan or any Loan Document with the actual intent to hinder, delay, or defraud any creditor, and Borrower has received reasonably equivalent value in exchange for its obligations under the Loan Documents. Giving effect to the transactions contemplated by the Loan Documents, the fair saleable value of Borrower's assets exceeds and will, immediately following the execution and delivery of the Loan Documents, exceed Borrower's total liabilities, including subordinated, unliquidated, disputed or contingent liabilities, including the maximum amount of its contingent liabilities or its debts as such debts become absolute and matured. Borrower's assets do not and, immediately following the execution and delivery of the Loan Documents will not, constitute unreasonably small capital to carry out its business as conducted or as proposed to be conducted. Borrower does not intend to, and does not believe that it will, incur debts and liabilities (including contingent liabilities and other commitments) beyond its ability to pay such debts as they mature (taking into account the timing and amounts to be payable on or in respect of obligations of Borrower).

All of the representations and warranties in this Article I and elsewhere in the Loan Documents (i) shall survive for so long as any portion of the Debt remains owing to Lender and (ii) shall be deemed to have been relied upon by Lender notwithstanding any investigation heretofore or hereafter made by Lender or on its behalf.

ARTICLE II COVENANTS OF BORROWER

For the purposes of further securing the Debt and for the protection of the security of this Mortgage, for so long as the Debt or any part thereof remains unpaid, Borrower covenants and agrees as follows:

Section 2.1 Defense of Title. If, while this Mortgage is in force, the title to the Property or the interest of Lender therein shall be the subject, directly or indirectly, of any action at law or in equity, or be attached directly or indirectly, or endangered, clouded or adversely

affected in any manner, Borrower, at Borrower's expense, shall take all necessary and proper steps for the defense of said title or interest, including the employment of counsel approved by Lender, the prosecution or defense of litigation, and the compromise or discharge of claims made against said title or interest. Notwithstanding the foregoing, in the event that Lender determines that Borrower is not adequately performing its obligations under this Section, Lender may, without limiting or waiving any other rights or remedies of Lender hereunder, take such steps with respect thereto as Lender shall deem necessary or proper and any and all costs and expenses incurred by Lender in connection therewith, together with interest thereon at the Default Interest Rate (as defined in the Note) from the date incurred by Lender until actually paid by Borrower, shall be immediately paid by Borrower on demand and shall be secured by this Mortgage and by all of the other Loan Documents securing all or any part of the indebtedness evidenced by the Note.

Section 2.2 Performance of Obligations. Borrower shall pay when due the principal of and the interest on the Debt in accordance with the terms of the Note. Borrower shall also pay all charges, fees and other sums required to be paid by Borrower as provided in the Loan Documents, in accordance with the terms of the Loan Documents, and shall observe, perform and discharge all obligations, covenants and agreements to be observed, performed or discharged by Borrower set forth in the Loan Documents in accordance with their terms. Further, Borrower shall promptly and strictly perform and comply with all covenants, conditions, obligations and prohibitions required of Borrower in connection with any other document or instrument affecting title to the Property, or any part thereof, regardless of whether such document or instrument is superior or subordinate to this Mortgage.

Section 2.3 Insurance. Borrower shall, at Borrower's expense, maintain in force and effect on the Property at all times while this Mortgage continues in effect the following insurance:

(a) Insurance against loss or damage to the Property by fire, lightning, windstorm, tornado, hail, terrorism, riot and civil commotion, vandalism, malicious mischief, burglary and theft and against loss and damage by such other, further and additional risks as may be now or hereafter embraced by a "special causes of loss" type of insurance policy. The amount of such insurance shall be not less than one hundred percent (100%) of the full replacement cost (insurable value) of the Improvements (as established by a Member of the Appraisal Institute appraisal), without reduction for depreciation. The determination of the replacement cost amount shall be adjusted annually to comply with the requirements of the insurer issuing such coverage or, at Lender's election, by reference to such indices, appraisals or information as Lender determines in its reasonable discretion in order to reflect increased value due to inflation. Absent such annual adjustment, each policy shall contain inflation guard coverage insuring that the policy limit will be increased over time to reflect the effect of inflation. "Full replacement cost," as used herein and elsewhere in this Section 2.3,

means, with respect to the Improvements, the cost of replacing the Improvements without regard to deduction for depreciation, exclusive of the cost of excavations, foundations and footings below the lowest basement floor. Borrower shall also maintain insurance against loss or damage to furniture, furnishings, fixtures, equipment and other items (whether personalty or fixtures) included in the Property and owned by Borrower from time to time to the extent applicable. Each policy shall contain a waiver of any co-

insurance provisions, subject to Lender's approval. The maximum deductible shall be \$100,000.00.

(b) If the "special causes of loss" policy required in subsection (a) above excludes coverage for wind damage, Borrower shall maintain separate coverage for such risk. Furthermore, if the Property is located in the State of Florida, or within twenty five (25) miles of the ocean coast of the states of Texas, Louisiana, Mississippi, Alabama, Georgia, North Carolina, Hawaii or South Carolina, windstorm insurance must be maintained in an amount equal to the lesser of (i) the full replacement cost of the Property or (ii) the maximum limit of coverage available with respect to the Improvements and Equipment. If available, a minimum of eighteen (18) months general business income coverage specifically relating to wind damage shall be required. The maximum deductible shall be \$100,000.00, which deductible shall only apply to "tier one" coverages.

(c) Ordinance and law insurance is required if the Property is "non-conforming" with respect to any zoning requirements. Borrower shall maintain "Coverage A" against loss on value to the undamaged portion of the Improvements for the full replacement cost of the Improvements. Borrower shall also maintain "Coverage B" against the cost of demolition in an amount equal to ten percent (10%) of the total value of the Improvements and "Coverage C" against increased cost of reconstruction in an amount equal to twenty percent (20%) of the total value of the Improvements. The maximum deductible shall be \$100,000.00; provided that if the insurance required under this Section 2.3(c) is fully covered by the insurance required in Section 2.3(a) above, then no separate deductible shall be required, and the maximum deductible of \$100,000.00 shall apply for the combined insurance for Section 2.3(a) and Section 2.3(c).

(d) Commercial General Liability Insurance against claims for personal injury, bodily injury, death and property damage occurring on, in or about the Premises or the Improvements in amounts not less than \$1,000,000.00 per occurrence and \$2,000,000.00 in the aggregate plus umbrella coverage in an amount not less than \$25,000,000. Lender hereby retains the right to periodically review the amount of said liability insurance being maintained by Borrower and to require an increase in the amount of said liability insurance should Lender deem an increase to be reasonably prudent under then existing circumstances. The maximum deductible shall be \$25,000.00.

(e) Equipment breakdown (also known as boiler and machinery) insurance is required if steam boilers or other pressure-fired vessels are in operation at the Premises. Minimum liability coverage per accident must equal the greater of the replacement cost (insurable value) of the Improvements housing such boiler or pressure-fired machinery or \$2,000,000.00. If one or more large HVAC units is in operation at the Premises, "Systems Breakdowns" coverage shall be required, as determined by Lender. Minimum liability coverage per accident must equal the value of such unit(s). If available, a minimum of eighteen (18) months general business income coverage specifically relating to boiler and machinery damage shall be required. The maximum deductible shall be \$100,000.00. Co-insurance is prohibited.

(f) If the Improvements or any part thereof is situated in an area designated by the Federal Emergency Management Agency ("FEMA") as a special flood hazard area (Zone A or Zone V), flood insurance in an amount equal to the lesser of: (i) the minimum amount

required, under the terms of coverage, to compensate for any damage or loss on a replacement basis (or the unpaid balance of the Debt if replacement cost coverage is not available for the type of building insured), or (ii) the maximum insurance available under the appropriate National Flood Insurance Administration program. If available, a minimum of eighteen (18) months general business income coverage specifically relating to flood damage shall be required. The maximum deductible shall be \$5,000.00 per building or a higher minimum amount as required by FEMA or other applicable law.

(g) If the Property is situated in an area designated by FEMA as a high probability earthquake area (Zone 2b or greater), Lender may require a Probable Maximum Loss ("PML") study to be conducted at the Property. If the PML study reveals a PML equal to or exceeding twenty percent (20%) of the full replacement cost of the Improvements, Borrower shall be required to maintain earthquake insurance in an amount equal to the PML percentage of full replacement cost of the Improvements. If available, a minimum of eighteen (18) months Business Income coverage specifically relating to earthquake damage shall be required. The maximum deductible shall be no more than five percent (5%) of the value at risk or the lowest deductible available in the State in which the Property is located.

(h) During the period of any construction, renovation or alteration of the existing Improvements which exceeds the lesser of 10% of the principal amount of the Note or \$500,000, at Lender's request, a completed value, "All Risk" Builder's Risk form or "Course of Construction" insurance policy in non-reporting form, in an amount approved by Lender, may be required. During the period of any construction of any addition to the existing Improvements, a completed value, "All Risk" Builder's Risk form or "Course of Construction" insurance policy in non-reporting form, in an amount approved by Lender, shall be required. The maximum deductible shall be \$100,000.00.

(i) When required by applicable law, ordinance or other regulation, Worker's Compensation and Employer's Liability Insurance covering all persons subject to the worker's compensation laws of the state in which the Property is located. Additionally, if Borrower has direct employees, Hired and Non-Owned Auto Insurance is required in an amount equal to \$1,000,000 per occurrence. The maximum deductible shall be \$25,000.00.

(j) In addition to the specific risk coverages required herein, general business income (loss of rents) insurance in amounts sufficient to compensate Borrower for all Rents and Profits or income during a period of not less than eighteen (18) months. The "actual loss" amount of coverage shall be adjusted annually to reflect the greater of (i) estimated Rents and Profits or income payable during the succeeding eighteen (18) month period or (ii) the projected operating expenses, capital expenses and debt service for the Property as approved by Lender in its sole discretion. The maximum deductible shall be \$100,000.00.

(k) Such other insurance on the Property or on any replacements or substitutions thereof or additions thereto as may from time to time be required by Lender against other insurable hazards or casualties which at the time are commonly insured against in the case of property similarly situated including, without limitation, Sinkhole, Mine Subsidence and Environmental insurance, due regard being given to the height and type of buildings, their construction, location, use and occupancy.

(l) At Borrower's election, in lieu of the maximum deductible required for insurance coverage required under Sections 2.3(d) of the Mortgage, Borrower shall be required to maintain a Self-insured Retention in connection with its General Liability Insurance coverage, in an amount not to exceed \$150,000.00, provided that Borrower shall be personally liable for the payment of all claims within the limits of the Self-insured Retention, as if such obligation of Borrower were included as an exception to the Exculpation provisions in Section 2.6(c) of the Note and the Indemnitor shall also be liable for the payment of such claims pursuant to its Indemnity and Guaranty Agreement of even date herewith for the benefit of Lender.

(m) Borrower shall maintain insurance against damage resulting from acts of terrorism, or an insurance policy without an exclusion for damages resulting from terrorism, on terms consistent with the commercial property insurance policy required under subsections (a) and (j) above, provided, however, that in the event the commercial property and business income insurance required under subsection (a) and (j) above excludes perils of terrorism and acts of terrorism, then Borrower shall maintain a separate commercial property and business income insurance policy for loss resulting from perils and acts of terrorism on terms (including amounts, except as provided for below) consistent with those required under subsection (a) and (j) above (a "Stand Alone Terrorism Insurance Policy") all times during the term of the Loan; provided, that, Borrower shall not be required to maintain terrorism coverage for amounts in excess of the amount of coverage that, could be obtained under a Stand Alone Terrorism Insurance Policy upon the payment of an annual premium in an amount (the "Terrorism Insurance Cap") equal to two hundred fifty percent (250%) of the cost of obtaining a Stand Alone Terrorism Insurance Policy as of the date hereof and in the event the annual premium for terrorism coverage satisfying the requirements of this Section 2.3 shall exceed the Terrorism Insurance Cap, Borrower shall only be required to obtain and maintain terrorism coverage for as much of the coverage as is available for a premium equal to the Terrorism Insurance Cap.

All such insurance shall (i) be with insurers fully licensed and authorized to do business in the state within which the Premises is located and who have and maintain a rating of at least (A) A or higher from Standard & Poors and (B) AX or higher from A.M. Best, (ii) contain the complete address of the Premises (or a complete legal description), (iii) be for terms of at least one year, with premium prepaid, and (iv) be subject to the approval of Lender as to insurance companies, amounts, content, forms of policies, method by which premiums are paid and expiration dates, and (v) include a standard, non-contributory, mortgagee clause naming EXACTLY:

Wachovia Bank, National Association,
its Successors and Assigns ATIMA
c/o Wachovia Bank, National Association, as Servicer
P.O. Box 563956
Charlotte, North Carolina 28256-3956

(A) as an additional insured under all liability insurance policies, (B) as the first mortgagee on all property insurance policies and (C) as the loss payee on all loss of rents or loss of business income insurance policies.

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Borrower shall, as of the date hereof, deliver to Lender evidence that said insurance policies have been prepaid as required above and certified copies of such insurance policies and original certificates of insurance signed by an authorized agent of the applicable insurance companies evidencing such insurance satisfactory to Lender. Borrower shall renew all such insurance and deliver to Lender an Acord 28 certificate for proof of commercial property insurance and an Acord 25 certificate for proof of liability insurance, together with such other certificates reasonably requested by Lender. Borrower further agrees that each such insurance policy: (i) shall provide for at least thirty (30) days' prior written notice to Lender prior to any policy reduction or cancellation for any reason other than non-payment of premium and at least ten (10) days' prior written notice to Lender prior to any cancellation due to non-payment of premium; (ii) shall contain an endorsement or agreement by the insurer that any loss shall be payable to Lender in accordance with the terms of such policy notwithstanding any act or negligence of Borrower which might otherwise result in forfeiture of such insurance; (iii) shall waive all rights of subrogation against Lender; and (iv) may be in the form of a blanket policy provided that, in the event that any such coverage is provided in the form of a blanket policy, Borrower hereby acknowledges and agrees that failure to pay any portion of the premium therefor which is not allocable to the Property or by any other action not relating to the Property which would otherwise permit the issuer thereof to cancel the coverage thereof, would require the Property to be insured by a separate, single-property policy. The blanket policy must properly identify and fully protect the Property as if a separate policy were issued for 100% of Replacement Cost at the time of loss and otherwise meet all of Lender's applicable insurance requirements set forth in this Section 2.3. The delivery to Lender of the insurance policies or the certificates of insurance as provided above shall constitute an assignment of all proceeds payable under such insurance policies relating to the Property by Borrower to Lender as further security for the Debt. In the event of foreclosure of this Mortgage, or other transfer of title to the Property in extinguishment in whole or in part of the Debt, all right, title and interest of Borrower in and to all proceeds payable under such policies then in force concerning the Property shall thereupon vest in the purchaser at such foreclosure, or in Lender or other transferee in the event of such other transfer of title. Approval of any insurance by Lender shall not be a representation of the solvency of any insurer or the sufficiency of any amount of insurance. In the event Borrower fails to provide, maintain, keep in force or deliver and furnish to Lender the policies of insurance required by this Mortgage or evidence of their renewal as required herein, Lender may, but shall not be obligated to, procure such insurance and Borrower shall pay all amounts advanced by Lender therefor, together with interest thereon at the Default Interest Rate from and after the date advanced by Lender until actually repaid by Borrower, promptly upon demand by Lender. Any amounts so advanced by Lender, together with interest thereon, shall be secured by this Mortgage and by all of the other Loan Documents securing all or any part of the Debt. Lender shall not be responsible for nor incur any liability for the insolvency of the insurer or other failure of the insurer to perform, even though Lender has caused the insurance to be placed with the insurer after failure of Borrower to furnish such insurance. Borrower shall not obtain insurance for the Property in addition to that required by Lender without the prior written consent of Lender, which consent will not be unreasonably withheld provided that (i) Lender is a named insured on such insurance, (ii) Lender receives complete copies of all policies evidencing such insurance, and (iii) such insurance complies with all of the applicable requirements set forth herein.

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Section 2.4 Payment of Taxes. Borrower shall pay or cause to be paid, except to the extent provision is actually made therefor pursuant to Section 3.3 of this Mortgage, all taxes and assessments which are or may become a lien on the Property or which are assessed against or imposed upon the Property. Borrower shall furnish Lender with receipts (or if receipts are not immediately available, with copies of canceled checks evidencing payment with receipts to follow promptly after they become available) showing payment of such taxes and assessments at least fifteen (15) days prior to the applicable delinquency date therefor. Notwithstanding the foregoing, Borrower may, in good faith, by appropriate proceedings and upon notice to Lender, contest the validity, applicability or amount of any asserted tax or assessment so long as (a) such contest is diligently pursued, (b) Lender determines, in its subjective opinion, that such contest suspends the obligation to pay the tax and that nonpayment of such tax or assessment will not result in the sale, loss, forfeiture or diminution of the Property or any part thereof or any interest of Lender therein, and (c) prior to the earlier of the commencement of such contest or the delinquency date of the asserted tax or assessment, Borrower deposits in the Impound Account (as hereinafter defined) an amount

determined by Lender to be adequate to cover the payment of such tax or assessment and a reasonable additional sum to cover possible interest, costs and penalties; provided, however, that Borrower shall promptly cause to be paid any amount adjudged by a court of competent jurisdiction to be due, with all interest, costs and penalties thereon, promptly after such judgment becomes final; and provided further that in any event each such contest shall be concluded and the taxes, assessments, interest, costs and penalties shall be paid prior to the date any writ or order is issued under which the Property may be sold, lost or forfeited.

Section 2.5 Casualty and Condemnation. Borrower shall give Lender prompt written notice of (i) the occurrence of any casualty affecting the Property or any portion thereof, (ii) the institution of any proceedings for eminent domain or for the condemnation of the Property or any portion thereof or (iii) any written notification threatening the institution of any proceedings for eminent domain or for the condemnation of the Property or any portion thereof or any written request to execute a deed in lieu of condemnation affecting the Property or any portion thereof. All insurance proceeds on the Property, and all causes of action, claims, compensation, awards and recoveries for any damage, condemnation or taking, or any deed in lieu of condemnation, affecting all or any part of the Property or for any damage or injury to it for any loss or diminution in value of the Property, are hereby assigned to and shall be paid to Lender. Lender may participate in any suits or proceedings relating to any such proceeds, causes of action, claims, compensation, awards or recoveries, and Lender is hereby authorized, in its own name or in Borrower's name, to adjust any loss covered by insurance or any condemnation claim or cause of action, and to settle or compromise any claim or cause of action in connection therewith, and Borrower shall from time to time deliver to Lender any instruments required to permit such participation; provided, however, that, so long as no Event of Default has occurred, and no event has occurred or failed to occur which with the passage of time, the giving of notice, or both would constitute an Event of Default (a "Default"), Lender shall not have the right to participate in the adjustment of any loss which is not in excess of the lesser of (i) five percent (5%) of the then outstanding principal balance of the Note and (ii) \$250,000. Lender shall apply any sums received by it under this Section first to the payment of all of its costs and expenses (including, but not limited to, reasonable legal fees and disbursements) incurred in obtaining those sums, and then, as follows:

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(a) In the event that less than (x) — fifteen percent (15%), in the case of condemnation, or thirty percent (30%), in the case of casualty, of the fair market value or net rentable square footage of the Improvements located on the Premises have been taken or destroyed and (y) Leases covering in the aggregate at least sixty-five percent (65%) of the total rentable space in the Property which has been demised under executed and delivered Leases in effect as of the date of the occurrence of such casualty or condemnation, whichever the case may be, and each Major Lease (as hereinafter defined) in effect as of such date shall remain in full force and effect during and after the completion of the restoration without abatement of rent beyond the time required for restoration, then if and so long as:

- (1) no Default or Event of Default has occurred hereunder or under any of the other Loan Documents, and
- (2) the Property can, in Lender's judgment, with diligent restoration or repair, be returned to a condition at least equal to the condition thereof that existed prior to the casualty or partial taking causing the loss or damage within the earlier to occur of (A) nine (9) months after the initial receipt of any insurance proceeds or condemnation awards by either Borrower or Lender but in any event prior to the expiration or lapse of rent loss or general business income necessary to satisfy current obligations of the Loan, and (B) six (6) months prior to the stated maturity date of the Note, and
- (3) all necessary governmental approvals can be obtained to allow the rebuilding and reoccupancy of the Property as described in Section (a) (2) above, and
- (4) there are sufficient sums available (through insurance proceeds or condemnation awards and contributions by Borrower, the full amount of which shall, at Lender's option, have been deposited with Lender) for such restoration or repair (including, without limitation, for any costs and expenses of Lender to be incurred in administering said restoration or repair) and for payment of principal and interest to become due and payable under the Note during such restoration or repair, and
- (5) the economic feasibility of the Improvements after such restoration or repair will be such that income from their operation is reasonably anticipated to be sufficient to pay operating expenses of the Property and debt service on the Debt in full with the same coverage ratio considered by Lender in its determination to make the loan secured hereby, and
- (6) in the event that the insurance proceeds or condemnation awards received as a result of such casualty or partial taking exceed the lesser of (i) five percent (5%) of the then outstanding principal balance of the Note and (ii) \$250,000, Borrower shall have delivered to Lender, at Borrower's sole cost and expense, an appraisal report in form and substance satisfactory to Lender appraising the value of the Property as proposed to be restored or repaired to be not less than the appraised value of the Property considered by Lender in its determination to make the loan secured hereby, and
- (7) Borrower so elects by written notice delivered to Lender within five (5) days after settlement of the aforesaid insurance or condemnation claim.

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Lender shall, solely for the purposes of such restoration or repair, advance so much of the remainder of such sums as may be required for such restoration or repair, and any funds deposited by Borrower therefor, to Borrower in the manner and upon such terms and conditions as would be required by a prudent interim construction lender, including, but not limited to, the prior approval by Lender of plans and specifications, contractors and form of construction contracts and the furnishing to Lender of permits, bonds, lien waivers, invoices, receipts and affidavits from contractors and subcontractors, in form and substance satisfactory to Lender in its discretion, with any remainder being applied by Lender for payment of the Debt in whatever order Lender directs in its absolute sole discretion, or at the discretion of Lender, the same may be paid, either in whole or in part, to, or for the benefit of, Borrower for such purposes as Lender shall designate in its discretion.

(b) In all other cases, namely, in the event that (x) more than fifteen percent (15%), in the case of condemnation, or thirty percent (30%), in the case of casualty, of the fair market value or net rentable square footage of the Improvements located on the Premises have been taken or destroyed (y) Leases covering in the aggregate at least sixty-five percent (65%) of the total rentable space in the Property which has been demised under executed and delivered Leases in effect as of the date of the occurrence of such casualty or condemnation, whichever the case may be, and each Major Lease (as hereinafter defined) in effect as of such date will not remain in full force and effect during and after the completion of the restoration without abatement of rent beyond the time required for restoration, or (z) Borrower does not elect to restore or repair the Property pursuant to clause (a) above or otherwise fails to meet the requirements of clause (a) above, then, in any of such events, Lender shall elect, in Lender's absolute discretion and without regard to the adequacy of Lender's security to do either of the following: (1) accelerate the maturity date of the Note and declare any and all of the Debt to be immediately due and payable and apply the remainder of such sums received pursuant to this Section to the payment of the Debt in whatever order Lender directs in its absolute discretion, with any remainder being paid to Borrower, or (2) notwithstanding that Borrower may have elected not to restore or repair the Property

pursuant to the provisions of Section 2.5(a)(7) above, so long as the proceeds of any such award with respect to any casualty or condemnation are made available to the Borrower for restoration, require Borrower to restore or repair the Property in the manner and upon such terms and conditions as would be required by a prudent interim construction lender, including, but not limited to, the deposit by Borrower with Lender, within thirty (30) days after demand therefor, of any deficiency reasonably determined by Lender to be necessary in order to assure the availability of sufficient funds to pay for such restoration or repair, including Lender's costs and expenses to be incurred in connection therewith, the prior approval by Lender of plans and specifications, contractors and form of construction contracts and the furnishing to Lender of permits, bonds, lien waivers, invoices, receipts and affidavits from contractors and subcontractors, in form and substance satisfactory to Lender in its discretion, and apply the remainder of such sums toward such restoration and repair, with any balance thereafter remaining being applied by Lender for payment of the Debt in whatever order Lender directs in its absolute sole discretion, or at the discretion of Lender, the same may be paid, either in whole or in part, to, or for the benefit of, Borrower for such purposes as Lender shall designate in its discretion. No such prepayment of the Debt in connection with this Section 2.5(b) shall occasion prepayment penalties or premiums of any kind subject to and in accordance with Section 1.5(c) of the Note.

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Any reduction in the Debt resulting from Lender's application of any sums received by it hereunder shall take effect only when Lender actually receives such sums and elects to apply such sums to the Debt and, in any event, the unpaid portion of the Debt shall remain in full force and effect and Borrower shall not be excused in the payment thereof. Partial payments received by Lender, as described in the preceding sentence, shall be applied first to the final payment due under the Note and thereafter to installments due under the Note in the inverse order of their due date. If Borrower elects or Lender directs Borrower to restore or repair the Property after the occurrence of a casualty or partial taking of the Property as provided above, Borrower shall promptly and diligently, at Borrower's sole cost and expense and regardless of whether the insurance proceeds or condemnation award, as appropriate, shall be sufficient for the purpose, restore, repair, replace and rebuild the Property as nearly as possible to its value, condition and character immediately prior to such casualty or partial taking in accordance with the foregoing provisions and Borrower shall pay to Lender all costs and expenses of Lender incurred in administering said rebuilding, restoration or repair, provided that Lender makes such proceeds or award available for such purpose. Borrower agrees to execute and deliver from time to time such further instruments as may be requested by Lender to confirm the foregoing assignment to Lender of any award, damage, insurance proceeds, payment or other compensation. Lender is hereby irrevocably constituted and appointed the attorney-in-fact of Borrower (which power of attorney shall be irrevocable so long as any portion of the Debt is outstanding, shall be deemed coupled with an interest, shall survive the voluntary or involuntary dissolution of Borrower and shall not be affected by any disability or incapacity suffered by Borrower subsequent to the date hereof), with full power of substitution, subject to the terms of this Section, to settle for, collect and receive any such awards, damages, insurance proceeds, payments or other compensation from the parties or authorities making the same, to appear in and prosecute any proceedings therefor and to give receipts and acquittances therefor.

Section 2.6 Construction Liens. Borrower shall pay when due all claims and demands of mechanics, materialmen, laborers and others for any work performed or materials delivered for the Premises or the Improvements; provided, however, that, Borrower shall have the right to contest in good faith any such claim or demand, so long as it does so diligently, by appropriate proceedings and without prejudice to Lender and provided that neither the Property nor any interest therein would be in any danger of sale, loss or forfeiture as a result of such proceeding or contest. In the event Borrower shall contest any such claim or demand, Borrower shall promptly notify Lender of such contest and thereafter shall, upon Lender's request, promptly provide a bond, cash deposit or other security satisfactory to Lender to protect Lender's interest and security should the contest be unsuccessful. If Borrower shall fail to immediately discharge or provide security against any such claim or demand as aforesaid, Lender may do so and any and all expenses incurred by Lender, together with interest thereon at the Default Interest Rate from the date incurred by Lender until actually paid by Borrower, shall be immediately paid by Borrower on demand and shall be secured by this Mortgage and by all of the other Loan Documents securing all or any part of the Debt.

Section 2.7 Rents and Profits. As additional and collateral security for the payment of the Debt and cumulative of any and all rights and remedies herein provided for, Borrower hereby absolutely and presently assigns to Lender all existing and future Rents and Profits. Borrower hereby grants to Lender the sole, exclusive and immediate right, without taking possession of the Property, to demand, collect (by suit or otherwise), receive and give valid and sufficient receipts

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for any and all of said Rents and Profits, for which purpose Borrower does hereby irrevocably make, constitute and appoint Lender its attorney-in-fact with full power to appoint substitutes or a trustee to accomplish such purpose (which power of attorney shall be irrevocable so long as any portion of the Debt is outstanding, shall be deemed to be coupled with an interest, shall survive the voluntary or involuntary dissolution of Borrower and shall not be affected by any disability or incapacity suffered by Borrower subsequent to the date hereof). Lender shall be without liability for any loss which may arise from a failure or inability to collect Rents and Profits, proceeds or other payments. However, until the occurrence of an Event of Default under this Mortgage or under any other of the Loan Documents, Borrower shall have a license to collect, receive, use and enjoy the Rents and Profits when due and prepayments thereof for not more than one (1) month prior to due date thereof. Upon the occurrence of an Event of Default, Borrower's license shall automatically terminate without notice to Borrower and Lender may thereafter, without taking possession of the Property, collect the Rents and Profits itself or by an agent or receiver. From and after the termination of such license, Borrower shall be the agent of Lender in collection of the Rents and Profits, and all of the Rents and Profits so collected by Borrower shall be held in trust by Borrower for the sole and exclusive benefit of Lender, and Borrower shall, within one (1) business day after receipt of any Rents and Profits, pay the same to Lender to be applied by Lender as hereinafter set forth. Neither the demand for or collection of Rents and Profits by Lender shall constitute any assumption by Lender of any obligations under any agreement relating thereto. Lender is obligated to account only for such Rents and Profits as are actually collected or received by Lender. Borrower irrevocably agrees and consents that the respective payors of the Rents and Profits shall, upon demand and notice from Lender of an Event of Default, pay said Rents and Profits to Lender without liability to determine the actual existence of any Event of Default claimed by Lender. Borrower hereby waives any right, claim or demand which Borrower may now or hereafter have against any such payor by reason of such payment of Rents and Profits to Lender, and any such payment shall discharge such payor's obligation to make such payment to Borrower. All Rents collected or received by Lender may be applied against all expenses of collection, including, without limitation, reasonable attorneys' fees, against costs of operation and management of the Property and against the Debt, in whatever order or priority as to any of the items so mentioned as Lender directs in its sole subjective discretion and without regard to the adequacy of its security. Neither the exercise by Lender of any rights under this Section nor the application of any Rents to the Debt shall cure or be deemed a waiver of any Event of Default. The assignment of Rents and Profits hereinabove granted shall continue in full force and effect during any period of foreclosure or redemption with respect to the Property. Borrower has executed an Assignment of Leases and Rents dated of even date herewith (the "Lease Assignment") in favor of Lender covering all of the right, title and interest of Borrower, as landlord, lessor or licensor, in and to any Leases. All rights and remedies granted to Lender under the Lease Assignment shall be in addition to and cumulative of all rights and remedies granted to Lender hereunder.

Section 2.8 Leases. Borrower covenants and agrees that it shall not enter into any Lease (i) affecting 3,100 square feet or more of the Property or (ii) having a term of five (5) years or more (inclusive of any renewals or extensions) (each, a "Major Lease") without the prior written approval of Lender, which approval shall not be unreasonably withheld. The request for approval of each such proposed new Lease shall be made to Lender in writing and shall state that, pursuant to the terms of this Mortgage, failure to approve or disapprove such proposed Lease within fifteen (15) business days is deemed approval and Borrower shall furnish to Lender

(and any loan servicer specified from time to time by Lender): (i) such biographical and financial information about the proposed Tenant as Lender may reasonably require in conjunction with its review, (ii) a copy of the proposed form of Lease, and (iii) a summary of the material terms of such proposed Lease (including, without limitation, rental terms and the term of the proposed lease and any options). It is acknowledged that Lender intends to include among its criteria for approval of any such proposed Lease the following: (i) such Lease shall be with a bona-fide arm's-length Tenant; (ii) such Lease shall not contain any rental or other concessions which are not then customary and reasonable for similar properties and Leases in the market area of the Premises; (iii) such Lease shall provide that the Tenant pays for its expenses; (iv) the rental shall be at least at the market rate then prevailing for similar properties and leases in the market areas of the Premises; and (v) such Lease shall contain subordination and attornment provisions in form and content reasonably acceptable to Lender. Failure of Lender to approve or disapprove any such proposed Lease within fifteen (15) business days after receipt of such written request and all the documents and information required to be furnished to Lender with such request shall be deemed approval, provided that the written request for approval specifically mentioned the same.

(a) Prior to execution of any Leases of space in the Improvements after the date hereof, Borrower shall submit to Lender, for Lender's prior approval, which approval shall not be unreasonably withheld, a copy of the form Lease Borrower plans to use in leasing space in the Improvements or at the Property. All such Leases of space in the Improvements or at the Property shall be on terms consistent with the terms for similar leases in the market area of the Premises, shall provide for free rent only if the same is consistent with prevailing market conditions and shall provide for market rents then prevailing in the market area of the Premises. Such Leases shall also provide for security deposits in reasonable amounts consistent with prevailing market conditions. Borrower shall also submit to Lender for Lender's approval, which approval shall not be unreasonably withheld, prior to the execution thereof, any proposed Lease of the Improvements or any portion thereof that differs materially and adversely from the aforementioned form Lease. Borrower shall not execute any Lease for all or a substantial portion of the Property, except for an actual occupancy by the Tenant, lessee or licensee thereunder, and shall at all times promptly and faithfully perform, or cause to be performed, all of the covenants, conditions and agreements contained in all Leases with respect to the Property, now or hereafter existing, on the part of the landlord, lessor or licensor thereunder to be kept and performed. Borrower shall furnish to Lender, within ten (10) days after a request by Lender to do so, but in any event by January 1 of each year, a current Rent Roll, certified by Borrower as being true and correct, containing the names of all Tenants with respect to the Property, the terms of their respective Leases, the spaces occupied and the rentals or fees payable thereunder and the amount of each Tenant's security deposit. Upon the request of Lender, Borrower shall deliver to Lender a copy of each such Lease. Borrower shall not do or suffer to be done any act, or omit to take any action, that might result in a default by the landlord, lessor or licensor under any such Lease or allow the Tenant thereunder to withhold payment of rent or cancel or terminate same and shall not further assign any such Lease or any such Rents and Profits. Borrower, at no cost or expense to Lender, shall enforce, short of termination, the performance and observance of each and every condition and covenant of each of the parties under such Leases and Borrower shall not anticipate, discount, release, waive, compromise or otherwise discharge any rent payable under any of the Leases. Borrower shall not, without the prior written consent of Lender, modify any of the Leases, terminate or accept the surrender of any Leases, waive or release any other party

from the performance or observance of any obligation or condition under such Leases except, with respect only to Leases which are not Major Leases, in the normal course of business in a manner which is consistent with sound and customary leasing and management practices for similar properties in the community in which the Property is located. Lender reserves the right to condition its consent to any termination or surrender of any Lease upon the payment to Lender of any lease termination or other payment due from the applicable tenant in connection with such termination or surrender. Borrower and Lender agree that all such sums paid to Lender shall be held by Lender as a tenant improvement and leasing commission reserve and shall be considered a "Reserve" as described in Section 3.1 hereof and all such amounts shall be held, maintained, applied and disbursed in accordance with Lender's standard procedures relating to similar reserves. Borrower shall not permit the prepayment of any rents under any of the Leases for more than one (1) month prior to the due date thereof.

(b) Each Lease executed after the date hereof affecting any of the Premises or the Improvements must provide, in a manner approved by Lender, that the Tenant will recognize as its landlord, lessor or licensor, as applicable, and attorn to any person succeeding to the interest of Borrower upon any foreclosure of this Mortgage or deed in lieu of foreclosure. Each such Lease shall also provide that, upon request of said successor-in-interest, the Tenant shall execute and deliver an instrument or instruments confirming its attornment as provided for in this Section; provided, however, that neither Lender nor any successor-in-interest shall be bound by any payment of rent for more than one (1) month in advance, or any amendment or modification of said Lease made without the express written consent of Lender or said successor-in-interest.

(c) Upon the occurrence of an Event of Default under this Mortgage, whether before or after the whole principal sum secured hereby is declared to be immediately due or whether before or after the institution of legal proceedings to foreclose this Mortgage, forthwith, upon demand of Lender, Borrower shall surrender to Lender, and Lender shall be entitled to take actual possession of, the Property or any part thereof personally, or by its agent or attorneys. In such event, Lender shall have, and Borrower hereby gives and grants to Lender, the right, power and authority to make and enter into Leases with respect to the Property or portions thereof for such rents and for such periods of occupancy and upon conditions and provisions as Lender may deem desirable in its sole discretion, and Borrower expressly acknowledges and agrees that the term of any such Lease may extend beyond the date of any foreclosure sale of the Property, it being the intention of Borrower that in such event Lender shall be deemed to be and shall be the attorney-in-fact of Borrower for the purpose of making and entering into Leases of parts or portions of the Property for the rents and upon the terms, conditions and provisions deemed desirable to Lender in its sole discretion and with like effect as if such Leases had been made by Borrower as the owner in fee simple of the Property free and clear of any conditions or limitations established by this Mortgage. The power and authority hereby given and granted by Borrower to Lender shall be deemed to be coupled with an interest, shall not be revocable by Borrower so long as any portion of the Debt is outstanding, shall survive the voluntary or involuntary dissolution of Borrower and shall not be affected by any disability or incapacity suffered by Borrower subsequent to the date hereof. In connection with any action taken by Lender pursuant to this Section, Lender shall not be liable for any loss sustained by Borrower resulting from any failure to let the Property, or any part thereof, or from any other act or omission of Lender in managing the Property, nor shall Lender be obligated to perform or discharge any obligation, duty or liability under any Lease covering the Property or any part

thereof or under or by reason of this instrument or the exercise of rights or remedies hereunder. Borrower shall, and does hereby, indemnify Lender for, and hold Lender harmless from, any and all claims, actions, demands, liabilities, loss or damage which may or might be incurred by Lender under any such Lease or under this Mortgage or by the exercise of rights or remedies hereunder and from any and all claims and demands whatsoever which may be asserted against Lender by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in any such Lease other than those finally determined by a court of

competent jurisdiction to have resulted solely from the gross negligence or willful misconduct of Lender. Should Lender incur any such liability, the amount thereof, including, without limitation, costs, expenses and reasonable attorneys' fees, together with interest thereon at the Default Interest Rate from the date incurred by Lender until actually paid by Borrower, shall be immediately due and payable to Lender by Borrower on demand and shall be secured hereby and by all of the other Loan Documents securing all or any part of the Debt. Nothing in this Section shall impose on Lender any duty, obligation or responsibility for the control, care, management or repair of the Property, or for the carrying out of any of the terms and conditions of any such Lease, nor shall it operate to make Lender responsible or liable for any waste committed on the Property by the Tenants or by any other parties or for any dangerous or defective condition of the Property, or for any negligence in the management, upkeep, repair or control of the Property. Borrower hereby assents to, ratifies and confirms any and all actions of Lender with respect to the Property taken under this Section.

(d) If requested by Lender, Borrower shall furnish, or shall cause the applicable tenant to furnish, to Lender financial data and/or financial statements in accordance with Regulation AB (as defined herein) for any tenant of any Property if, in connection with a securitization, Lender expects there to be, with respect to such tenant or group of affiliated tenants, a concentration within all of the mortgage loans included or expected to be included, as applicable, in such securitization such that such tenant or group of affiliated tenants would constitute a Significant Obligor (as defined herein); provided, however, that in the event the related lease does not require the related tenant to provide the foregoing information, Borrower shall use commercially reasonable efforts to cause the applicable tenant to furnish such information.

Section 2.9 Alienation and Further Encumbrances

(a) Borrower acknowledges that Lender has relied upon the principals of Borrower and their experience in owning and operating the Property and properties similar to the Property in connection with the closing of the loan evidenced by the Note. Accordingly, except as specifically allowed hereinbelow in this Section and notwithstanding anything to the contrary contained in Section 6.6 hereof, in the event that the Property or any part thereof or direct or indirect interest therein or direct or indirect interest in Borrower shall be sold, conveyed, disposed of, alienated, hypothecated, leased (except to Tenants of space in the Improvements in accordance with the provisions of Section 2.8 hereof), assigned, pledged, mortgaged, further encumbered or otherwise transferred or Borrower shall be divested of its title to the Property or any direct or indirect interest therein, in any manner or way, whether voluntarily or involuntarily (each, a "Transfer"), without the prior written consent of Lender being first obtained, which consent may be withheld in Lender's sole discretion, then the same shall constitute an Event of Default and Lender shall have the right, at its option, to declare any or all of the Debt,

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irrespective of the maturity date specified in the Note, immediately due and payable and to otherwise exercise any of its other rights and remedies contained in Article V hereof.

(b) A Transfer within the meaning of this Section 2.9 shall be deemed to include, among other things: (i) an installment sales agreement wherein Borrower agrees to sell the Property or any part thereof for a price to be paid in installments; and (ii) an agreement by Borrower leasing all or a substantial part of the Property for other than actual occupancy by a space tenant thereunder or a sale, assignment or other transfer of, or the grant of a security interest in, Borrower's right, title and interest in and to any Leases or any Rents and Profits.

(c) Notwithstanding the foregoing, the following Transfers shall be permitted under this Section 2.9 without the prior consent of Lender: (i) a Transfer of corporate stock, limited partnership interests and/or non-managing member interests in Borrower, or in any partner or member of Borrower, or any direct or indirect legal or beneficial owner of Borrower, so long as following such Transfer (whether in one or a series of transactions) or, with respect to any creation or issuance of new limited partnership interests or membership interests, not more than 49% of the beneficial economic interest in Borrower (whether directly or indirectly) has been transferred in the aggregate, there is no Change of Control and the persons responsible for the day to day management of the Property and Borrower remain unchanged following such Transfer, (ii) any involuntary Transfer caused by the death of Borrower, or any partner, shareholder, joint venturer, member or beneficial owner of a trust, or any direct or indirect legal or beneficial owner of Borrower, so long as Borrower is promptly reconstituted, if required, following such death and so long as there is no Change of Control and those persons responsible for the day to day management of the Property and Borrower remain unchanged as a result of such death or any replacement management or controlling parties are approved by Lender, and (iii) a Transfer comprised of gifts for estate planning purposes of any individual's interests in Borrower, or in any of Borrower's partners, members, shareholders, beneficial owners of a trust or joint venturers, or any direct or indirect legal or beneficial owner of Borrower, to the spouse or any lineal descendant of such individual, or to a trust for the benefit of any one or more of such individual, spouse or lineal descendant, so long as Borrower is reconstituted promptly, if required, following such gift and so long as there is no Change of Control and those persons responsible for the day to day management of the Property and Borrower remain unchanged following such gift. Notwithstanding any provision of this Mortgage to the contrary, no person or entity may become an owner of a direct or indirect interest in Borrower, which interest exceeds forty-nine (49%) percent, without Lender's prior written consent unless Borrower has complied with the provisions set forth in Section 2.9(d) below. For purposes of this Section 2.9(c), "Change of Control" shall mean a change in the identity of the individual or entities or group of individuals or entities who have the right, by virtue of any partnership agreement, articles of incorporation, by-laws, articles of organization, operating agreement or any other agreement, with or without taking any formative action, to cause Borrower to take some action or to prevent, restrict or impede Borrower from taking some action which, in either case, Borrower could take or could refrain from taking were it not for the rights of such individuals. Notwithstanding any provision of this Mortgage to the contrary, provided no Event of Default has occurred and is continuing, Lender's prior consent shall not be required with respect to any of the following: (i) the creation, issuance or transfer of limited partnership interests in Mack-Cali Realty, L.P., a Delaware limited partnership ("Mack-Cali Partnership"), so long as (x) Mack-Cali Realty Corporation, a Maryland corporation ("Mack-Cali Realty"), maintains at least a 51%

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limited partnership interest in Mack-Cali Partnership and remains as the general partner of Mack-Cali Partnership, and (y) the managerial control of Mack-Cali Partnership remains unchanged; provided, that to the extent such transfer of interests in Mack-Cali Partnership results in a change in the managerial control of Mack-Cali Partnership, unless due to a public offering of stock of Mack-Cali Realty, merger, reorganization or consolidation, such transfer of interests in Mack-Cali Partnership shall comply with the conditions of 1.13(d) below; and (ii) so long as the securities of Mack-Cali Realty are publicly traded, the acquisition, issuance or transfer (whether in one transaction or in a series of transactions) of securities in Mack-Cali Realty which does not result in a Change in Control of Borrower, Mack-Cali Partnership or Mack-Cali Realty, provided further that (x) Mack-Cali Realty shall not merge, reorganize or consolidate into another entity (i.e., where Mack-Cali Realty is not the surviving entity) (a "Merger"), and (y) any transfer of interests or series of transfers in interests in Mack-Cali Realty shall not result in more than 49% of Mack-Cali Realty being owned by any single person or entity (or related group of people or entities) (a "Majority Transfer"); provided, however, that a Merger or Majority Transfer shall not be prohibited, or constitute an Event of Default under the Loan Documents so long as, with respect to such Merger or Majority Transfer (a) to the extent permitted by law, Lender receives not less than thirty (30) days prior written notice of any such proposed Merger or Majority Transfer, (b) the surviving entity executes any and all documents as are reasonably necessary to evidence the assumption of Mack-Cali Realty's obligations relative to the loan evidenced by the Note and delivers such certificates and opinions covering such subjects (including, but not limited to, nonconsolidation) as may be reasonably required by Lender, (c) the surviving entity shall have a net worth of not less than \$200,000,000.00 as of the date of the completion of such Merger or Majority Transfer, (d) if, as a result of such Merger or Majority Transfer, the manager of the Property changes, the replacement manager is a

“Qualified Manager” (as defined below) or such replacement manager is approved by Lender, and (e) Borrower satisfies the provisions of paragraph (12) of Section 1.13(d) below and causes to be delivered to Lender a substantive non-consolidation opinion, in form and substance satisfactory to Lender and prepared by counsel reasonably acceptable to Lender with respect to the transferee and such of its constituent entities and/or affiliates, as Lender may in its discretion require. As used herein, the term “Qualified Manager” shall mean a property manager of the Property which (i) is a reputable management company having at least five (5) years’ experience in the management of commercial properties with similar uses as the Property and in the jurisdiction in which the Property are located, (ii) has, for at least five (5) years prior to its engagement as property manager, managed at least (5) properties of the same property type as the Property, (iii) at the time of its engagement as property manager has leasable square footage of the same property type as the Property equal to the lesser of (A) 1,000,000 leasable square feet and (B) five (5) times the leasable square feet of the Property and (iv) is not the subject of a bankruptcy or similar insolvency proceeding. So long as the provisions of this Section 2.9(c) are fully satisfied in all respects and provided that there is no Change in Control of Borrower, Mack-Cali Realty or Mack-Cali Partnership, (A) at any time after the execution of this Mortgage, Gale SLG NJ Mezz LLC (“Mezz”) may merge into Gale SLG NJ Operating Partnership, L.P. (“OP”) and the surviving entity (“Surviving OP”) may be renamed, and (B) at any time after May 1, 2007 and/or following the merger described above in part (A), Surviving OP may make an in-kind distribution of its direct or indirect ownership interest in Borrower to its partners in proportion to their respective percentage ownership interests (as such percentage interests may be reduced to reflect the cash-out of one or more of the limited partners (other than Mack-Green-Gale LLC (“MGG”)) and MGG may make an in-

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kind distribution of its direct or indirect ownership interest in Borrower to (i) Mack Cali Ventures, L.L.C. (“MCV”) or Gale SLG NJ LLC (“Gale SLG”) in accordance with the same percentage interests set forth in the operating agreement of MGG or (ii) one or more limited liability companies owned by MCV and Gale SLG in accordance with the same percentage interests set forth in the operating agreement of MGG (i.e. the ninety-five percent (95%) Class A interests in MGG shall not be reduced and shall be distributed to MCV or a limited liability company owned by MCV).

(d) Notwithstanding the foregoing provisions of this Section, Lender shall consent to (x) one or more Transfers of the Property in its entirety, or (y) one or more Transfers of direct or indirect interests in the Borrower for which consent is required under this Section 2.9 (any such hereinafter, a “Sale”) to any person or entity provided that, for each Sale, each of the following terms and conditions are satisfied:

(1) No Default and no Event of Default is then continuing hereunder or under any of the other Loan Documents;

(2) Borrower gives Lender written notice of the terms of such prospective Sale not less than sixty (60) days before the date on which such Sale is scheduled to close and, concurrently therewith, gives Lender all such information concerning the proposed transferee of the Property or the proposed owner of the direct or indirect interest in the Borrower for which consent is required under this Section 2.9, as applicable (hereinafter, “Buyer”) as Lender would require in evaluating an initial extension of credit to a borrower and pays to Lender a non-refundable application fee in the amount of \$5,000. Lender shall have the right to approve or disapprove the proposed Buyer. In determining whether to give or withhold its approval of the proposed Buyer, Lender shall consider the Buyer’s experience and track record in owning and operating facilities similar to the Property, the Buyer’s financial strength, the Buyer’s general business standing and the Buyer’s relationships and experience with contractors, vendors, tenants, lenders and other business entities; provided, however, that, notwithstanding Lender’s agreement to consider the foregoing factors in determining whether to give or withhold such approval, such approval shall be given or withheld based on what Lender determines to be commercially reasonable in Lender’s sole discretion and, if given, may be given subject to such conditions as Lender may deem appropriate;

(3) Borrower pays Lender, concurrently with the closing of such Sale, a non-refundable assumption fee in an amount equal to all out-of-pocket costs and expenses, including, without limitation, reasonable attorneys’ fees and Rating Agency fees, incurred by Lender in connection with the Sale, plus an amount equal to one-half of one percent (0.5%) of the then outstanding principal balance of the Note on the first Sale, and one percent (1.0%) of the then outstanding principal balance of the Note on each Sale thereafter;

(4) In the event that such Sale is a Transfer of the Property in its entirety, the Buyer assumes and agrees to pay the Debt subject to the provisions of Section 6.27 hereof and, in all cases (whether such Sale is a Transfer of the Property in its entirety or a Transfer of direct or indirect interests in the Borrower for which consent is

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required under this Section 2.9), prior to or concurrently with the closing of such Sale, the Buyer executes, without any cost or expense to Lender, such documents and agreements as Lender shall reasonably require to evidence and effectuate said assumption and delivers such legal opinions (including, without limitation, a REMIC opinion) as Lender may require;

(5) A party associated with the Buyer approved by Lender in its sole discretion assumes the obligations of the current Indemnitor under its guaranty or indemnity agreement and environmental indemnity agreement and such party associated with the Buyer executes, without any cost or expense to Lender, a substitution agreement or a new guaranty or indemnity agreement or environmental indemnity agreement in form and substance satisfactory to Lender and delivers such legal opinions as Lender may require;

(6) Borrower and the Buyer execute, without any cost or expense to Lender, new financing statements or financing statement amendments (and new financing statements as may be necessary) and any additional documents reasonably requested by Lender;

(7) Borrower delivers to Lender, without any cost or expense to Lender, such replacement policy or endorsements to Lender’s title insurance policy, hazard insurance policy endorsements or certificates and other similar materials as Lender may deem necessary at the time of the Sale, all in form and substance satisfactory to Lender, including, without limitation, a replacement policy or an endorsement or endorsements to Lender’s title insurance policy insuring the lien of this Mortgage, extending the effective date of such policy to the date of execution and delivery (or, if later, of recording) of the assumption agreement referenced above in subparagraph (4) of this Section, with no additional exceptions added to such policy, and, in the event that such Sale is a Transfer of the Property in its entirety, insuring that fee simple title to the Property is vested in the Buyer;

(8) Borrower and any current Indemnitor execute and deliver to Lender, without any cost or expense to Lender, a release of Lender, its officers, directors, employees and agents, from all claims and liability relating to the transactions evidenced by the Loan Documents, through and including the date of the closing of the Sale, which agreement shall be in form and substance satisfactory to Lender and shall be binding upon the Buyer and any new Indemnitor;

(9) Subject to the provisions of Section 6.27 hereof, such Sale is not construed so as to relieve Borrower of any personal liability under the

Note or any of the other Loan Documents for any acts or events occurring or obligations arising prior to or simultaneously with the closing of such Sale, whether or not same is discovered prior or subsequent to the closing of such Sale, and Borrower executes, without any cost or expense to Lender, such documents and agreements as Lender shall reasonably require to evidence and effectuate the ratification of said personal liability. In the event that such Transfer is a Sale of the Property in its entirety, Borrower shall be released from and relieved of any personal liability under the Note or any of the other Loan Documents for

any acts or events occurring or obligations arising after the closing of such Sale which are not caused by or arising out of any acts or events occurring or obligations arising prior to or simultaneously with the closing of such Sale;

(10) Such Sale is not construed so as to relieve any current Indemnitor of its obligations under any guaranty or indemnity agreement for any acts or events occurring or obligations arising prior to or simultaneously with the closing of such Sale, and each such current Indemnitor executes, without any cost or expense to Lender, such documents and agreements as Lender shall reasonably require to evidence and effectuate the ratification of each such guaranty and indemnity agreement. In the event that such Sale is a Transfer of the Property in its entirety, each such current Indemnitor shall be released from and relieved of any of its obligations under any guaranty or indemnity agreement executed in connection with the loan secured hereby for any acts or events occurring or obligations arising after the closing of such Sale which are not caused by or arising out of any acts or events occurring or obligations arising prior to or simultaneously with the closing of such Sale;

(11) The Buyer shall furnish, if the Buyer is a corporation, partnership or other entity, all appropriate papers evidencing the Buyer's capacity and good standing, and the qualification of the signers to execute the assumption of the Debt, which papers shall include certified copies of all documents relating to the organization and formation of the Buyer and of the entities, if any, which are partners of the Buyer. In the event that such Sale is a Transfer of the Property in its entirety, the Buyer shall be a Single Purpose Entity whose formation documents shall be approved by counsel to Lender, and who shall comply with the requirements set forth in Section 2.29 hereof;

(12) Borrower delivers to Lender confirmation in writing (a "No-Downgrade Confirmation") from each Rating Agency that such Sale will not result in a qualification, downgrade or withdrawal of any ratings issued in connection with any Secondary Market Transaction (as hereinafter defined) or, in the event the Secondary Market Transaction has not yet occurred, Lender shall, in its sole discretion, have approved the Sale;

(13) The applicable transfer will not result in an increase in the real property taxes for the Premises and Improvements that would cause the debt service coverage ratio of the Debt with respect to the immediately succeeding twelve (12) month period to be less than the debt service coverage ratio of the Debt for the twelve (12) month period immediately preceding such transfer, in each case as determined by Lender; and

(14) Borrower delivers to Lender an opinion with respect to substantive non-consolidation opinion after giving effect to such transfer in form and substance and from a law firm acceptable to Lender and the Rating Agencies.

Section 2.10 Payment of Utilities, Assessments, Charges, Etc. Borrower shall pay when due all utility charges which are incurred by Borrower or which may become a charge or lien against any portion of the Property for gas, electricity, water and sewer services furnished to

the Premises and/or the Improvements and all other assessments or charges of a similar nature, or assessments payable pursuant to any restrictive covenants, whether public or private, affecting the Premises and/or the Improvements or any portion thereof, whether or not such assessments or charges are or may become liens thereon.

Section 2.11 Access Privileges and Inspections. Lender and the agents, representatives and employees of Lender shall, subject to the rights of Tenants, have full and free access to the Premises and the Improvements and any other location where books and records concerning the Property are kept at all reasonable times and, except in the event of an emergency, upon not less than 24 hours prior notice (which notice may be telephonic) for the purposes of inspecting the Property and of examining, copying and making extracts from the books and records of Borrower relating to the Property. Borrower shall lend assistance to all such agents, representatives and employees of Lender.

Section 2.12 Waste; Alteration of Improvements. Borrower shall not commit, suffer or permit any waste on the Property nor take any actions that might invalidate any insurance carried on the Property. Borrower shall maintain the Property in good condition and repair. No part of the Improvements may be removed, demolished or materially altered, without the prior written consent of Lender other than in connection with non-structural day to day maintenance and except for tenant improvements under Leases. Without the prior written consent of Lender, Borrower shall not commence construction of any improvements on the Premises other than improvements required for the maintenance or repair of the Property. Lender reserves the right to condition its consent to any material alteration, removal, demolition or new construction on the following: (i) such conditions as would be required by a prudent interim construction lender, including, but not limited to, the prior approval by Lender of plans and specifications, construction budgets, contractors and form of construction contracts and the furnishing to Lender of evidence regarding funds, permits, approvals bonds, insurance, lien waivers, title endorsements, appraisals, surveys, certificates of occupancy, certificates regarding completion, invoices, receipts and affidavits from contractors and subcontractors, in form and substance satisfactory to Lender in its discretion, (ii) the delivery of an opinion from counsel satisfactory to Lender in its discretion and in form and substance satisfactory to Lender in its discretion opining as to such matters as Lender may reasonably require, including, without limitation, an opinion that such alteration, removal, demolition or new construction will not have an adverse effect on the status of any trust formed in connection with a Secondary Market Transaction a "real estate mortgage investment conduit" within the meaning of Section 860D of the Code ("REMIC"), and (iii) Borrower's agreement to pay all fees, costs and expenses incurred by Lender in granting such consent, including, without limitation, reasonable attorneys' fees and expenses.

Section 2.13 Zoning. Without the prior written consent of Lender, Borrower shall not seek, make, suffer, consent to or acquiesce in any change in the zoning or conditions of use of the Premises or the Improvements. Borrower shall comply with and make all payments required under the provisions of any covenants, conditions or restrictions affecting the Premises or the Improvements. Borrower shall comply with all existing and future requirements of all governmental authorities having jurisdiction over the Property. Borrower shall keep all licenses, permits, franchises and other approvals necessary for the operation of the Property in full force and effect. Borrower shall operate the Property as an office building for so long as the Debt is outstanding. If, under applicable zoning provisions, the use of all or any part of the Premises or

the Improvements is or becomes a nonconforming use, Borrower shall not cause or permit such use to be discontinued or abandoned without the prior written consent of Lender. Further, without Lender's prior written consent, Borrower shall not file or subject any part of the Premises or the Improvements to any declaration of condominium or co-operative or convert any part of the Premises or the Improvements to a condominium, co-operative or other form of multiple ownership and governance.

Section 2.14 Financial Statements and Books and Records. Borrower shall keep accurate books and records of account of the Property and its own financial affairs sufficient to permit the preparation of financial statements therefrom in accordance with generally accepted accounting principles. Lender and its duly authorized representatives shall have the right to examine, copy and audit Borrower's records and books of account at all reasonable times. So long as this Mortgage continues in effect, Borrower shall provide to Lender, in addition to any other financial statements required hereunder or under any of the other Loan Documents, the following financial statements and information, all of which must be certified to Lender as being true and correct by the Chief Financial Officer of Borrower or the person or entity to which they pertain, as applicable, and, be prepared in accordance with generally accepted accounting principles consistently applied and be in form and substance acceptable to Lender:

- (a) copies of all tax returns filed by Borrower, within forty-five (45) days after the date of filing;
- (b) monthly operating statements for the Property within forty-five (45) days after the end of each month until the earlier to occur of (X) the date that is twelve (12) months following the date hereof and (Y) the occurrence of a Secondary Market Transaction;
- (c) quarterly operating statements for the Property, within forty-five (45) days after the end of each calendar quarter from and after the earlier to occur of (X) the date that is twelve (12) months following the date hereof and (Y) the occurrence of a Secondary Market Transaction;
- (d) annual balance sheets for the Property and annual financial statements for Borrower, and each Indemnitee (including any Form 10K filings), within one hundred twenty (120) days after the end of each calendar year; and
- (e) such other information with respect to the Property, Borrower, the principals or general partners in Borrower and each Indemnitee, which may be reasonably requested from time to time by Lender, within a reasonable time after the applicable request.
- (f) If, at the time one or more Disclosure Documents are being prepared for a securitization, Lender expects that Borrower alone or Borrower and one or more affiliates of Borrower collectively, or the Property alone or the Property and any other parcel(s) of real property, together with improvements thereon and personal property related thereto, that is "related", within the meaning of the definition of Significant Obligor, to the Property (a "Related Property") collectively, will be a Significant Obligor, Borrower shall furnish to Lender upon request (i) the selected financial data or, if applicable, net operating income, required under Item 1112(b)(1) of Regulation AB and meeting the requirements thereof, if Lender expects that the

principal amount of the Loan, together with any loans made to an affiliate of Borrower or secured by a Related Property that is included in a securitization with the Loan (a "Related Loan"), as of the cut-off date for such securitization may, or if the principal amount of the Loan together with any Related Loans as of the cut-off date for such securitization and at any time during which the Loan and any Related Loans are included in a securitization does, equal or exceed ten percent (10%) (but less than twenty percent (20%)) of the aggregate principal amount of all mortgage loans included or expected to be included, as applicable, in the securitization or (ii) the financial statements required under Item 1112(b)(2) of Regulation AB and meeting the requirements thereof, if Lender expects that the principal amount of the Loan together with any Related Loans as of the cut-off date for such securitization may, or if the principal amount of the Loan together with any Related Loans as of the cut-off date for such securitization and at any time during which the Loan and any Related Loans are included in a securitization does, equal or exceed twenty percent (20%) of the aggregate principal amount of all mortgage loans included or expected to be included, as applicable, in the securitization. Such financial data or financial statements shall be furnished to Lender (A) within ten (10) Business Days after notice from Lender in connection with the preparation of Disclosure Documents for the securitization, (B) not later than thirty (30) days after the end of each fiscal quarter of Borrower and (C) not later than seventy-five (75) days after the end of each fiscal year of Borrower; provided, however, that Borrower shall not be obligated to furnish financial data or financial statements pursuant to clauses (B) or (C) of this sentence with respect to any period for which a filing pursuant to the Securities Exchange Act of 1934 in connection with or relating to the securitization (an "Exchange Act Filing") is not required. As used herein, "Regulation AB" shall mean Regulation AB under the Securities Act of 1933 and the Securities Exchange Act of 1934 (as amended). As used herein, "Disclosure Documents" shall mean a prospectus, prospectus supplement, private placement memorandum, or similar offering memorandum or offering circular, in each case in preliminary or final form, used to offer securities in connection with a securitization. As used herein, "Significant Obligor" shall have the meaning set forth in Item 1101(k) of Regulation AB.

If any of the aforementioned materials are not furnished to Lender within the applicable time periods, are not prepared in accordance with generally accepted accounting principles or Lender is dissatisfied with the form of any of the foregoing and has notified Borrower of its dissatisfaction, in addition to any other rights and remedies of Lender contained herein and provided Lender has given Borrower at least ten (10) days notice of such failure and opportunity to cure, (i) Borrower shall pay to Lender upon demand, at Lender's option and in its sole discretion, an amount equal to \$2,500 per reporting period, and (ii) Lender shall have the right, but not the obligation, to obtain the same by means of an audit by an independent certified public accountant selected by Lender, in which event Borrower agrees to pay, or to reimburse Lender for, any expense of such audit and further agrees to provide all necessary information to said accountant and to otherwise cooperate in the making of such audit.

Section 2.15 Further Assurances. Borrower shall, on the request of Lender and at the expense of Borrower: (a) promptly correct any defect, error or omission which may be discovered in the contents of this Mortgage or in the contents of any of the other Loan Documents; (b) promptly execute, acknowledge, deliver and record or file such further instruments (including, without limitation, further mortgages, deeds of trust, security deeds, security agreements, financing statements, continuation statements and assignments of rents or leases) and promptly do such further acts as may be necessary, desirable or proper to carry out

more effectively the purposes of this Mortgage and the other Loan Documents and to subject to the liens and security interests hereof and thereof any property intended by the terms hereof and thereof to be covered hereby and thereby, including specifically, but without limitation, any renewals, additions, substitutions, replacements or appurtenances to the Property; (c) promptly execute, acknowledge, deliver, procure and record or file any document or instrument (including specifically, without limitation, any financing statement) deemed advisable by Lender to protect, continue or perfect the liens or the security interests hereunder against the rights or interests of third persons; and (d) promptly furnish to Lender, upon Lender's request, a duly acknowledged written statement and estoppel certificate addressed to such party or parties as directed by Lender and in form and substance supplied by Lender, setting forth all amounts due under the Note, stating whether any Default or Event of Default has occurred hereunder, stating whether any offsets or defenses exist against the Debt and containing such other matters as Lender may reasonably require.

Section 2.16 Payment of Costs; Reimbursement to Lender Borrower shall pay all costs and expenses of every character reasonably incurred in connection with the closing of the loan evidenced by the Note and secured hereby, attributable or chargeable to Borrower as the owner of the Property or otherwise attributable to any consent requested of Lender or any Rating Agency under the terms hereof or any other Loan Document, including, without limitation, customary servicing and consent fees, appraisal fees, recording fees, documentary, stamp, mortgage or intangible taxes, brokerage fees and commissions, title policy premiums and title search fees, uniform commercial code/tax lien/litigation search fees, escrow fees, consultants' fees, No-Downgrade Confirmations and reasonable attorneys' fees. If Borrower defaults in any such payment, which default is not cured within any applicable grace or cure period, Lender may pay the same and Borrower shall reimburse Lender on demand for all such costs and expenses incurred or paid by Lender, together with such interest thereon at the Default Interest Rate from and after the date of Lender's making such payment until reimbursement thereof by Borrower. Any such sums disbursed by Lender, together with such interest thereon, shall be additional indebtedness of Borrower secured by this Mortgage and by all of the other Loan Documents securing all or any part of the Debt. Further, Borrower shall promptly notify Lender in writing of any litigation or threatened litigation affecting the Property, or any other demand or claim which, if enforced, could impair or threaten to impair Lender's security hereunder. Without limiting or waiving any other rights and remedies of Lender hereunder, if Borrower fails to perform any of its covenants or agreements contained in this Mortgage or in any of the other Loan Documents and such failure is not cured within any applicable grace or cure period, or if any action or proceeding of any kind (including, but not limited to, any bankruptcy, insolvency, arrangement, reorganization or other debtor relief proceeding) is commenced which might affect Lender's interest in the Property or Lender's right to enforce its security, then Lender may, at its option, with or without notice to Borrower, make any appearances, disburse any sums and take any actions as may be necessary or desirable to protect or enforce the security of this Mortgage or to remedy the failure of Borrower to perform its covenants and agreements (without, however, waiving any default of Borrower). Borrower agrees to pay on demand all expenses of Lender incurred with respect to the foregoing (including, but not limited to, reasonable fees and disbursements of counsel), together with interest thereon at the Default Interest Rate from and after the date on which Lender incurs such expenses until reimbursement thereof by Borrower. Any such expenses so incurred by Lender, together with interest thereon as provided above, shall be additional indebtedness of Borrower secured by this Mortgage and by all of the other Loan

Documents securing all or any part of the Debt. The necessity for any such actions and of the amounts to be paid shall be determined by Lender in its discretion. Lender is hereby empowered to enter and to authorize others to enter upon the Property or any part thereof for the purpose of performing or observing any such defaulted term, covenant or condition without thereby becoming liable to Borrower or any person in possession holding under Borrower. Borrower hereby acknowledges and agrees that the remedies set forth in this Section 2.16 shall be exercisable by Lender, and any and all payments made or costs or expenses incurred by Lender in connection therewith shall be secured hereby and shall be, without demand, immediately repaid by Borrower with interest thereon at the Default Interest Rate, notwithstanding the fact that such remedies were exercised and such payments made and costs incurred by Lender after the filing by Borrower of a voluntary case or the filing against Borrower of an involuntary case pursuant to or within the meaning of the Bankruptcy Reform Act of 1978, as amended, Title 11 U.S.C., or after any similar action pursuant to any other debtor relief law (whether statutory, common law, case law or otherwise) of any jurisdiction whatsoever, now or hereafter in effect, which may be or become applicable to Borrower, Lender, any Indemnitor, the Debt or any of the Loan Documents. Borrower hereby indemnifies and holds Lender harmless from and against all loss, cost and expenses with respect to any Event of Default hereof, any liens (i.e., judgments, mechanics' and materialmen's liens, or otherwise), charges and encumbrances filed against the Property, and from any claims and demands for damages or injury, including claims for property damage, personal injury or wrongful death, arising out of or in connection with any accident or fire or other casualty on the Premises or the Improvements or any nuisance made or suffered thereon, except those that are due to Lender's gross negligence or willful misconduct as finally determined by a court of competent jurisdiction, including, without limitation, in any case, reasonable attorneys' fees, costs and expenses as aforesaid, whether at pretrial, trial or appellate level, and such indemnity shall survive payment in full of the Debt. This Section shall not be construed to require Lender to incur any expenses, make any appearances or take any actions.

Section 2.17 Security Interest. This Mortgage is also intended to encumber and create a security interest in, and Borrower hereby grants to Lender a security interest in, all sums on deposit with Lender pursuant to the provisions of Article III hereof or any other Section hereof or of any other Loan Document and all fixtures, chattels, accounts, equipment, inventory, contract rights, general intangibles and other personal property included within the Property, all renewals, replacements of any of the aforementioned items, or articles in substitution therefor or in addition thereto or the proceeds thereof (said property is hereinafter referred to collectively as the "Collateral"), whether or not the same shall be attached to the Premises or the Improvements in any manner. It is hereby agreed that to the extent permitted by law, all of the foregoing property is to be deemed and held to be a part of and affixed to the Premises and the Improvements. The foregoing security interest shall also cover Borrower's leasehold interest in any of the foregoing property which is leased by Borrower. Notwithstanding the foregoing, all of the foregoing property shall be owned by Borrower and no leasing or installment sales or other financing or title retention agreement in connection therewith shall be permitted without the prior written approval of Lender. Borrower shall, from time to time upon the request of Lender, supply Lender with a current inventory of all of the property in which Lender is granted a security interest hereunder, in such detail as Lender may reasonably require. Borrower shall promptly replace all of the Collateral subject to the lien or security interest of this Mortgage when worn or obsolete with Collateral comparable to the worn out or obsolete Collateral when new and will not, without the prior written consent of Lender, remove from the Premises or the Improvements

any of the Collateral subject to the lien or security interest of this Mortgage except such as is replaced by an article of equal suitability and value as above provided, owned by Borrower free and clear of any lien or security interest except that created by this Mortgage and the other Loan Documents. All of the Collateral shall be kept at the location of the Premises except as otherwise required by the terms of the Loan Documents. Borrower shall not use any of the Collateral in violation of any applicable statute, ordinance or insurance policy.

Section 2.18 Security Agreement. This Mortgage constitutes a security agreement between Borrower and Lender with respect to the Collateral in which Lender is granted a security interest hereunder, and, cumulative of all other rights and remedies of Lender hereunder, Lender shall have all of the rights and remedies of a secured party under any applicable Uniform Commercial Code. Borrower hereby agrees to execute and deliver on demand and hereby irrevocably constitutes and appoints Lender the attorney-in-fact of Borrower to execute and deliver and, if appropriate, to file with the appropriate filing officer or office, such security agreements, financing statements, continuation statements or other instruments as Lender may request or require in order to impose, perfect or continue the perfection of the lien or security interest created hereby. To the extent specifically provided herein, Lender shall have the right of possession of all cash, securities, instruments, negotiable instruments, documents, certificates and any other evidences of cash or other property or evidences of rights to cash rather than property, which are now or hereafter a part of the Property, and Borrower shall promptly deliver the same to Lender, endorsed to Lender, without further notice from Lender. Borrower agrees to furnish Lender with notice of any change in the name, identity, organizational structure, residence, or principal place of business or mailing address of Borrower within ten (10) days of the effective date of any such change. Upon the occurrence of any Event of Default, Lender shall have the rights and remedies as prescribed in this Mortgage, or as prescribed by general law, or as prescribed by any applicable Uniform Commercial Code, all at Lender's election. Any disposition of the Collateral may be conducted by an employee or agent of Lender. Any person, including both Borrower and Lender, shall be eligible to purchase any part or all of the Collateral at any such disposition. Expenses of retaking, holding, preparing for sale, selling or the like (including, without limitation, Lender's reasonable attorneys' fees and legal expenses), together with interest thereon at the Default Interest Rate from the date incurred by Lender until actually paid by Borrower, shall be paid by Borrower on demand and shall be secured by this Mortgage and by all of the other Loan Documents securing all or any part of the Debt. Lender shall have the right to enter upon the Premises and the Improvements or any real property where any of the property which is the subject of the security interest granted herein is located to take possession of, assemble and collect the same or to render it unusable, or Borrower, upon demand of Lender, shall assemble such property and make it available to Lender at the Premises, or at a place which is mutually agreed upon or, if no such place is agreed upon, at a place reasonably designated

by Lender to be reasonably convenient to Lender and Borrower. If notice is required by law, Lender shall give Borrower at least ten (10) days' prior written notice of the time and place of any public sale of such property, or adjournments thereof, or of the time of or after which any private sale or any other intended disposition thereof is to be made, and if such notice is sent to Borrower, as the same is provided for the mailing of notices herein, it is hereby deemed that such notice shall be and is reasonable notice to Borrower. No such notice is necessary for any such property which is perishable, threatens to decline speedily in value or is of a type customarily sold on a recognized market. Any sale made pursuant to the provisions of this Section shall be deemed to have been a public sale conducted in a commercially reasonable manner if held

contemporaneously with a foreclosure sale as provided in Section 5.1(e) hereof upon giving the same notice with respect to the sale of the Property hereunder as is required under said Section 5.1(e). Furthermore, to the extent permitted by law, in conjunction with, in addition to or in substitution for the rights and remedies available to Lender pursuant to any applicable Uniform Commercial Code:

(a) In the event of a foreclosure sale, the Property may, at the option of Lender, be sold as a whole; and

(b) It shall not be necessary that Lender take possession of the aforementioned Collateral, or any part thereof, prior to the time that any sale pursuant to the provisions of this Section is conducted and it shall not be necessary that said Collateral, or any part thereof, be present at the location of such sale; and

(c) Lender may appoint or delegate any one or more persons as agent to perform any act or acts necessary or incident to any sale held by Lender, including the sending of notices and the conduct of the sale, but in the name and on behalf of Lender. The name and address of Borrower (as Debtor under any applicable Uniform Commercial Code) are as set forth on the first page hereof. The name and address of Lender (as Secured Party under any applicable Uniform Commercial Code) are as set forth on the first page hereof.

Section 2.19 Easements and Rights-of-Way. Borrower shall not grant any easement or right-of-way with respect to all or any portion of the Premises or the Improvements without the prior written consent of Lender. Borrower shall comply with all easements affecting the Property. The purchaser at any foreclosure sale hereunder may, at its discretion, disaffirm any easement or right-of-way granted in violation of any of the provisions of this Mortgage and may take immediate possession of the Property free from, and despite the terms of, such grant of easement or right-of-way. If Lender consents to the grant of an easement or right-of-way, Lender agrees to grant such consent without charge to Borrower other than expenses, including, without limitation, reasonable attorneys' fees, incurred by Lender in the review of Borrower's request and in the preparation of documents effecting the subordination.

Section 2.20 Compliance with Laws. Borrower shall at all times comply with all statutes, ordinances, regulations and other governmental or quasi-governmental requirements and private covenants now or hereafter relating to the ownership, construction, use or operation of the Property, including, but not limited to, those concerning employment and compensation of persons engaged in operation and maintenance of the Property and any environmental or ecological requirements, even if such compliance shall require structural changes to the Property; provided, however, that, Borrower may, upon providing Lender with security satisfactory to Lender, proceed diligently and in good faith to contest the validity or applicability of any such statute, ordinance, regulation or requirement so long as during such contest the Property shall not be subject to any lien, charge, fine or other liability and shall not be in danger of being forfeited, lost or closed. Borrower shall not use or occupy, or allow the use or occupancy of, the Property in any manner which violates any Lease of or any other agreement applicable to the Property or any applicable law, rule, regulation or order or which constitutes a public or private nuisance or which makes void, voidable or cancelable, or increases the premium of, any insurance then in force with respect thereto.

Section 2.21 Additional Taxes. In the event of the enactment after the date hereof of any law of the state in which the Property is located or of any other governmental entity deducting from the value of the Property for the purpose of taxing any lien or security interest thereon, or imposing upon Lender the payment of the whole or any part of the taxes or assessments or charges or liens herein required to be paid by Borrower, or changing in any way the laws relating to the taxation of deeds of trust, mortgages or security agreements or debts secured by deeds of trust, mortgages or security agreements or the interest of the Lender, mortgagee or secured party in the property covered thereby, or the manner of collection of such taxes, so as to adversely affect this Mortgage or the Debt or Lender, then, and in any such event, Borrower, upon demand by Lender, shall pay such taxes, assessments, charges or liens, or reimburse Lender therefor; provided, however, that if in the opinion of counsel for Lender (a) it might be unlawful to require Borrower to make such payment, or (b) the making of such payment might result in the imposition of interest beyond the maximum amount permitted by law, then and in either such event, Lender may elect, by notice in writing given to Borrower, to declare all of the Debt to be and become due and payable in full thirty (30) days from the giving of such notice, and, in connection with the payment of such Debt, no prepayment premium or fee shall be due unless, at the time of such payment, an Event of Default or a Default shall have occurred, which Default or Event of Default is unrelated to the provisions of this Section 2.21, in which event any applicable prepayment premium or fee in accordance with the terms of the Note shall be due and payable.

Section 2.22 Secured Indebtedness. It is understood and agreed that this Mortgage shall secure payment of not only the indebtedness evidenced by the Note but also any and all substitutions, replacements, renewals and extensions of the Note, any and all indebtedness and obligations arising pursuant to the terms hereof and any and all indebtedness and obligations arising pursuant to the terms of any of the other Loan Documents, all of which indebtedness is equally secured with and has the same priority as any amounts advanced as of the date hereof. It is agreed that any future advances made by Lender to or for the benefit of Borrower from time to time under this Mortgage or the other Loan Documents and whether or not such advances are obligatory or are made at the option of Lender, or otherwise, made for any purpose, and all interest accruing thereon, shall be equally secured by this Mortgage and shall have the same priority as all amounts, if any, advanced as of the date hereof and shall be subject to all of the terms and provisions of this Mortgage.

Section 2.23 Borrower's Waivers. To the full extent permitted by law, Borrower agrees that Borrower shall not at any time insist upon, plead, claim or take the benefit or advantage of any law now or hereafter in force providing for any appraisal, valuation, stay, moratorium or extension, or any law now or hereafter in force providing for the reinstatement of the Debt prior to any sale of the Property to be made pursuant to any provisions contained herein or prior to the entering of any decree, judgment or order of any court of competent jurisdiction, or any right under any statute to redeem all or any part of the Property so sold. Borrower, for Borrower and Borrower's successors and assigns, and for any and all persons ever claiming any interest in the Property, to the full extent permitted by law, hereby knowingly, intentionally and voluntarily, with and upon the advice of competent counsel: (a) waives, releases, relinquishes and forever forgoes all rights of valuation, appraisal, stay of execution, reinstatement and notice of election or intention to mature or declare due the Debt (except such notices as are specifically provided for herein); (b) waives, releases, relinquishes and forever forgoes all right to a

marshaling of the assets of Borrower, including the Property, to a sale in the inverse order of alienation, or to direct the order in which any of the Property shall be sold in the event of foreclosure of the liens and security interests hereby created and agrees that any court having jurisdiction to foreclose such liens and security interests may order the Property sold as an entirety; and (c) waives, releases, relinquishes and forever forgoes all rights and periods of redemption provided under applicable law. To the full extent permitted by law, Borrower shall not have or assert any right under any statute or rule of law pertaining to the exemption of homestead or other exemption under any federal, state or local law now or hereafter in effect, the administration of estates of decedents or other matters whatever to defeat, reduce or affect the right of Lender under the terms of this Mortgage to a sale of the Property, for the collection of the Debt without any prior or different resort for collection, or the right of Lender under the terms of this Mortgage to the payment of the Debt out of the proceeds of sale of the Property in preference to every other claimant whatever. Furthermore, Borrower hereby knowingly, intentionally and voluntarily, with and upon the advice of competent counsel, waives, releases, relinquishes and forever forgoes all present and future statutes of limitations as a defense to any action to enforce the provisions of this Mortgage or to collect any of the Debt to the fullest extent permitted by law. Borrower covenants and agrees that upon the commencement of a voluntary or involuntary bankruptcy proceeding by or against Borrower, Borrower shall not seek a supplemental stay or otherwise shall not seek pursuant to 11 U.S.C. §105 or any other provision of the Bankruptcy Reform Act of 1978, as amended, or any other debtor relief law (whether statutory, common law, case law, or otherwise) of any jurisdiction whatsoever, now or hereafter in effect, which may be or become applicable, to stay, interdict, condition, reduce or inhibit the ability of Lender to enforce any rights of Lender against any guarantor or indemnitor of the secured obligations or any other party liable with respect thereto by virtue of any indemnity, guaranty or otherwise.

Section 2.24 SUBMISSION TO JURISDICTION; WAIVER OF JURY TRIAL.

(a) **BORROWER AND LENDER, TO THE FULL EXTENT PERMITTED BY LAW, HEREBY KNOWINGLY, INTENTIONALLY AND VOLUNTARILY, WITH AND UPON THE ADVICE OF COMPETENT COUNSEL, (i) SUBMIT TO PERSONAL JURISDICTION IN THE STATE IN WHICH THE PREMISES IS LOCATED OVER ANY SUIT, ACTION OR PROCEEDING BY ANY PERSON ARISING FROM OR RELATING TO THE NOTE, THIS MORTGAGE OR ANY OTHER OF THE LOAN DOCUMENTS, (ii) AGREE THAT ANY SUCH ACTION, SUIT OR PROCEEDING MAY BE BROUGHT IN ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION SITTING IN THE COUNTY IN WHICH THE PREMISES IS LOCATED, (iii) SUBMIT TO THE JURISDICTION OF SUCH COURTS, AND (iv) TO THE FULLEST EXTENT PERMITTED BY LAW, AGREE THAT IT WILL NOT BRING ANY ACTION, SUIT OR PROCEEDING IN ANY OTHER FORUM (BUT NOTHING HEREIN SHALL AFFECT THE RIGHT OF LENDER TO BRING ANY ACTION, SUIT OR PROCEEDING IN ANY OTHER FORUM).**

(b) **BORROWER AND LENDER, TO THE FULL EXTENT PERMITTED BY LAW, HEREBY KNOWINGLY, INTENTIONALLY AND VOLUNTARILY, WITH AND UPON THE ADVICE OF COMPETENT COUNSEL, WAIVE, RELINQUISH AND FOREVER FORGO THE RIGHT TO A TRIAL BY JURY**

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IN ANY ACTION OR PROCEEDING BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATING TO THE DEBT OR ANY CONDUCT, ACT OR OMISSION OF LENDER OR BORROWER, OR ANY OF THEIR RESPECTIVE DIRECTORS, OFFICERS, PARTNERS, MEMBERS, EMPLOYEES, AGENTS OR ATTORNEYS, OR ANY OTHER PERSONS AFFILIATED WITH LENDER OR BORROWER, IN EACH OF THE FOREGOING CASES, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE.

Section 2.25 Attorney-in-Fact Provisions. With respect to any provision of this Mortgage or any other Loan Document whereby Borrower grants to Lender a power-of-attorney, provided no Default or Event of Default has occurred under this Mortgage, Lender shall first give Borrower written notice at least three (3) days prior to acting under such power, which notice shall demand that Borrower first take the proposed action within such period and advising Borrower that if it fails to do so, Lender will so act under the power; provided, however, that, in the event that a Default or an Event of Default has occurred, or if necessary to prevent imminent death, serious injury, damage, loss, forfeiture or diminution in value to the Property or any surrounding property or to prevent any adverse affect on Lender's interest in the Property, Lender may act immediately and without first giving such notice. In such event, Lender will give Borrower notice of such action as soon thereafter as reasonably practical.

Section 2.26 Management. The management of the Property shall be by either: (a) Borrower or an entity affiliated with Borrower approved by Lender for so long as Borrower or said affiliated entity is managing the Property in a first class manner; or (b) a professional property management company approved by Lender. Such management by an affiliated entity or a professional property management company shall be pursuant to a written agreement approved by Lender. In no event shall any manager be removed or replaced or the terms of any management agreement modified or amended without the prior written consent of Lender which approval may be conditioned upon, among other things, receipt by Lender of a No-Downgrade Confirmation from each Rating Agency. After an Event of Default or a default under any management contract then in effect, which default is not cured within any applicable grace or cure period or if at any time during the term of the Loan the debt service coverage ratio of the Property is ever less than 1.05:1, as determined by Lender, Lender shall have the right to terminate, or to direct Borrower to terminate, such management contract upon thirty (30) days' notice and to retain, or to direct Borrower to retain, a new management agent approved by Lender which approval may be conditioned upon, among other things, receipt by Lender of a No-Downgrade Confirmation from each Rating Agency. All Rents and Profits generated by or derived from the Property shall first be utilized solely for current expenses directly attributable to the ownership and operation of the Property, including, without limitation, current expenses relating to Borrower's liabilities and obligations with respect to this Mortgage and the other Loan Documents, and none of the Rents and Profits generated by or derived from the Property shall be diverted by Borrower and utilized for any other purposes unless all such current expenses attributable to the ownership and operation of the Property have been fully paid and satisfied.

Section 2.27 Hazardous Waste and Other Substances.

(a) Borrower hereby represents and warrants to Lender that, as of the date hereof to the best of Borrower's knowledge, information and belief and other than as set forth in

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the Environmental Report: (i) none of Borrower nor the Property nor any Tenant at the Premises nor the operations conducted thereon is in direct or indirect violation of or otherwise exposed to any liability under any local, state or federal law, rule or regulation or common law duty pertaining to human health, natural resources or the environment, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. §9601 et seq.) ("CERCLA"), the Resource Conservation and Recovery Act of 1976 (42 U.S.C. §6901 et seq.), the Federal Water Pollution Control Act (33 U.S.C. §1251 et seq.), the Clean Air Act (42 U.S.C. §7401 et seq.), the Emergency Planning and Community-Right-to-Know Act (42 U.S.C. §11001 et seq.), the Endangered Species Act (16 U.S.C. §1531 et seq.), the Toxic Substances Control Act (15 U.S.C. §2601 et seq.), the Occupational Safety and Health Act (29 U.S.C. §651 et seq.), the Industrial Site Recovery Act, N.J.S.A. 13:1K-6, et seq. ("ISRA"); the Spill Compensation and Control Act, N.J.S.A. 58:10-23.11, et seq. ("Spill Act"); the Underground Storage of Hazardous Substances Act, N.J.S.A. 58:10A-21,

et seq.; the Toxic Catastrophe Prevention Act N.J.S.A. 13:1K-19, et seq.; the Worker and Community Right to Know Act, N.J.S.A. 34:5A-1, et seq.; the Pollution Prevention Act, N.J.S.A. 13:1D-35, et seq.; the Air Pollution Control Act, N.J.S.A. 26:2C-1, et seq.; the Solid Waste Management Act, N.J.S.A. 13:1E-1, et seq.; the Sanitary Landfill Closure and Contingency Fund Act, N.J.S.A. 13:1E-100, et seq.; the Solid Waste Utility Control Act, N.J.S.A. 48:13A-1, et seq.; the Water Pollution Control Act, N.J.S.A. 58:10A-1, et seq.; the Flood Hazard Control Act, N.J.S.A. 58:16A-50, et seq.; the Freshwater Wetlands Protection Act, N.J.S.A. 13:9B-1, et seq.; the Coastal Area Facility Review Act, N.J.S.A. 13:19-1, et seq.; the Wetlands Act of 1970, N.J.S.A. 13:9A-1, et seq.; the Waterfront and Harbor Facilities Act, N.J.S.A. 12:5-1, et seq.; the Noise Control Act, N.J.S.A. 13:1G-1, et seq.; and the Pesticide Control Act, N.J.S.A. 13:1F-1, et seq., and the Hazardous Materials Transportation Act (49 U.S.C. §1801 et seq.), and those relating to Lead Based Paint (as hereinafter defined) and the regulations promulgated pursuant to said laws, all as amended from time to time (collectively, “Environmental Laws”) or otherwise exposed to any liability under any Environmental Law relating to or affecting the Property, whether or not used by or within the control of Borrower; (ii) no hazardous, toxic or harmful substances, wastes, materials, pollutants or contaminants (including, without limitation, asbestos or asbestos-containing materials, lead based paint, Toxic Mold (as hereinafter defined) polychlorinated biphenyls, petroleum or petroleum products or byproducts, flammable explosives, radioactive materials, infectious substances or raw materials which include hazardous constituents) or any other substances or materials which are included under or regulated by Environmental Laws (collectively, “Hazardous Substances”) are located on, in or under or have been handled, generated, stored, processed or disposed of on or released or discharged from the Property (including underground contamination), except for those substances used by Borrower or any Tenant in the ordinary course of their respective businesses and in compliance with all Environmental Laws and where such Hazardous Substances could not reasonably be expected to give rise to liability under Environmental Laws; (iii) radon is not present at the Property in excess or in violation of any applicable thresholds or standards or in amounts that require disclosure under applicable law to any tenant or occupant of or invitee to the Property or to any governmental agency or the general public; (iv) the Property is not subject to any private or governmental lien or judicial or administrative notice or action arising under Environmental Laws; (v) there is no pending, nor, to Borrower’s knowledge, information or belief, threatened litigation arising under Environmental Laws affecting Borrower or the Property; (vi) there are no and have been no existing or closed underground storage tanks or other underground storage

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receptacles for Hazardous Substances or landfills or dumps on the Property; (vii) Borrower has received no notice of, and to the best of Borrower’s knowledge and belief, there exists no investigation, action, proceeding or claim by any agency, authority or unit of government or by any third party which could result in any liability, penalty, sanction or judgment under any Environmental Laws with respect to any condition, use or operation of the Property, nor does Borrower know of any basis for such an investigation, action, proceeding or claim; and (viii) Borrower has received no notice of and, to the best of Borrower’s knowledge and belief, there has been no claim by any party that any use, operation or condition of the Property has caused any nuisance or any other liability or adverse condition on any other property, nor does Borrower know of any basis for such an investigation, action, proceeding or claim. For the purposes hereof, “Toxic Mold” shall mean any mold or fungus at the Property which is of a type (i) that might pose a significant risk to human health or the environment or (ii) that would negatively impact the value of the Property.

(b) Borrower has not received nor to the best of Borrower’s knowledge, information and belief has there been issued, any notice, notification, demand, request for information, citation, summons, or order in any way relating to any actual, alleged or potential violation or liability arising under Environmental Laws.

(c) Neither the Property, nor to the best of Borrower’s knowledge, information and belief, any property to which Borrower has, in connection with the maintenance or operation of the Property, directly or indirectly transported or arranged for the transportation of any Hazardous Substances is listed or, to the best of Borrower’s knowledge, information and belief, proposed for listing on the National Priorities List promulgated pursuant to CERCLA, or CERCLIS (as defined in CERCLA) or on any similar federal or state list of sites requiring environmental investigation or clean-up.

(d) Borrower shall comply with all applicable Environmental Laws. Borrower shall keep the Property or cause the Property to be kept free from Hazardous Substances (except those substances used by Borrower or any Tenant in the ordinary course of their respective businesses and except in compliance with all Environmental Laws and where such Hazardous Substances could not reasonably be expected to give rise to liability under Environmental Laws) and in compliance with all Environmental Laws, Borrower shall not install or use any underground storage tanks, shall expressly prohibit the use, generation, handling, storage, production, processing and disposal of Hazardous Substances by all Tenants in quantities or conditions that would violate or give rise to any obligation to take remedial or other action under any applicable Environmental Laws. Without limiting the generality of the foregoing, during the term of this Mortgage, Borrower shall not install in the Improvements or permit to be installed in the Improvements any asbestos or asbestos-containing materials.

(e) Borrower shall promptly notify Lender if Borrower shall become aware of (i) the actual or potential existence of any Hazardous Substances on the Property other than those occurring in the ordinary course of Borrower’s business and which do not violate, or would not otherwise give rise to liability under Environmental Laws, (ii) any direct or indirect violation of, or other exposure to liability under, any Environmental Laws, (iii) any lien, action or notice affecting the Property or Borrower resulting from any violation or alleged violation of or liability or alleged liability under any Environmental Laws, (iv) the institution of any investigation,

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inquiry or proceeding concerning Borrower or the Property pursuant to any Environmental Laws or otherwise relating to Hazardous Substances, or (v) the discovery of any occurrence, condition or state of facts which would render any representation or warranty contained in this Mortgage incorrect in any respect if made at the time of such discovery. Immediately upon receipt of same, Borrower, shall deliver to Lender copies of any and all requests for information, complaints, citations, summonses, orders, notices, reports or other communications, documents or instruments in any way relating to any actual, alleged or potential violation or liability of any nature whatsoever arising under Environmental Laws and relating to the Property or to Borrower. Borrower shall remedy or cause to be remedied in a timely manner (and in any event within the time period permitted by applicable Environmental Laws) any violation of Environmental Laws or any condition that could give rise to liability under Environmental Laws. Without limiting the foregoing, Borrower shall, promptly and regardless of the source of the contamination or threat to the environment or human health, at its own expense, take all actions as shall be necessary or prudent, for the clean-up of any and all portions of the Property or other affected property, including, without limitation, all investigative, monitoring, removal, containment and remedial actions in accordance with all applicable Environmental Laws (and in all events in a manner satisfactory to Lender) and shall further pay or cause to be paid, at no expense to Lender, all clean-up, administrative and enforcement costs of applicable governmental agencies which may be asserted against the Property. In the event Borrower fails to do so, Lender may, but shall not be obligated to, cause the Property or other affected property to be freed from any Hazardous Substances or otherwise brought into conformance with Environmental Laws and any and all costs and expenses incurred by Lender in connection therewith, together with interest thereon at the Default Interest Rate from the date incurred by Lender until actually paid by Borrower, shall be immediately paid by Borrower on demand and shall be secured by this Mortgage and by all of the other Loan Documents securing all or any part of the Debt. Borrower hereby grants to Lender and its agents and employees access to the Property and a license to remove any items deemed by Lender to be Hazardous Substances and to do all things Lender shall deem necessary to bring the Property into conformance with Environmental Laws.

(f) Borrower covenants and agrees, at Borrower’s sole cost and expense, to indemnify, defend (at trial and appellate levels, and with attorneys, consultants and experts acceptable to Lender), and hold Lender harmless from and against any and all liens, damages (including without limitation, punitive or exemplary damages), losses, liabilities (including, without limitation, strict liability), obligations, settlement payments, penalties, fines, assessments, citations, directives, claims, litigation, demands, defenses, judgments, suits, proceedings, costs, disbursements or expenses of any kind or of any nature whatsoever (including, without limitation, reasonable attorneys’, consultants’ and experts’ fees and disbursements actually incurred in investigating, defending, settling or prosecuting any claim, litigation or

proceeding) which may at any time be imposed upon, incurred by or asserted or awarded against Lender or the Property, and arising directly or indirectly from or out of: (i) any violation or alleged violation of, or liability or alleged liability under, any Environmental Law; (ii) the presence, release or threat of release of or exposure to any Hazardous Substances or radon on, in, under or affecting all or any portion of the Property or any surrounding areas, regardless of whether or not caused by or within the control of Borrower; (iii) any transport, treatment, recycling, storage, disposal or arrangement thereof of Hazardous Substances whether on the Property, originating from the Property, or otherwise associated with Borrower or any

operations conducted on the Property at any time; (iv) the failure by Borrower to comply fully with the terms and conditions of this Section 2.27; (v) the breach of any representation or warranty contained in this Section 2.27; or (vi) the enforcement of this Section 2.27, including, without limitation, the cost of assessment, investigation, containment, removal and/or remediation of any and all Hazardous Substances from all or any portion of the Property or any surrounding areas, the cost of any actions taken in response to the presence, release or threat of release of any Hazardous Substances on, in, under or affecting any portion of the Property or any surrounding areas to prevent or minimize such release or threat of release so that it does not migrate or otherwise cause or threaten danger to present or future public health, safety, welfare or the environment, and costs incurred to comply with Environmental Laws in connection with all or any portion of the Property or any surrounding areas. The indemnity set forth in this Section 2.27 shall also include any diminution in the value of the security afforded by the Property or any future reduction in the sales price of the Property by reason of any matter set forth in this Section 2.27. The foregoing indemnity shall specifically not include any such costs relating to Hazardous Substances which are initially placed on, in or under the Property after foreclosure or other taking of title to the Property by Lender or its successor or assigns. Lender's rights under this Section shall survive payment in full of the Debt and shall be in addition to all other rights of Lender under this Mortgage, the Note and the other Loan Documents.

(g) Upon Lender's request, at any time after the occurrence of an Event of Default or at such other time as Lender has reasonable grounds to believe that Hazardous Substances are or have been released, stored or disposed of on the Property, or on property contiguous with the Property, or that the Property may be in violation of the Environmental Laws, Borrower shall perform or cause to be performed, at Borrower's sole cost and expense and in scope, form and substance satisfactory to Lender, an inspection or audit of the Property prepared by a hydrogeologist or environmental engineer or other appropriate consultant approved by Lender indicating the presence or absence of Hazardous Substances on the Property, the compliance or non-compliance status of the Property and the operations conducted thereon with applicable Environmental Laws, or an inspection or audit of the Property prepared by an engineering or consulting firm approved by Lender indicating the presence or absence of friable asbestos or substances containing asbestos or lead or substances containing lead or lead based paint ("Lead Based Paint") on the Property. If Borrower fails to provide reports of such inspection or audit within thirty (30) days after such request, Lender may order the same, and Borrower hereby grants to Lender and its employees and agents access to the Property and an irrevocable license to undertake such inspection or audit. The cost of such inspection or audit, together with interest thereon at the Default Interest Rate from the date incurred by Lender until actually paid by Borrower, shall be immediately paid by Borrower on demand and shall be secured by this Mortgage and by all of the other Loan Documents securing all or any part of the Debt.

(h) Reference is made to that certain Environmental Indemnity Agreement of even date herewith by and among Borrower and any other principal signatory named therein in favor of Lender (the "Environmental Indemnity Agreement"). The provisions of this Mortgage and the Environmental Indemnity Agreement shall be read together to maximize the coverage with respect to the subject matter thereof, as determined by Lender.

(i) If prior to the date hereof, it was determined that the Property contains asbestos-containing materials ("ACM's"), Borrower covenants and agrees to institute, within thirty (30) days after the date hereof, an operations and maintenance program (the "Maintenance Program") designed by an environmental consultant, satisfactory to Lender, with respect to ACM's, consistent with "Guidelines for Controlling Asbestos-Containing Materials in Buildings" (USEPA, 1985) and other relevant guidelines, and such Maintenance Program will hereafter continuously remain in effect until the Debt secured hereby is repaid in full. In furtherance of the foregoing, Borrower shall inspect and maintain all ACM's on a regular basis and ensure that all ACM's shall be maintained in a condition that prevents exposure of residents to ACM's at all times. Without limiting the generality of the preceding sentence, Lender may require (i) periodic notices or reports to Lender in form, substance and at such intervals as Lender may specify, (ii) an amendment to such operations and maintenance program to address changing circumstances, laws or other matters, (iii) at Borrower's sole expense, supplemental examination of the Property by consultants specified by Lender, and (iv) variation of the operations and maintenance program in response to the reports provided by any such consultants.

(j) If, prior to the date hereof, it was determined that the Property contains Lead Based Paint, Borrower had prepared an assessment report describing the location and condition of the Lead Based Paint (a "Lead Based Paint Report"). If, at any time hereafter, Lead Based Paint is suspected of being present on the Property, Borrower agrees, at its sole cost and expense and within twenty (20) days thereafter, to cause to be prepared a Lead Based Paint Report prepared by an expert, and in form, scope and substance, acceptable to Lender. Borrower agrees that if it has been, or if at any time hereafter it is, determined that the Property contains Lead Based Paint, on or before thirty (30) days following (i) the date hereof, if such determination was made prior to the date hereof or (ii) such determination, if such determination is hereafter made, as applicable, Borrower shall, at its sole cost and expenses, develop and implement, and thereafter diligently and continuously carry out (or cause to be developed and implemented and thereafter diligently and continually to be carried out), an operations, abatement and maintenance plan for the Lead Based Paint on the Property, which plan shall be prepared by an expert, and be in form, scope and substance, acceptable to Lender (together with any Lead Based Paint Report, the "O&M Plan"). If an O&M Plan has been prepared prior to the date hereof, Borrower agrees to diligently and continually carry out (or cause to be carried out) the provisions thereof. Compliance with the O&M Plan shall require or be deemed to require, without limitation, the proper preparation and maintenance of all records, papers and forms required under the Environmental Laws.

Section 2.28 Indemnification: Subrogation.

(a) Borrower shall indemnify, defend and hold Lender harmless against: (i) any and all claims for brokerage, leasing, finders or similar fees which may be made relating to the Property or the Debt, and (ii) any and all liability, obligations, losses, damages, penalties, claims, actions, suits, costs and expenses (including Lender's reasonable attorneys' fees) of whatever kind or nature which may be asserted against, imposed on or incurred by Lender in connection with the Debt, this Mortgage, the Property, or any part thereof, or the exercise by Lender of any rights or remedies granted to it under this Mortgage or arise from the information provided in accordance with the terms hereof; provided, however, that nothing herein shall be construed to obligate Borrower to indemnify, defend and hold harmless Lender from and against

any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs and expenses enacted against, imposed on or incurred by Lender by reason of Lender's willful misconduct or gross negligence.

(b) If Lender is made a party defendant to any litigation or any claim is threatened or brought against Lender concerning the Debt, this Mortgage, the Property, or any part thereof, or any interest therein, or the construction, maintenance, operation or occupancy or use thereof, then Borrower shall indemnify, defend and hold Lender harmless from and against all liability by reason of said litigation or claims, including reasonable attorneys' fees and expenses incurred by Lender in any such litigation or claim, whether or not any such litigation or claim is prosecuted to judgment. If Lender commences an action against Borrower to enforce any of the terms hereof or to prosecute any breach by Borrower of any of the terms hereof or to recover any sum secured hereby, Borrower shall pay to Lender its reasonable attorneys' fees and expenses. The right to such attorneys' fees and expenses shall be deemed to have accrued on the commencement of such action, and shall be enforceable whether or not such action is prosecuted to judgment. If Borrower breaches any term of this Mortgage, Lender may engage the services of an attorney or attorneys to protect its rights hereunder, and in the event of such engagement following any breach by Borrower, Borrower shall pay Lender reasonable attorneys' fees and expenses incurred by Lender, whether or not an action is actually commenced against Borrower by reason of such breach. All references to "attorneys" in this Subsection and elsewhere in this Mortgage shall include, without limitation, any attorney or law firm engaged by Lender and Lender's in-house counsel, and all references to "fees and expenses" in this Subsection and elsewhere in this Mortgage shall include, without limitation, any fees of such attorney or law firm, any appellate counsel fees, if applicable, and any allocation charges and allocation costs of Lender's in-house counsel.

(c) A waiver of subrogation shall be obtained by Borrower from its insurance carrier and, consequently, Borrower waives any and all right to claim or recover against Lender, its officers, employees, agents and representatives, for loss of or damage to Borrower, the Property, Borrower's property or the property of others under Borrower's control from any cause insured against or required to be insured against by the provisions of this Mortgage.

Section 2.29 Covenants with Respect to Existence, Indebtedness, Operations, Fundamental Changes of Borrower

(a) Borrower, and any general partner or managing member of Borrower, as applicable, have each done since the date of their formation and shall do or cause to be done all things necessary to (i) preserve, renew and keep in full force and effect its existence, rights, and franchises, (ii) continue to engage in the business presently conducted by it, (iii) obtain and maintain all licenses, and (iv) qualify to do business and remain in good standing under the laws of each jurisdiction, in each case as and to the extent required for the ownership, maintenance, management and operation of the Property. Borrower hereby represents, warrants and covenants as of the date hereof and until such time as the Debt is paid in full, that Borrower has been, since the date of its formation, is and shall remain a Single-Purpose Entity (as hereinafter defined). Each general partner or the SPE Member (as hereinafter defined) of Borrower (each, an "SPE Equity Owner"), has since the date of its formation complied and will at all times comply, with each of the representations, warranties and covenants contained in this Section 2.29 as if such

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representation, warranty or covenant was made directly by such SPE Equity Owner. A "Single-Purpose Entity" or "SPE" means a corporation, limited partnership or limited liability company that:

(1) if a corporation, must have at least two Independent Directors (as hereinafter defined), or if requested by Lender (which request Borrower shall comply with within five (5) business days) in connection with a Secondary Market Transaction, two Independent Directors, and must not take any action that, under the terms of any certificate or articles of incorporation, by-laws, or any voting trust agreement with respect to such entity's common stock, requires the unanimous affirmative vote of 100% of the members of the board of directors unless all of the directors, including, without limitation, all Independent Directors, shall have participated in such vote ("SPE Corporation");

(2) if a limited partnership, must have each general partner be an SPE Corporation;

(3) if a limited liability company, must have one managing member (the "SPE Member") and such managing member must be an SPE Corporation. Only the SPE Member may be designated as a manager under Borrower's operating agreement and pursuant to the law where Borrower is organized. Borrower may be a single member Delaware limited liability company without an SPE Corporation managing member so long as Borrower complies with the provisions set forth in Sections 2.29(b) and (c) below;

(4) was and will be organized solely for the purpose of (i) owning an interest in the Property, (ii) acting as a general partner of a limited partnership that owns an interest in the Property, or (iii) acting as the managing member of a limited liability company that owns an interest in the Property;

(5) will not, nor will any partner, limited or general, member or shareholder thereof, as applicable, amend, modify or otherwise change its partnership certificate, partnership agreement, articles of incorporation, by-laws, operating agreement, articles of organization, or other formation agreement or document, as applicable, in any material term or manner, or in a manner which adversely affects Borrower's existence as a Single Purpose Entity;

(6) will not liquidate or dissolve (or suffer any liquidation or dissolution), or enter into any transaction of merger or consolidation, or acquire by purchase or otherwise all or substantially all the business or assets of, or any stock or other evidence of beneficial ownership of any entity;

(7) will not, nor will any partner, limited or general, member or shareholder thereof, as applicable, violate the terms of its partnership certificate, partnership agreement, articles of incorporation, by-laws, operating agreement, articles of organization, or other formation agreement or document, as applicable;

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(8) has not and will not guarantee, pledge its assets for the benefit of, or otherwise become liable on or in connection with, any obligation of any other person or entity;

(9) does not own and will not own any asset other than (i) the Property, and (ii) incidental personal property necessary for the operation of the Property;

(10) is not engaged and will not engage, either directly or indirectly, in any business other than the ownership, management and operation of the Property;

(11) will not enter into any contract or agreement with any general partner, principal, affiliate or member of Borrower, as applicable, or any affiliate of any general partner, principal or member of Borrower, except upon terms and conditions that are intrinsically fair and substantially similar to those that would be available on an arms-length basis with third parties other than an affiliate;

(12) has not incurred and will not incur any debt, secured or unsecured, direct or contingent (including guaranteeing any obligation), other than (i) the Debt, and (ii) trade payables or accrued expenses incurred in the ordinary course of business of operating the Property customarily satisfied within thirty (30) days not evidenced by a note and in an aggregate amount not to exceed two percent (2.0%) of the existing principal balance of the Note, and no other debt will be secured (senior, subordinate or pari passu) by the Property;

(13) has not made and will not make any loans or advances to any third party (including any affiliate);

(14) is and will be solvent and pay its debts from its assets as the same shall become due;

(15) has done or caused to be done and will do all things necessary to preserve its existence, and will observe all formalities applicable to it;

(16) will conduct and operate its business in its own name and as presently conducted and operated;

(17) will maintain financial statements, books and records and bank accounts separate from those of its affiliates, including, without limitation, its general partners or members, as applicable;

(18) will be, and at all times will hold itself out to the public as, a legal entity separate and distinct from any other entity (including, without limitation, any affiliate, general partner, or member, as applicable, or any affiliate of any general partner or member of Borrower, as applicable) and will correct any known misunderstanding concerning its separate identity;

(19) will file its own tax returns;

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(20) will maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations;

(21) will establish and maintain an office through which its business will be conducted separate and apart from those of its affiliates or shall allocate fairly and reasonably any overhead and expense for shared office space;

(22) will not commingle the funds and other assets of Borrower with those of any general partner, member, affiliate, principal or any other person;

(23) has and will maintain its assets in such a manner that it is not costly or difficult to segregate, ascertain or identify its individual assets from those of any affiliate or any other person;

(24) does not and will not hold itself out to be responsible for the debts or obligations of any other person;

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

(26) will pay any liabilities out of its own funds, including salaries of its employees, not funds of any affiliate; and

(27) will use stationery, invoices, and checks separate from its affiliates.

(b) In the event Borrower is a single-member Delaware limited liability company, the limited liability company agreement of Borrower (the "LLC Agreement") shall provide that (i) upon the occurrence of any event that causes the sole member of Borrower ("Member") to cease to be the member of Borrower (other than (A) upon an assignment by Member of all of its limited liability company interest in Borrower and the admission of the transferee, or (B) the resignation of Member and the admission of an additional member in either case in accordance with the terms of the Loan Documents and the LLC Agreement), any person acting as Independent Director of Borrower shall without any action of any other Person and simultaneously with the Member ceasing to be the member of Borrower, automatically be admitted to Borrower ("Special Member") and shall continue Borrower without dissolution and (ii) Special Member may not resign from Borrower or transfer its rights as Special Member unless (A) a successor Special Member has been admitted to Borrower as Special Member in accordance with requirements of Delaware law and (B) such successor Special Member has also accepted its appointment as an Independent Director. The LLC Agreement shall further provide that (i) Special Member shall automatically cease to be a member of Borrower upon the admission to Borrower of a substitute Member, (ii) Special Member shall be a member of Borrower that has no interest in the profits, losses and capital of Borrower and has no right to receive any distributions of Borrower assets, (iii) pursuant to Section 18-301 of the Delaware Limited Liability Company Act (the "Act"), Special Member shall not be required to make any capital contributions to Borrower and shall not receive a limited liability company interest in Borrower, (iv) Special Member, in its capacity as Special Member, may not bind Borrower, and

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(v) except as required by any mandatory provision of the Act, Special Member, in its capacity as Special Member, shall have no right to vote on, approve or otherwise consent to any action by, or matter relating to, Borrower, including, without limitation, the merger, consolidation or conversion of Borrower; provided, however, such prohibition shall not limit the obligations of Special Member, in its capacity as Independent Director, to vote on such matters required by the Loan Documents or the LLC Agreement. In order to implement the admission to Borrower of Special Member, Special Member shall execute a counterpart to the LLC Agreement. Prior to its admission to Borrower as Special Member, Special Member shall not be a member of Borrower.

(c) Upon the occurrence of any event that causes the Member to cease to be a member of Borrower, to the fullest extent permitted by law, the personal representative of Member shall, within ninety (90) days after the occurrence of the event that terminated the continued membership of Member in Borrower, agree in writing (i) to continue Borrower and (ii) to the admission of the personal representative or its nominee or designee, as the case may be, as a substitute member of Borrower, effective

as of the occurrence of the event that terminated the continued membership of Member of Borrower in Borrower. Any action initiated by or brought against Member or Special Member under any creditors rights laws shall not cause Member or Special Member to cease to be a member of Borrower and upon the occurrence of such an event, the business of Borrower shall continue without dissolution. The LLC Agreement shall provide that each of Member and Special Member waives any right it might have to agree in writing to dissolve Borrower upon the occurrence of any action initiated by or brought against Member or Special Member under any creditors rights laws, or the occurrence of an event that causes Member or Special Member to cease to be a member of Borrower.

As used in this Section 2.29, “Independent Director” shall mean a duly appointed member of the board of directors of any SPE Corporation or board of managers or of a single member Delaware limited liability company which is an SPE who is provided by a nationally-recognized company that provides professional independent directors who shall not have been at the time of initial appointment or at any time while serving as an Independent Director, and may not have been at any time (i) a stockholder, director, officer, employee, partner, attorney or counsel of such SPE Corporation, single member Delaware limited liability company which is an SPE, Borrower or any affiliate of any of them, (ii) a customer, supplier or other Person who derives any of its purchases or revenues from its activities with such SPE Corporation, single member Delaware limited liability company which is an SPE, Borrower or any affiliate of any of them, (iii) a Person or other entity controlling or under common control with any such stockholder, partner, customer, supplier or other Person, or (iv) a member of the immediate family of any such stockholder, director, officer, employee, partner, customer, supplier or other Person. As used in this definition, the term “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management, policies or activities of a Person, whether through ownership of voting securities, by contract or otherwise. As used herein, the term “affiliate” shall mean: (1) any person or entity directly or indirectly owning, controlling or holding with power to vote ten percent (10%) or more of the outstanding voting securities or interests of such other person or entity; (2) any person or entity ten percent (10%) or more of whose outstanding voting securities are directly or indirectly owned, controlled or held with power to vote by such other person or entity; (3) any person or entity directly or indirectly controlling, controlled by or under common control with such other person or entity; (4) any officer, director or partner of such other person or entity; (5) if such other person or entity is an

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officer, director or partner, any company for which such person or entity acts in any such capacity; and (6) any close relative or spouse of the specified person.

Section 2.30 Embargoed Person. At all times throughout the term of the Loan, including after giving effect to any Sale hereunder, (a) none of the funds or assets of Indemnitee that are used to repay the Loan or of Borrower shall constitute property of, or shall be beneficially owned directly or, to Borrower’s best knowledge, indirectly, by any person subject to sanctions or trade restrictions under United States law (“Embargoed Person” or “Embargoed Persons”) that are identified on (1) the “List of Specially Designated Nationals and Blocked Persons” maintained by the Office of Foreign Assets Control (OFAC), U.S. Department of the Treasury, and/or to Borrower’s best knowledge, as of the date thereof, based upon reasonable inquiry by Borrower, on any other similar list maintained by OFAC pursuant to any authorizing statute including, but not limited to, the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701 et seq., The Trading with the Enemy Act, 50 U.S.C. App. 1 et seq., and any Executive Order or regulation promulgated thereunder, with the result that the investment in Borrower or any Indemnitee, as applicable (whether directly or indirectly), is prohibited by law, or the Loan made by Lender would be in violation of law, or (2) Executive Order 13224 (September 23, 2001) issued by the President of the United States (“Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism”), any related enabling legislation or any other similar Executive Orders, and (b) no Embargoed Person shall have any direct interest, and to Borrower’s best knowledge, as of the date hereof, based upon reasonable inquiry by Borrower, indirect interest, of any nature whatsoever in Borrower or any Indemnitee, as applicable, with the result that the investment in Borrower or any Indemnitee, as applicable (whether directly or indirectly), is prohibited by law or the Loan is in violation of law. Notwithstanding the foregoing, Borrower makes no representation, warranty or covenant as to the individual shareholders of Mack-Cali Realty Corporation, a Maryland corporation, a publicly traded company that would otherwise be covered by the foregoing representations, warranties and covenants.

Section 2.31 Anti-Money Laundering. At all times throughout the term of the Loan, including after giving effect to any Transfers permitted pursuant to the Loan Documents, none of the funds of Borrower or any Indemnitee, as applicable, that are used to repay the Loan shall be derived from any unlawful activity, with the result that the investment in Borrower or any Indemnitee, as applicable (whether directly or indirectly), is prohibited by law or the Loan is in violation of law.

Section 2.32 ERISA.

(a) Borrower shall not engage in any transaction which would cause any obligation, or action taken or to be taken, hereunder (or the exercise by Lender of any of its rights under the Note, this Mortgage or any of the other Loan Documents) to be a non-exempt (under a statutory or administrative class exemption) prohibited transaction under ERISA.

(b) Borrower further covenants and agrees to deliver to Lender such certifications or other evidence from time to time throughout the term of this Mortgage, as requested by Lender in its sole discretion, that (i) Borrower is not an “employee benefit plan” as defined in Section 3(3) of ERISA, which is subject to Title I of ERISA, or a “governmental plan”

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within the meaning of Section 3(32) of ERISA; (ii) Borrower is not subject to Federal or state statutes regulating investments and fiduciary obligations with respect to governmental plans; and (iii) one or more of the following circumstances is true:

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

(2) Less than 25 percent of each outstanding class of equity interests in Borrower are held by “benefit plan investors” within the meaning of 29 C.F.R. Section 2510.3-101(f)(2); or

(3) Borrower qualifies as an “operating company” within the meaning of 29 C.F.R. Section 2510.3-101 or an investment company registered under the Investment Company Act of 1940.

(c) Borrower shall indemnify Lender and defend and hold Lender harmless from and against all civil penalties, excise taxes, or other loss, cost damage and expense (including, without limitation, reasonable attorneys’ fees and disbursements and costs incurred in the investigation, defense and settlement of claims and losses incurred in correcting any prohibited transaction or in the sale of a prohibited loan, and in obtaining any individual prohibited transaction exemption under ERISA that may be required, in Lender’s sole discretion) that Lender may incur, directly or indirectly, as a result of a default under this Section. This indemnity shall survive any termination, satisfaction or foreclosure of this Mortgage.

Section 2.33 Opinion Assumptions. Borrower shall at all times conduct its business so that the assumptions made with respect to Borrower in the Non-Consolidation Opinion shall be true and correct in all respects.

Section 2.34 Certificates of Occupancy. Borrower acknowledges that it is not in possession of certain certificates of occupancy for the Building and/or

Improvements located on the Property ("Certificates of Occupancy"). Borrower undertakes, covenants and agrees, to use commercially reasonable efforts to obtain or caused to be obtained any one of the following: (i) copies of all missing Certificates of Occupancy, or if same were never issued, to take any and all required actions in connection therewith in order to obtain the Certificates of Occupancy as may be required by the appropriate municipality or governmental authority, (ii) proof reasonably acceptable to Lender that a Certificate of Occupancy is not required by the applicable municipality for the Property, for which a legal opinion in form and substance reasonably acceptable to Lender shall be deemed to be satisfactory proof thereof, (iii) proof reasonably acceptable to Lender that failure to have a Certificate of Occupancy is not a violation of law and that the buildings missing a Certificate of Occupancy can remain legally occupied, for which a legal opinion in form and substance reasonably acceptable to Lender shall be deemed to be satisfactory proof thereof, (iv) a letter from the municipality stating either (A) that the Property predates any requirement for Certificate of Occupancy or (B) that although it no longer maintains copies of Certificates of Occupancy the Property can remain legally occupied, in either case, with proof reasonably acceptable to Lender that no material zoning code or building code violations exist with respect to the Property, or (v) a letter from the applicable municipality stating that such municipality does not have the Certificates of Occupancy because they have

been lost, misplaced or purged and that the Property can remain legally occupied((i)-(v) above, collectively, a "Certificate of Occupancy Satisfaction Event"). Borrower's failure to use commercially reasonable efforts to obtain any of the aforementioned items shall constitute an "Event of Default" under this Security Instrument. Borrower shall keep Lender apprised periodically, which shall be on a basis reasonably acceptable to Lender, on the progress of Borrower's efforts to satisfy the foregoing obligation. Borrower's obligations under this Section 2.34 with respect to each missing Certificate of Occupancy shall be deemed satisfied by the occurrence of a Certificate of Occupancy Satisfaction Event with respect to such missing Certificate of Occupancy.

Section 2.35 Violations. Borrower undertakes, covenants and agrees, to use commercially reasonable efforts to correct and satisfy any and all violations against the Property (including, without limitation, zoning, floor area, building code and fire and safety) (the "Property Violations"). Borrower's failure to use commercially reasonable efforts to correct and satisfy any and all Property Violations shall constitute an "Event of Default" under this Security Instrument. Borrower shall keep Lender apprised periodically, which shall be on a basis reasonably acceptable to Lender, on the progress of the satisfaction and release of the Property Violations.

ARTICLE III

RESERVES AND CASH MANAGEMENT

Section 3.1 Reserves Generally.

(a) As additional security for the payment and performance by Borrower of all duties, responsibilities and obligations under the Note and the other Loan Documents, Borrower hereby unconditionally and irrevocably assigns, conveys, pledges, mortgages, transfers, delivers, deposits, sets over and confirms unto Lender, and hereby grants to Lender a security interest in, (i) the Impound Account, the Replacement Reserve, the Outstanding TILC Reserve, the Rollover Reserve, as applicable (each as hereinafter defined) and any other reserve or escrow account established pursuant to the terms hereof or of any other Loan Document (collectively, the "Reserves"), (ii) the accounts into which the Reserves have been deposited, (iii) all insurance on said accounts, (iv) all accounts, contract rights and general intangibles or other rights and interests pertaining thereto, (v) all sums now or hereafter therein or represented thereby, (vi) all replacements, substitutions or proceeds thereof, (vii) all instruments and documents now or hereafter evidencing the Reserves or such accounts, (viii) all powers, options, rights, privileges and immunities pertaining to the Reserves (including the right to make withdrawals therefrom), and (ix) all proceeds of the foregoing. Borrower hereby authorizes and consents to the account into which the Reserves have been deposited being held in Lender's name or the name of any entity servicing the Note for Lender and hereby acknowledges and agrees that Lender, or at Lender's election, such servicing agent, shall have exclusive control over said account. Notice of the assignment and security interest granted to Lender herein may be delivered by Lender at any time to the financial institution wherein the Reserves have been established, and Lender, or such servicing entity, shall have possession of all passbooks or other evidences of such accounts. Borrower hereby assumes all risk of loss with respect to amounts on deposit in the Reserves. Funds on deposit in the Replacement Reserve, the Outstanding TILC

Reserve and the Rollover Reserve shall bear interest at a rate equal to the then prevailing commercial money market rate. All amounts deemed earned on funds contributed to the Replacement Reserve, the Outstanding TILC Reserve and the Rollover Reserve at the rate referenced in the immediately preceding sentence shall be retained by Lender and accumulated for the benefit of Borrower and added to the balance in the Replacement Reserve, the Outstanding TILC Reserve and the Rollover Reserve and shall be disbursed for payment of the items for which other funds in the Replacement Reserve, the Outstanding TILC Reserve and the Rollover Reserve are to be disbursed. Borrower shall not be entitled to earn any interest with respect to funds on deposit in the Impound Account. Borrower hereby knowingly, voluntarily and intentionally stipulates, acknowledges and agrees that the advancement of the funds from the Reserves as set forth herein is at Borrower's direction and is not the exercise by Lender of any right of set-off or other remedy upon a Default or an Event of Default. Borrower hereby waives all right to withdraw funds from the Reserves except as provided for in this Mortgage. If an Event of Default shall occur hereunder or under any other of the Loan Documents Lender may, without notice or demand on Borrower, at its option: (A) withdraw any or all of the funds (including, without limitation, interest) then remaining in the Reserves and apply the same, after deducting all costs and expenses of safekeeping, collection and delivery (including, but not limited to, reasonable attorneys' fees, costs and expenses) to the Debt or any other obligations of Borrower under the other Loan Documents in such manner as Lender shall deem appropriate in its sole discretion, and the excess, if any, shall be paid to Borrower, (B) exercise any and all rights and remedies of a secured party under any applicable Uniform Commercial Code, or (C) exercise any other remedies available at law or in equity. No such use or application of the funds contained in the Reserves shall be deemed to cure any Default or Event of Default.

(b) The Reserves shall not, unless otherwise explicitly required by applicable law, be or be deemed to be escrow or trust funds, but, at Lender's option and in Lender's discretion, may either be held in a separate account or be commingled by Lender with the general funds of Lender. The Reserves are solely for the protection of Lender and entail no responsibility on Lender's part beyond the payment of the respective items for which they are held following receipt of bills, invoices or statements therefor in accordance with the terms hereof and beyond the allowing of due credit for the sums actually received. Upon assignment of this Mortgage by Lender, any funds in the Reserves shall be turned over to the assignee and any responsibility of Lender, as assignor, with respect thereto shall terminate. If the funds in the applicable Reserve shall exceed the amount of payments actually applied by Lender for the purposes and items for which the applicable Reserve is held, such excess may be credited by Lender on subsequent payments to be made hereunder or, at the option of Lender, refunded to Borrower. If, however, the applicable Reserve shall not contain sufficient funds to pay the sums required by the dates on which such sums are required to be on deposit in such account, Borrower shall, within ten (10) days after receipt of written notice thereof, deposit with Lender the full amount of any such deficiency. If Borrower shall fail to deposit with Lender the full amount of such deficiency as provided above, Lender shall have the option, but not the obligation, to make such deposit, and all amounts so deposited by Lender, together with interest thereon at the Default Interest Rate from the date so deposited by Lender until actually paid by Borrower, shall be immediately paid by Borrower on demand and shall be secured by this Mortgage and by all of the other Loan Documents securing all or any part of the Debt. If there is an Event of Default under this Mortgage, Lender may, but shall not be obligated to, apply at any time the balance then remaining in any or all of the Reserves against the Debt in whatever order

Lender shall subjectively determine. No such application of any or all of the Reserves shall be deemed to cure any Event of Default. Upon full payment of the Debt in accordance with its terms or at such earlier time as Lender may elect, the balance of any or all of the Reserves then in Lender's possession shall be paid over to Borrower and no other party shall have any right or claim thereto.

Section 3.2 Intentionally Omitted

Section 3.3 Impound Account. Borrower shall establish and maintain at all times while this Mortgage continues in effect an impound account (the "Impound Account") with Lender for payment of real estate taxes and assessments and insurance on the Property and as additional security for the Debt. Simultaneously with the execution hereof, Borrower shall deposit in the Impound Account an amount determined by Lender to be necessary to ensure that there will be on deposit with Lender an amount which, when added to the monthly payments subsequently required to be deposited with Lender hereunder on account of real estate taxes, assessments and insurance premiums, will result in there being on deposit with Lender in the Impound Account an amount sufficient to pay the next due installment of real estate taxes and assessments on the Property at least one (1) month prior to the earlier of (a) the due date thereof or (b) any such date by which Borrower or Lender is required by law to pay same and the next due annual insurance premiums with respect to the Property at least one (1) month prior to the due date thereof. Commencing on the first monthly payment date under the Note and continuing thereafter on each monthly payment date under the Note, Borrower shall pay to Lender, concurrently with and in addition to the monthly payment due under the Note and until the Debt is fully paid and performed, deposits in an amount equal to one-twelfth (1/12) of the amount of the annual real estate taxes and assessments that will next become due and payable on the Property, plus one-twelfth (1/12) of the amount of the annual premiums that will next become due and payable on insurance policies which Borrower is required to maintain hereunder, each as estimated and determined by Lender. So long as no Default or Event of Default has occurred, and no event has occurred or failed to occur which with the passage of time, the giving of notice, or both would constitute an Event of Default (a "Default"), all sums in the Impound Account shall be held by Lender in the Impound Account to pay said taxes, assessments and insurance premiums before the same become delinquent. Borrower shall be responsible for ensuring the receipt by Lender, at least thirty (30) days prior to the respective due date for payment thereof, of all bills, invoices and statements for all taxes, assessments and insurance premiums to be paid from the Impound Account, and so long as no Event of Default has occurred, Lender shall pay the governmental authority or other party entitled thereto directly to the extent funds are available for such purpose in the Impound Account. In making any payment from the Impound Account, Lender shall be entitled to rely on any bill, statement or estimate procured from the appropriate public office or insurance company or agent without any inquiry into the accuracy of such bill, statement or estimate and without any inquiry into the accuracy, validity, enforceability or contestability of any tax, assessment, valuation, sale, forfeiture, tax lien or title or claim thereof.

Notwithstanding the foregoing, so long as an Event of Default has not occurred, Borrower shall not be required to deposit into the Impound Account payments with respect to insurance premiums in connection with the Property so long as Borrower promptly provides Lender with proof of payment of all insurance premiums and other charges in connection with

the insurance premiums required in connection with the Property and evidence that such required insurance is in place and is renewed at least thirty (30) days prior to the expiration of any insurance coverage. In the event that (i) an Event of Default occurs, and/or (ii) Borrower fails to provide Lender with the foregoing proof of payment of insurance premiums and/or evidence that the insurance required is in place at least thirty (30) days prior to the due date thereof, Borrower shall be required to deposit payments into the Impound Account with respect to insurance premiums in connection with the Property as set forth in this Section 3.3.

Section 3.4 Intentionally Omitted

Section 3.5 Replacement Reserve. As additional security for the Debt, Borrower shall establish and maintain at all times while this Mortgage continues in effect a repair reserve (the "Replacement Reserve") with Lender for payment of costs and expenses incurred by Borrower in connection with the performance of work to the roofs, chimneys, gutters, downspouts, paving, curbs, ramps, driveways, balconies, porches, patios, exterior walls, exterior doors and doorways, windows, elevators and mechanical and HVAC equipment (collectively, the "Repairs"). Commencing on the first monthly Payment Date under the Note and continuing thereafter on each monthly Payment Date under the Note, Borrower shall pay to Lender, concurrently with and in addition to the monthly payment due under the Note and until the Debt is fully paid and performed, a deposit to the Replacement Reserve in an amount equal to \$1,264.26 per month. So long as no Event of Default has occurred, all sums in the Replacement Reserve shall be held by Lender in the Replacement Reserve to pay the costs and expenses of Repairs. So long as no Default or Event of Default has occurred, Lender shall, to the extent funds are available for such purpose in the Replacement Reserve, disburse to Borrower the amount paid or incurred by Borrower in performing such Repairs within ten (10) days following: (a) the receipt by Lender of a written request from Borrower for disbursement from the Replacement Reserve and a certification by Borrower in a form approved in writing by Lender that the applicable item of Repair has been completed; (b) the delivery to Lender of invoices, receipts or other evidence satisfactory to Lender, verifying the cost of performing the Repairs; (c) for disbursement requests in excess of \$25,000.00, the delivery to Lender of affidavits, lien waivers or other evidence reasonably satisfactory to Lender showing that all materialmen, laborers, subcontractors and any other parties who might or could claim statutory or common law liens and are furnishing or have furnished material or labor to the Property have been paid all amounts due for labor and materials furnished to the Property; (d) for disbursement requests in excess of \$25,000.00, delivery to Lender of a certification from an inspecting architect or other third party acceptable to Lender describing the completed Repairs and verifying the completion of the Repairs and the value of the completed Repairs; and (e) for disbursement requests in excess of \$25,000.00, delivery to Lender of a new certificate of occupancy for the portion of the Improvements covered by such Repairs, if said new certificate of occupancy is required by law, or a certification by Borrower that no new certificate of occupancy is required. Lender shall not be required to make advances from the Replacement Reserve more frequently than once in any thirty (30) day period. In making any payment from the Replacement Reserve, Lender shall be entitled to rely on such request from Borrower without any inquiry into the accuracy, validity or contestability of any such amount. Lender may, at Borrower's expense, make or cause to be made during the term of this Mortgage an annual inspection of the Property to determine the need, as determined by Lender in its reasonable judgment, for further Repairs of the Property. In the event that such inspection reveals that further Repairs of the Property are required, Lender shall provide

Borrower with a written description of the required Repairs and Borrower shall complete such Repairs to the reasonable satisfaction of Lender within ninety (90) days after the receipt of such description from Lender, or such later date as may be approved by Lender in its sole discretion.

Section 3.6 Rollover Reserve. (a) On the date hereof, Borrower shall pay into a reserve (the "Rollover Reserve") the sum of \$170,000.00. Thereafter, Borrower shall pay to Lender into the Rollover Reserve the sum of \$8,333.33 on each Payment Date, *provided, however*, that Borrower shall not be required to make deposits to the Rollover Reserve in any month to the extent that, after deducting therefrom any pending requests for disbursements from the Rollover Reserve, such deposit would

increase the balance in the Rollover Reserve above \$620,000.00. Borrower shall also pay to Lender for transfer into the Rollover Reserve all payments received from tenants in connection with the early termination or cancellation of any Leases, including fees, penalties and commissions. If Lender determines in its reasonable judgment that the funds in the Rollover Reserve will be insufficient to pay (or in excess of) the amounts due or to become due for Approved Leasing Expenses (as hereinafter defined), Lender may increase (or decrease) the monthly contribution required to be made by Borrower to the Rollover Reserve. Provided that no Event of Default has occurred and is continuing, Lender shall disburse funds held in the Rollover Reserve to Borrower, within fifteen (15) days after the delivery by Borrower to Lender of a request therefor (but not more often than once per month), in increments of at least \$5,000, provided (i) such disbursement is for an Approved Leasing Expense relating to the Cellco Replacement Event (as defined below); (ii) Lender shall have (if it desires) verified (by an inspection conducted at Borrower's expense) performance of any construction work associated with such Approved Leasing Expense relating to the Cellco Replacement Event; and (iii) the request for disbursement is accompanied by (A) an officer's certificate from an authorized officer of the Borrower certifying (v) that such funds will be used only to pay (or reimburse Borrower for) such Approved Leasing Expenses and a description thereof, (w) that all outstanding trade payables (other than those to be paid from the requested disbursement) have been paid in full, (x) that the same has not been the subject of a previous disbursement, (y) that all previous disbursements have been used only to pay (or reimburse Borrower for) the previously identified Approved Leasing Expenses and (z) that any construction work associated with such Approved Leasing Expenses relating to the Cellco Replacement Event has been completed in a good and workmanlike manner and in accordance with all applicable legal requirements, (B) reasonably detailed supporting documentation as to the amount, necessity and purpose therefor, (C) copies of appropriate lien waivers or other evidence of payment satisfactory to Lender in connection with any construction work associated with such Approved Leasing Expenses and (D) at Lender's option, a title search for the Property indicating that it is free from all liens not previously approved by Lender. Any such disbursement of more than \$10,000 to pay (rather than reimburse) Approved Leasing Expenses may, at Lender's option, be made by joint check payable to Borrower and the payee of such Approved Leasing Expenses. For the purposes hereof an "Approved Leasing Expense" shall mean the actual out-of-pocket expenses incurred by Borrower and payable to third parties that are not affiliates of Borrower or any Indemnitor in leasing space at the Premises pursuant to Leases entered into in accordance with the Loan Documents, including brokerage commissions and tenant improvements, which expenses (i) are (A) specifically approved by Lender in connection with approving the applicable Lease, (B) incurred in the ordinary course of business and on market terms and conditions in connection with Leases which do not require Lender's approval under the Loan Documents, or

(C) otherwise approved by Lender, which approval shall not be unreasonably withheld or delayed, and (ii) are substantiated by executed Lease documents and brokerage agreements.

(b) In the event of evidence satisfactory to Lender of a Cellco Replacement Event, Lender shall disburse all remaining funds then-held by Lender in the Rollover Reserve to Borrower (after application of same, in accordance with Section 3.6(a) above), within fifteen (15) days after the delivery by Borrower to Lender of a request therefor.

(c) In connection with the sums deposited into the Rollover Reserve pursuant to this Section 3.6, at the end of each calendar year, Borrower shall have the option upon thirty (30) days prior written notice to Lender, to deliver or cause to be delivered to Lender and deposited into the Rollover Reserve a clean, unconditional, irrevocable and freely transferable, sight-draft, issued by a bank having a rating of "AA" or better by Standard & Poor's (or equivalent rating agency) and being acceptable to Lender (in its sole and absolute discretion), having an initial expiry date of not earlier than one year after the delivery of such letter of credit, containing an "evergreen" provision for renewals of successive twelve (12) month terms, and otherwise in form and substance acceptable to Lender ("**Letter of Credit**") equal to the amount of cash then on deposit in the Rollover Reserve. Upon the delivery of the Letter of Credit to Lender, Lender shall, within fifteen (15) days receipt of such Letter of Credit, deliver to Borrower the cash funds then-held in the Rollover Reserve equal to the amount of the Letter of Credit, which disbursement shall in no event be of more funds than Lender then-holds in the Rollover Reserve in cash sums. At any time after delivery of the Letter of Credit, (i) after the occurrence of an Event of Default, Lender shall have the right to draw upon the Letter of Credit, at Lender's option, and, from the proceeds thereof (which shall be deposited in the Rollover Reserve), advance to itself any amounts held therein pursuant to Lender's rights and remedies under the Loan Documents, and (ii) so long as no Event of Default has occurred and is continuing and if Borrower requests a disbursement from the Rollover Reserve in accordance with Section 3.6(a) at a time when there is a Letter of Credit outstanding in the amount of such disbursement request but for which there are insufficient cash funds then-held in the Rollover Reserve, at Borrower's request, Borrower shall have the right to request that Lender draw upon the Letter of Credit, and, from the proceeds thereof (which shall be deposited in the Rollover Reserve), advance to Borrower the amount of the requested disbursement (subject to fulfillment of the conditions related to such disbursement set forth in this Section 3.6) for which there is insufficient cash funds then-held in the Rollover Reserve but sufficient funds held in the Letter of Credit. Notwithstanding anything contained herein to the contrary, the delivery of the Letter of Credit to Lender shall in no way waive Borrower's obligation to continue to make the monthly deposits into the Rollover Reserve in accordance with this Section 3.6, and in no event shall the delivery of a Letter of Credit to Lender be deemed a waiver or termination of such obligation. In connection with the Letter of Credit, Borrower shall enter into a letter of credit agreement with Lender pledging the Letter of Credit to Lender and governing the terms and conditions of such Letter of Credit and otherwise in form and substance satisfactory to Lender, in Lender's sole discretion (the "LC Agreement"). Borrower shall pay any and all fees and costs incurred by Lender in connection with the any of the LC Agreement and/or the Letter of Credit, including, without limitation, the review of the LC Agreement and/or the Letter of Credit and the preparation, execution and delivery of the LC Agreement and/or the Letter of Credit (including, without limitation, attorneys' fees).

(d) In connection with this Section 3.6, the following definitions shall apply with respect to a Cellco Replacement Event:

"**Cellco Replacement Event**" shall mean, provided no Event of Default has occurred and is continuing, the occurrence of:

Lender's receipt of evidence in form and substance satisfactory to Lender that Cellco Partnership, a Delaware general partnership (successor in interest to Bell Atlantic Mobile System, Inc., a Delaware corporation) (collectively, with its successors and/or

assigns, "**Cellco**") has renewed and/or extended that certain Agreement of Lease between Borrower (successor-in-interest to 3/51 Associates Limited Partnership, a New Jersey limited partnership), as landlord and Cellco, dated as of March 7, 1994, as same has been and maybe further amended and/or modified from time to time (the "**Cellco Lease**") of the premises at the Property leased to Cellco (the "**Cellco Space**") or entered into a new lease of the Cellco Space with a replacement tenant ("**Cellco Replacement Tenant**"), in either case, on economic terms at least as favorable as those contained in the Cellco Lease (including, without limitation, for base rent in an amount equal to or greater than the then current base rent set forth in the Cellco Lease) and otherwise in form and substance reasonably satisfactory to Lender and for a term expiring on or after January 31, 2017 (the "**Cellco Renewal Lease**"), which evidence shall include, without limitation, a copy of the Cellco Renewal Lease and a tenant estoppel certificate from Cellco or the Cellco Replacement Tenant, as applicable, which shall be in form and substance satisfactory to Lender and provide, among other things, that (i) Cellco or the Cellco Replacement Tenant, as applicable, is occupying all of the Cellco Space, is open for business in its ordinary course and paying base rent of no less than the amount

being paid for the year prior to the expiration or termination, as applicable, of the Cellco Lease in accordance with the Cellco Renewal Lease, (ii) all of the obligations of Borrower under the Cellco Renewal Lease which are required to be fulfilled as of the date of the tenant estoppel certificate have been duly performed and completed including, without limitation, any obligations of Borrower to make or to pay or reimburse Cellco or the Cellco Replacement Tenant, as applicable, for any tenant improvements at the Cellco Space, and to Borrower's best knowledge, the improvements described in the Cellco Renewal Lease have been constructed substantially in accordance with the plans and specifications therefor, lien-free, and have been accepted by Cellco or the Cellco Replacement Tenant, as applicable, (iii) Cellco or the Cellco Replacement Tenant, as applicable, is not then entitled to any concession or rebate of rent or other charges from time to time due and payable under the Cellco Renewal Lease that are not acceptable to Lender in its reasonable discretion, (iv) there are no unpaid or unreimbursed construction or other allowances or other offsets due Cellco or the Cellco Replacement Tenant, as applicable, under the Cellco Renewal Lease which are then due and payable, and (v) to Borrower's best knowledge there are no defaults by Borrower under the Cellco Renewal Lease; and in connection with a new lease to a Cellco Replacement Tenant, Borrower shall deliver or cause to be delivered to Lender, at Lender's option, a subordination, non-disturbance and attornment agreement from the Cellco Replacement Tenant in form and substance satisfactory to Lender.

Section 3.7 Outstanding TILC Reserve. On the date hereof Borrower has established with Lender a reserve (the "Outstanding TILC Reserve") in the amount of \$234,900.00 in connection with certain leasing commissions and tenant improvement obligations of Borrower that are outstanding as of the date hereof but not yet paid to Cellco. Provided that no Event of Default has occurred and is continuing, Borrower may submit to Lender a written request for disbursement from the Outstanding TILC Reserve in an amount not to exceed the initial deposit made by Borrower into the Outstanding TILC Reserve on the date hereof, relating to space leased by Cellco together with (x) copies of all documentation required to be delivered by Cellco to Borrower under the applicable Leases as a prerequisite to Cellco receiving its tenant allowance, (y) an estoppel by Cellco stating that the tenant allowance due to Cellco is due and payable, that Cellco is in possession of its demised premises, is open for business and is paying base rent under the Cellco Lease, and that there are no material defaults under the Cellco Lease to Cellco and (z) a copy of the check sent by Borrower to Cellco evidencing the payment of the

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tenant allowance; provided, however, that Borrower shall not be reimbursed for more than a total of \$234,900.00. All funds deposited into the Outstanding TILC Reserve shall be held by Lender pursuant to the provisions of this Mortgage and, provided that no Event of Default shall have occurred and be continuing, all such funds shall be applied in payment of leasing commissions and tenant improvement obligations with respect to Cellco. Should an Event of Default occur and be continuing, the sums on deposit in the Outstanding TILC Reserve may be applied by Lender in payment of any leasing commissions or tenant improvements with respect to Cellco or may be applied to the payment of the Debt or any other charges affecting all or any portion of the Property, as Lender, in its sole discretion, may determine; provided, however, that no such application shall be deemed to have been made by operation of law or otherwise until actually made by Lender as herein provided. To the extent there are any excess funds remaining in the Outstanding TILC Reserve after Borrower has paid all of its obligations to Cellco, upon Lender's receipt of a written request, which request shall be delivered with a statement from the Borrower that no further leasing commissions, tenant improvement obligations and/or tenant allowance obligations exist under this Section 3.7, Lender shall within twenty (20) days thereafter, disburse any of the balance of the Outstanding TILC Reserve to Borrower.

ARTICLE IV

EVENTS OF DEFAULT

Section 4.1 Events of Default. The occurrence of any of the following events shall be an Event of Default hereunder:

- (a) Borrower (x) fails to pay any payments due under the Note or to the Reserves on the date when the same is due and payable, or (y) fails to pay any money to Lender required hereunder at the time or within any applicable grace period set forth herein, or if no grace period is set forth herein, then within seven (7) days of the date such payment is due (except those regarding payments to be made under the Note or to the Reserves, which failure is not subject to any grace or cure period).
- (b) Borrower fails to provide insurance as required by Section 2.3 hereof or fails to perform any covenant, agreement, obligation, term or condition set forth in Section 2.27 or Section 2.29 hereof.
- (c) Borrower fails to perform any other covenant, agreement, obligation, term or condition set forth herein, other than those otherwise described in this Section 4.1, and, to the extent such failure or default is susceptible of being cured, the continuance of such failure or default for thirty (30) days after written notice thereof from Lender to Borrower; provided, however, that if such default is susceptible of cure but such cure cannot be accomplished with reasonable diligence within said period of time, and if Borrower commences to cure such default promptly after receipt of notice thereof from Lender, and thereafter prosecutes the curing of such default with reasonable diligence, such period of time shall be extended for such period of time as may be necessary to cure such default with reasonable diligence, but not to exceed an additional sixty (60) days.

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- (d) Any representation or warranty made herein, in or in connection with any application or commitment relating to the loan evidenced by the Note, or in any of the other Loan Documents to Lender by Borrower, by any principal, general partner, manager or member in Borrower, or by any Indemnitor is determined by Lender to have been false or misleading in any material respect at the time made.
 - (e) There shall be a sale, conveyance, disposition, alienation, hypothecation, leasing, assignment, pledge, mortgage, granting of a security interest in or other transfer or further encumbering of the Property, Borrower or its general partners or managing members, or any portion thereof or any interest therein, in violation of Section 2.9 hereof.
 - (f) A default occurs under any of the other Loan Documents which has not been cured within any applicable grace or cure period therein provided.
 - (g) Borrower, general partner or managing member in Borrower or any Indemnitor becomes insolvent, or makes a transfer in fraud of creditors, or makes an assignment for the benefit of creditors, or files a petition in bankruptcy, or is voluntarily adjudicated insolvent or bankrupt or admits in writing the inability to pay its debts as they mature, or petitions or applies to any tribunal for or consents to or fails to contest the appointment of a receiver, trustee, custodian or similar officer for Borrower, for any such general partner or managing member of Borrower or for any Indemnitor or for a substantial part of the assets of Borrower, of any such general partner or managing member of Borrower or of any Indemnitor, or commences any case, proceeding or other action under any bankruptcy, reorganization, arrangement, readjustment or debt, dissolution or liquidation law or statute of any jurisdiction, whether now or hereafter in effect.
 - (h) A petition is filed or any case, proceeding or other action is commenced against Borrower, against any general partner or managing member of Borrower or against any Indemnitor seeking to have an order for relief entered against it as debtor or seeking reorganization, arrangement, adjustment, liquidation, dissolution

or composition of it or its debts or other relief under any law relating to bankruptcy, insolvency, arrangement, reorganization, receivership or other debtor relief under any law or statute of any jurisdiction, whether now or hereafter in effect, or a court of competent jurisdiction enters an order for relief against Borrower, against any general partner or managing member of Borrower or against any Indemnitor, as debtor, or an order, judgment or decree is entered appointing, with or without the consent of Borrower, of any such general partner or managing member of Borrower or of any Indemnitor, a receiver, trustee, custodian or similar officer for Borrower, for any such general partner or managing member of Borrower or for any Indemnitor, or for any substantial part of any of the properties of Borrower, of any such general partner or managing member of Borrower or of any Indemnitor, and if any such event shall occur, such petition, case, proceeding, action, order, judgment or decree is not dismissed within sixty (60) days after being commenced.

- (i) The Property or any part thereof is taken on execution or other process of law in any action against Borrower.
- (j) Borrower abandons all or a portion of the Property.

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(k) The holder of any lien or security interest on the Property (without implying the consent of Lender to the existence or creation of any such lien or security interest), whether superior or subordinate to this Mortgage or any of the other Loan Documents, declares a default and such default is not cured within any applicable grace or cure period set forth in the applicable document or such holder institutes foreclosure or other proceedings for the enforcement of its remedies thereunder.

(l) The Property, or any part thereof, is subjected to waste or to removal, demolition or material alteration so that the value of the Property is materially diminished thereby and Lender determines that it is not adequately protected from any loss, damage or risk associated therewith.

(m) Any dissolution, termination, partial or complete liquidation, merger or consolidation of Borrower, any general partner or any managing member, or any Indemnitor.

ARTICLE V

REMEDIES

Section 5.1 Remedies Available. If there shall occur an Event of Default under this Mortgage, then this Mortgage is subject to foreclosure as provided by law and Lender may, at its option and by or through a trustee, nominee, assignee or otherwise, to the fullest extent permitted by law, exercise any or all of the following rights, remedies and recourses, either successively or concurrently:

(a) Acceleration. Accelerate the maturity date of the Note and declare any or all of the Debt to be immediately due and payable without any presentment, demand, protest, notice or action of any kind whatever (each of which is hereby expressly waived by Borrower), whereupon the same shall become immediately due and payable. Upon any such acceleration, payment of such accelerated amount shall constitute a prepayment of the principal balance of the Note and any applicable prepayment fee provided for in the Note shall then be immediately due and payable.

(b) Entry on the Property. Either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court and without regard to the adequacy of its security, enter upon and take possession of the Property, or any part thereof, without force or with such force as is permitted by law and without notice or process or with such notice or process as is required by law, unless such notice and process is waivable, in which case Borrower hereby waives such notice and process, and do any and all acts and perform any and all work which may be desirable or necessary in Lender's judgment to complete any unfinished construction on the Premises, to preserve the value, marketability or rentability of the Property, to increase the income therefrom, to manage and operate the Property or to protect the security hereof, and all sums expended by Lender therefor, together with interest thereon at the Default Interest Rate, shall be immediately due and payable to Lender by Borrower on demand and shall be secured hereby and by all of the other Loan Documents securing all or any part of the Debt.

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(c) Collect Rents and Profits. With or without taking possession of the Property, sue or otherwise collect the Rents and Profits, including those past due and unpaid.

(d) Appointment of Receiver. Upon, or at any time prior or after, initiating the exercise of any power of sale, instituting any judicial foreclosure or instituting any other foreclosure of the liens and security interests provided for herein or any other legal proceedings hereunder, make application to a court of competent jurisdiction for appointment of a receiver for all or any part of the Property, as a matter of strict right and without notice to Borrower and without regard to the adequacy of the Property for the repayment of the Debt or the solvency of Borrower or any person or persons liable for the payment of the Debt, and Borrower does hereby irrevocably consent to such appointment, waive any and all notices of and defenses to such appointment and agree not to oppose any application therefor by Lender, but nothing herein is to be construed to deprive Lender of any other right, remedy or privilege Lender may now have under the law to have a receiver appointed, provided, however, that the appointment of such receiver, trustee or other appointee by virtue of any court order, statute or regulation shall not impair or in any manner prejudice the rights of Lender to receive payment of the Rents and Profits pursuant to other terms and provisions hereof. Any such receiver shall have all of the usual powers and duties of receivers in similar cases, including, without limitation, the full power to hold, develop, rent, lease, manage, maintain, operate and otherwise use or permit the use of the Property upon such terms and conditions as said receiver may deem to be prudent and reasonable under the circumstances as more fully set forth in Section 5.3 below. Such receivership shall, at the option of Lender, continue until full payment of all of the Debt or until title to the Property shall have passed by foreclosure sale under this Mortgage or deed in lieu of foreclosure.

(e) Foreclosure. Immediately commence an action to foreclose this Mortgage or to specifically enforce its provisions with respect to any of the Debt, pursuant to the statutes in such case made and provided, and sell the Property or cause the Property to be sold in accordance with the requirements and procedures provided by said statutes in a single parcel or in several parcels at the option of Lender. In the event foreclosure proceedings are instituted by Lender, all expenses incident to such proceedings, including, but not limited to, reasonable attorneys' fees and costs, shall be paid by Borrower and secured by this Mortgage and by all of the other Loan Documents securing all or any part of the Debt. The Debt and all other obligations secured by this Mortgage, including, without limitation, interest at the Default Interest Rate any prepayment charge, fee or premium required to be paid under the Note in order to prepay principal (to the extent permitted by applicable law), reasonable attorneys' fees and any other amounts due and unpaid to Lender under the Loan Documents, may be bid by Lender in the event of a foreclosure sale hereunder. In the event of a judicial sale pursuant to a foreclosure decree, it is understood and agreed that Lender or its assigns may become the purchaser of the Property or any part thereof.

(f) Judicial Remedies. Proceed by suit or suits, at law or in equity, instituted by or on behalf of Lender, to enforce the payment of the Debt or the other obligations of Borrower hereunder or pursuant to the Loan Documents, to foreclose the liens and security interests of this Mortgage as against all or any part of the

Property, and to have all or any part of the Property sold under the judgment or decree of a court of competent jurisdiction. This remedy shall be cumulative of any other non-judicial remedies available to Lender with respect to the

Loan Documents. Proceeding with the request or receiving a judgment for legal relief shall not be or be deemed to be an election of remedies or bar any available non-judicial remedy of Lender.

(g) Other. Exercise any other right or remedy available hereunder, under any of the other Loan Documents or at law or in equity.

Section 5.2 Application of Proceeds. To the fullest extent permitted by law, the proceeds of any sale under this Mortgage shall be applied, to the extent funds are so available, to the following items in such order as Lender in its discretion may determine:

(a) To payment of the reasonable costs, expenses and fees of taking possession of the Property, and of holding, operating, maintaining, using, leasing, repairing, improving, marketing and selling the same and of otherwise enforcing Lender's rights and remedies hereunder and under the other Loan Documents, including, but not limited to, receivers' fees, court costs, attorneys', accountants', appraisers', managers' and other professional fees, title charges and transfer taxes.

(b) To payment of all sums expended by Lender under the terms of any of the Loan Documents and not yet repaid, together with interest on such sums at the Default Interest Rate.

(c) To payment of the Debt and all other obligations secured by this Mortgage, including, without limitation, interest at the Default Interest Rate and, to the extent permitted by applicable law, any prepayment fee, charge or premium required to be paid under the Note in order to prepay principal, in any order that Lender chooses in its sole discretion.

(d) The remainder, if any, of such funds shall be disbursed to Borrower or to the person or persons legally entitled thereto.

Section 5.3 Right and Authority of Receiver or Lender in the Event of Default; Power of Attorney. Upon the occurrence of an Event of Default, and entry upon the Property pursuant to Section 5.1(b) hereof or appointment of a receiver pursuant to Section 5.1(d) hereof, and under such terms and conditions as may be prudent and reasonable under the circumstances in Lender's or the receiver's sole discretion, all at Borrower's expense, Lender or said receiver, or such other persons or entities as they shall hire, direct or engage, as the case may be, may do or permit one or more of the following, successively or concurrently: (a) enter upon and take possession and control of any and all of the Property; (b) take and maintain possession of all documents, books, records, papers and accounts relating to the Property; (c) exclude Borrower and its agents, servants and employees wholly from the Property; (d) manage and operate the Property; (e) preserve and maintain the Property; (f) make repairs and alterations to the Property; (g) complete any construction or repair of the Improvements, with such changes, additions or modifications of the plans and specifications or intended disposition and use of the Improvements as Lender may in its sole discretion deem appropriate or desirable to place the Property in such condition as will, in Lender's sole discretion, make it or any part thereof readily marketable or rentable; (h) conduct a marketing or leasing program with respect to the Property, or employ a marketing or leasing agent or agents to do so, directed to the leasing or sale of the Property under such terms

and conditions as Lender may in its sole discretion deem appropriate or desirable; (i) employ such contractors, subcontractors, materialmen, architects, engineers, consultants, managers, brokers, marketing agents, or other employees, agents, independent contractors or professionals, as Lender may in its sole discretion deem appropriate or desirable to implement and effectuate the rights and powers herein granted; (j) execute and deliver, in the name of Lender as attorney-in-fact and agent of Borrower or in its own name as Lender, such documents and instruments as are necessary or appropriate to consummate authorized transactions; (k) enter such leases, whether of real or personal property, or tenancy agreements, under such terms and conditions as Lender may in its sole discretion deem appropriate or desirable; (l) collect and receive the Rents and Profits from the Property; (m) eject tenants or repossess personal property, as provided by law, for breaches of the conditions of their leases or other agreements; (n) initiate a cause of action for unpaid Rents and Profits, payments, income or proceeds in the name of Borrower or Lender; (o) maintain actions in forcible entry and detainer, ejectment for possession and actions in distress for rent; (p) compromise or give acquittance for Rents and Profits, payments, income or proceeds that may become due; (q) delegate or assign any and all rights and powers given to Lender by this Mortgage; and (r) do any acts which Lender in its sole discretion deems appropriate or desirable to protect the security hereof and use such measures, legal or equitable, as Lender may in its sole discretion deem appropriate or desirable to implement and effectuate the provisions of this Mortgage. This Mortgage shall constitute a direction to and full authority to any lessee, or other third party who has heretofore dealt or contracted or may hereafter deal or contract with Borrower or Lender, at the request of Lender, to pay all amounts owing under any Lease, contract, concession, license or other agreement to Lender without proof of the Event of Default relied upon. Any such lessee or third party is hereby irrevocably authorized to rely upon and comply with (and shall be fully protected by Borrower in so doing) any request, notice or demand by Lender for the payment to Lender of any Rents and Profits or other sums which may be or thereafter become due under its Lease, contract, concession, license or other agreement, or for the performance of any undertakings under any such Lease, contract, concession, license or other agreement, and shall have no right or duty to inquire whether any Event of Default under this Mortgage or under any of the other Loan Documents has actually occurred or is then existing. Borrower hereby constitutes and appoints Lender, its assignees, successors, transferees and nominees, as Borrower's true and lawful attorney-in-fact and agent, with full power of substitution in the Property, in Borrower's name, place and stead, to do or permit any one or more of the foregoing described rights, remedies, powers and authorities, successively or concurrently, and said power of attorney shall be deemed a power coupled with an interest and irrevocable so long as any portion of the Debt is outstanding. Any money advanced by Lender in connection with any action taken under this Section 5.3, together with interest thereon at the Default Interest Rate from the date of making such advancement by Lender until actually paid by Borrower, shall be a demand obligation owing by Borrower to Lender and shall be secured by this Mortgage and by every other instrument securing all or any portion of the Debt.

Section 5.4 Occupancy After Foreclosure. In the event there is a foreclosure sale hereunder and at the time of such sale, Borrower or Borrower's representatives, successors or assigns, or any other persons claiming any interest in the Property by, through or under Borrower (except tenants of space in the Improvements subject to leases entered into prior to the date hereof), are occupying or using the Property, or any part thereof, then, to the extent not prohibited by applicable law, each and all shall, at the option of Lender or the purchaser at such sale, as the case may be, immediately become the tenant of the purchaser at such sale, which

tenancy shall be a tenancy from day-to-day, terminable at the will of either landlord or tenant, at a reasonable rental per day based upon the value of the Property occupied or used, such rental to be due daily to the purchaser. Further, to the extent permitted by applicable law, in the event the tenant fails to surrender possession of the Property upon the termination of such tenancy, the purchaser shall be entitled to institute and maintain an action for unlawful detainer of the Property in the appropriate court of the county in which the Premises is located.

Section 5.5 Notice to Account Debtors. Lender may, at any time after an Event of Default, notify the account debtors and obligors of any accounts, chattel paper, negotiable instruments or other evidences of indebtedness to Borrower included in the Property to pay Lender directly. Borrower shall at any time or from time to time upon the request of Lender provide to Lender a current list of all such account debtors and obligors and their addresses.

Section 5.6 Cumulative Remedies. All remedies contained in this Mortgage are cumulative and Lender shall also have all other remedies provided at law and in equity or in any other Loan Documents. Such remedies may be pursued separately, successively or concurrently at the sole subjective direction of Lender and may be exercised in any order and as often as occasion therefor shall arise. No act of Lender shall be construed as an election to proceed under any particular provisions of this Mortgage to the exclusion of any other provision of this Mortgage or as an election of remedies to the exclusion of any other remedy which may then or thereafter be available to Lender. No delay or failure by Lender to exercise any right or remedy under this Mortgage shall be construed to be a waiver of that right or remedy or of any Event of Default. Lender may exercise any one or more of its rights and remedies at its option without regard to the adequacy of its security.

Section 5.7 Payment of Expenses. Borrower shall pay on demand all of Lender's expenses incurred in any efforts to enforce any terms of this Mortgage, whether or not any lawsuit is filed and whether or not foreclosure is commenced but not completed, including, but not limited to, reasonable legal fees and disbursements, fees of any Rating Agency, fees related to any No-Downgrade Confirmation, foreclosure costs and title charges, together with interest thereon from and after the date incurred by Lender until actually paid by Borrower at the Default Interest Rate, and the same shall be secured by this Mortgage and by all of the other Loan Documents securing all or any part of the Debt.

ARTICLE VI

MISCELLANEOUS TERMS AND CONDITIONS

Section 6.1 Time of Essence. Time is of the essence with respect to all provisions of this Mortgage.

Section 6.2 Release of Mortgage. If all of the Debt be paid, then and in that event only, all rights under this Mortgage, except for those provisions hereof which by their terms survive, shall terminate and the Property shall become wholly clear of the liens, security interests, conveyances and assignments evidenced hereby, which shall be promptly released of record by Lender in due form at Borrower's cost. No release of this Mortgage or the lien hereof shall be valid unless executed by Lender.

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Section 6.3 Certain Rights of Lender. Without affecting Borrower's liability for the payment of any of the Debt, Lender may from time to time and without notice to Borrower: (a) release any person liable for the payment of the Debt; (b) extend or modify the terms of payment of the Debt; (c) accept additional real or personal property of any kind as security or alter, substitute or release any property securing the Debt; (d) recover any part of the Property; (e) consent in writing to the making of any subdivision map or plat thereof; (f) join in granting any easement therein; or (g) join in any extension agreement of this Mortgage or any agreement subordinating the lien hereof.

Section 6.4 Waiver of Certain Defenses. No action for the enforcement of the lien hereof or of any provision hereof shall be subject to any defense which would not be good and available to the party interposing the same in an action at law upon the Note or any of the other Loan Documents.

Section 6.5 Notices. All notices, demands, requests or other communications to be sent by one party to the other hereunder or required by law shall be in writing and shall be deemed to have been validly given or served by delivery of the same in person to the intended addressee, or by depositing the same with Federal Express or another reputable private courier service for next business day delivery, or by depositing the same in the United States mail, postage prepaid, registered or certified mail, return receipt requested, in any event addressed to the intended addressee at its address set forth on the first page of this Mortgage or at such other address as may be designated by such party as herein provided. All notices, demands and requests shall be effective upon such personal delivery, or one (1) business day after being deposited with the private courier service, or two (2) business days after being deposited in the United States mail as required above. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given as herein required shall be deemed to be receipt of the notice, demand or request sent. By giving to the other party hereto at least fifteen (15) days' prior written notice thereof in accordance with the provisions hereof, the parties hereto shall have the right from time to time to change their respective addresses and each shall have the right to specify as its address any other address within the United States of America.

Section 6.6 Successors and Assigns; Joint and Several Liability. The terms, provisions, indemnities, covenants and conditions hereof shall be binding upon Borrower and the successors and assigns of Borrower, including all successors in interest of Borrower in and to all or any part of the Property, and shall inure to the benefit of Lender, its directors, officers, shareholders, employees and agents and their respective successors and assigns and shall constitute covenants running with the land. All references in this Mortgage to Borrower or Lender shall be deemed to include all such parties' successors and assigns, and the term "Lender" as used herein shall also mean and refer to any lawful holder or owner, including pledgees and participants, of any of the Debt. If Borrower consists of more than one person or entity, each is jointly and severally liable to perform the obligations of Borrower hereunder and all representations, warranties, covenants and agreements made by Borrower hereunder are joint and several.

Section 6.7 Severability. A determination that any provision of this Mortgage is unenforceable or invalid shall not affect the enforceability or validity of any other provision, and

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any determination that the application of any provision of this Mortgage to any person or circumstance is illegal or unenforceable shall not affect the enforceability or validity of such provision as it may apply to any other persons or circumstances.

Section 6.8 Gender. Within this Mortgage, words of any gender shall be held and construed to include any other gender, and words in the singular shall be

held and construed to include the plural, and vice versa, unless the context otherwise requires.

Section 6.9 Waiver; Discontinuance of Proceedings. Lender may waive any single Event of Default by Borrower hereunder without waiving any other prior or subsequent Event of Default. Lender may remedy any Event of Default by Borrower hereunder without waiving the Event of Default remedied. Neither the failure by Lender to exercise, nor the delay by Lender in exercising, any right, power or remedy upon any Event of Default by Borrower hereunder shall be construed as a waiver of such Event of Default or as a waiver of the right to exercise any such right, power or remedy at a later date. No single or partial exercise by Lender of any right, power or remedy hereunder shall exhaust the same or shall preclude any other or further exercise thereof, and every such right, power or remedy hereunder may be exercised at any time and from time to time. No modification or waiver of any provision hereof nor consent to any departure by Borrower therefrom shall in any event be effective unless the same shall be in writing and signed by Lender, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose given. No notice to nor demand on Borrower in any case shall of itself entitle Borrower to any other or further notice or demand in similar or other circumstances. Acceptance by Lender of any payment in an amount less than the amount then due on any of the Debt shall be deemed an acceptance on account only and shall not in any way affect the existence of an Event of Default. In case Lender shall have proceeded to invoke any right, remedy or recourse permitted hereunder or under the other Loan Documents and shall thereafter elect to discontinue or abandon the same for any reason, Lender shall have the unqualified right to do so and, in such an event, Borrower and Lender shall be restored to their former positions with respect to the Debt, the Loan Documents, the Property and otherwise, and the rights, remedies, recourses and powers of Lender shall continue as if the same had never been invoked.

Section 6.10 Section Headings. The headings of the sections and paragraphs of this Mortgage are for convenience of reference only, are not to be considered a part hereof and shall not limit or otherwise affect any of the terms hereof.

Section 6.11 GOVERNING LAW. THIS MORTGAGE WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE IN WHICH THE PREMISES IS LOCATED, PROVIDED THAT TO THE EXTENT THAT ANY OF SUCH LAWS MAY NOW OR HEREAFTER BE PREEMPTED BY FEDERAL LAW, SUCH FEDERAL LAW SHALL SO GOVERN AND BE CONTROLLING, AND PROVIDED FURTHER THAT THE LAWS OF THE STATE IN WHICH THE PREMISES IS LOCATED SHALL GOVERN AS TO THE CREATION, PRIORITY AND ENFORCEMENT OF LIENS AND SECURITY INTERESTS IN THE PROPERTY LOCATED IN SUCH STATE.

Section 6.12 Counting of Days. The term "days" when used herein shall mean calendar days. If any time period ends on a Saturday, Sunday or holiday officially recognized by the state within which the Premises is located, the period shall be deemed to end on the next succeeding

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business day. The term "business day" when used herein shall mean a weekday, Monday through Friday, except a legal holiday or a day on which banking institutions in New York, New York are authorized by law to be closed.

Section 6.13 Relationship of the Parties. The relationship between Borrower and Lender is that of a borrower and a lender only and neither of those parties is, nor shall it hold itself out to be, the agent, employee, joint venturer or partner of the other party.

Section 6.14 Application of the Proceeds of the Note. To the extent that proceeds of the Note are used to pay indebtedness secured by any outstanding lien, security interest, charge or prior encumbrance against the Property, such proceeds have been advanced by Lender at Borrower's request and Lender shall be subrogated to any and all rights, security interests and liens owned by any owner or holder of such outstanding liens, security interests, charges or encumbrances, irrespective of whether said liens, security interests, charges or encumbrances are released.

Section 6.15 Unsecured Portion of Indebtedness. If any part of the Debt cannot be lawfully secured by this Mortgage or if any part of the Property cannot be lawfully subject to the lien and security interest hereof to the full extent of such indebtedness, then all payments made shall be applied on said indebtedness first in discharge of that portion thereof which is unsecured by this Mortgage.

Section 6.16 Cross Default. An Event of Default hereunder which has not been cured within any applicable grace or cure period shall be a default under each of the other Loan Documents.

Section 6.17 Interest After Sale. In the event the Property or any part thereof shall be sold upon foreclosure as provided hereunder, to the extent permitted by law, the sum for which the same shall have been sold shall, for purposes of redemption (pursuant to the laws of the state in which the Premises is located), bear interest at the Default Interest Rate.

Section 6.18 Inconsistency with Other Loan Documents. In the event of any inconsistency between the provisions hereof and the provisions in any of the other Loan Documents, it is intended that the provisions of the Note shall control over the provisions of this Mortgage, and that the provisions of this Mortgage shall control over the provisions of the Lease Assignment, the Indemnity and Guaranty Agreement, the Environmental Indemnity Agreement, and the other Loan Documents.

Section 6.19 Construction of this Document. This document may be construed as a mortgage, security deed, deed of trust, chattel mortgage, conveyance, assignment, security agreement, pledge, financing statement, hypothecation or contract, or any one or more of the foregoing, in order to fully effectuate the liens and security interests created hereby and the purposes and agreements herein set forth.

Section 6.20 No Merger. It is the desire and intention of the parties hereto that this Mortgage and the lien hereof do not merge in fee simple title to the Property. It is hereby understood and agreed that should Lender acquire any additional or other interests in or to the Property or the ownership thereof, then, unless a contrary intent is manifested by Lender as

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evidenced by an appropriate document duly recorded, this Mortgage and the lien hereof shall not merge in such other or additional interests in or to the Property, toward the end that this Mortgage may be foreclosed as if owned by a stranger to said other or additional interests.

Section 6.21 Rights With Respect to Junior Encumbrances. Any person or entity purporting to have or to take a junior mortgage or other lien upon the Property or any interest therein shall be subject to the rights of Lender to amend, modify, increase, vary, alter or supplement this Mortgage, the Note or any of the other Loan Documents, and to extend the maturity date of the Debt, and to increase the amount of the Debt, and to waive or forebear the exercise of any of its rights and remedies

hereunder or under any of the other Loan Documents and to release any collateral or security for the Debt, in each and every case without obtaining the consent of the holder of such junior lien and without the lien or security interest of this Mortgage losing its priority over the rights of any such junior lien.

Section 6.22 Lender May File Proofs of Claim. In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other proceedings affecting Borrower or the principals, general partners or managing members in Borrower, or their respective creditors or property, Lender, to the extent permitted by law, shall be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have the claims of Lender allowed in such proceedings for the entire Debt at the date of the institution of such proceedings and for any additional amount which may become due and payable by Borrower hereunder after such date.

Section 6.23 Fixture Filing. This Mortgage shall be effective from the date of its recording as a financing statement filed as a fixture filing with respect to all goods constituting part of the Property which are or are to become fixtures. This Mortgage shall also be effective as a financing statement covering minerals or the like (including oil and gas) and is to be filed for record in the real estate records of the county where the Premises is situated. The mailing address of Borrower and the address of Lender from which information concerning the security interests may be obtained are set forth in Section 2.18 above.

Section 6.24 After-Acquired Property. All property acquired by Borrower after the date of this Mortgage which by the terms of this Mortgage shall be subject to the lien and the security interest created hereby, shall immediately upon the acquisition thereof by Borrower and without further mortgage, conveyance or assignment become subject to the lien and security interest created by this Mortgage. Nevertheless, Borrower shall execute, acknowledge, deliver and record or file, as appropriate, all and every such further mortgages, security agreements, financing statements, assignments and assurances as Lender shall require for accomplishing the purposes of this Mortgage.

Section 6.25 No Representation. By accepting delivery of any item required to be observed, performed or fulfilled or to be given to Lender pursuant to the Loan Documents, including, but not limited to, any officer's certificate, balance sheet, statement of profit and loss or other financial statement, survey, appraisal or insurance policy, Lender shall not be deemed to have warranted, consented to, or affirmed the sufficiency, legality, effectiveness or legal effect of the same, or of any term, provision or condition thereof, and such acceptance of delivery thereof shall not be or constitute any warranty, consent or affirmation with respect thereto by Lender.

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Section 6.26 Counterparts. This Mortgage may be executed in any number of counterparts, each of which shall be effective only upon delivery and thereafter shall be deemed an original, and all of which shall be taken to be one and the same instrument, for the same effect as if all parties hereto had signed the same signature page. Any signature page of this Mortgage may be detached from any counterpart of this Mortgage without impairing the legal effect of any signatures thereon and may be attached to another counterpart of this Mortgage identical in form hereto but having attached to it one or more additional signature pages.

Section 6.27 Personal Liability. Notwithstanding anything to the contrary contained in this Mortgage, the liability of Borrower and its officers, directors, general partners, managers, members and principals for the Debt and for the performance of the other agreements, covenants and obligations contained herein and in the Loan Documents shall be limited as set forth in the Note.

Section 6.28 Recording and Filing. Borrower will cause the Loan Documents and all amendments and supplements thereto and substitutions therefor to be recorded, filed, re-recorded and re-filed in such manner and in such places as Lender shall reasonably request, and will pay on demand all such recording, filing, re-recording and re-filing taxes, fees and other charges. Borrower shall reimburse Lender, or its servicing agent, for the costs incurred in obtaining a tax service company to verify the status of payment of taxes and assessments on the Property.

Section 6.29 Entire Agreement and Modifications. This Mortgage and the other Loan Documents contain the entire agreements between the parties relating to the subject matter hereof and thereof and all prior agreements relative hereto and thereto which are not contained herein or therein are terminated. This Mortgage and the other Loan Documents may not be amended, revised, waived, discharged, released or terminated orally but only by a written instrument or instruments executed by the party against which enforcement of the amendment, revision, waiver, discharge, release or termination is asserted. Any alleged amendment, revision, waiver, discharge, release or termination which is not so documented shall not be effective as to any party.

Section 6.30 Intentionally Reserved.

Section 6.31 Secondary Market. Lender may sell, transfer and deliver the Note and the Loan Documents to one or more investors in the secondary mortgage market (a "Secondary Market Transaction"). In connection with such sale, Lender may retain or assign responsibility for servicing the loan evidenced by the Note or may delegate some or all of such responsibility and/or obligations to a servicer, including, but not limited to, any subservicer or master servicer, on behalf of the Investors (as hereinafter defined). All references to Lender herein shall refer to and include, without limitation, any such servicer, to the extent applicable.

Section 6.32 Dissemination of Information. If Lender determines at any time to sell, transfer or assign the Note, this Mortgage and the other Loan Documents, and any or all servicing rights with respect thereto, or to grant participations therein (the "Participations") or issue mortgage pass-through certificates or other securities evidencing a beneficial interest in a rated or unrated public offering or private placement (the "Securities"), Lender may forward to each purchaser, transferee, Lender, servicer, participant, investor, or their respective successors

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in such Participations and/or Securities (collectively, the "Investors") or any rating agency rating such Securities (each a "Rating Agency"), each prospective Investor and each of the foregoing's respective counsel, all documents and information which Lender now has or may hereafter acquire relating to the Debt, to Borrower, any guarantor, any indemnitor, and the Property, which shall have been furnished by Borrower and any Indemnitor, as Lender determines necessary or desirable.

Section 6.33 Intentionally Omitted.

Section 6.34 REMIC Opinions. In the event Borrower requests Lender's consent with respect to any proposed action or Borrower proposes to take any action not otherwise requiring Lender's specific consent under the Loan Documents, which Lender determines, in its discretion, may affect (i) the "REMIC" status of Lender, its successors or assigns, or (ii) the status of this Mortgage as a "qualified mortgage" as defined in Section 860G of the Internal Revenue Code of 1986 (or any succeeding provision of such law), Lender reserves the right to require Borrower, at Borrower's sole expense, to obtain, from counsel satisfactory to Lender in its discretion, an opinion, in form and substance satisfactory to Lender in its discretion, that no adverse tax consequences will arise as a result of the proposed course of action.

Section 6.35 Severed Loan Documents. Lender shall have the right from time to time to sever the Note and the other Loan Documents into one or more separate notes, mortgages, deeds of trust and other security documents (the "Severed Loan Documents") in such denominations and priorities as Lender shall determine in its sole discretion, provided, however, that the terms, provisions and clauses of the Severed Loan Documents shall be no more adverse to Borrower than those contained in the Note, this Mortgage and the other Loan Documents. Borrower shall execute and deliver to Lender from time to time, promptly after the request of Lender, a severance agreement and such other documents as Lender shall reasonably request in order to effect the severance described in the preceding sentence, all in form and substance reasonably satisfactory to Lender. Borrower hereby absolutely and irrevocably appoints Lender as its true and lawful attorney, coupled with an interest, in its name and stead to make and execute all documents necessary or desirable to effect the aforesaid severance, Borrower ratifying all that its said attorney shall do by virtue thereof; provided, however, that Lender shall not make or execute any such documents under such power until not less than three (3) days has passed after notice has been given to Borrower by Lender of Lender's intent to exercise its rights under such power.

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IN WITNESS WHEREOF, Borrower has executed this Mortgage on the day and year first written above.

BORROWER:

51 CHUBB SPE LLC,
a Delaware limited liability company

By: /s/ Mitchell E. Hersh
Name: Mitchell E. Hersh
Title: President and Chief Executive Officer

STATE OF New York

SS:

COUNTY OF New York

BE IT REMEMBERED that on the 9th day of May, 2006, Mitchell E. Hersh personally came before me, and this person acknowledged under oath, to my satisfaction, that he is the President and Chief Executive Officer of 51 CHUBB SPE LLC, a Delaware limited liability company, the entity named in this document, and this document was signed and delivered by the entity as its voluntary act duly authorized by a proper resolution of the limited liability company.

/s/ Marian J. Abbatepaolo
Marian J. Abbatepaolo
Notary Public, State of New York
01AB4807522
Certificate Filed in New York County
Commission Expires November 30, 2006

EXHIBIT A

Legal Description

All that certain lot, piece or parcel of land situated, lying and being in the Township of Branchburg, County of Somerset State of New Jersey;

Beginning at an iron rod set in the southerly line of Imclone Way (F.K.A. Chubb Way) (60 foot right of way) said iron rod being the following bearings and distances measured from the Easterly terminus of an arc having a radius of 38.00 feet and connecting the southerly line of US Route 202 (120 foot right of way) with the said Southerly line of Imclone Way a.) South 42 degrees 01 minute 56 seconds East 565.31 feet; thence b.) on an arc having a radius of 330.00 feet and curving to the left a distance of 87.14 feet and running; thence

1. Northeastwardly on an arc having a radius of 330.00 feet and curving to the left a distance of 198.91 feet along the southerly line of Imclone Way to a point of tangency in the same;
2. North 88 degrees 18 minutes 12 seconds East 151.19 feet still along the aforesaid Southerly line of Imclone Way to an iron pipe found in the same; thence
3. South 01 degree 41 minutes 48 seconds East 662.82 feet along the Westerly line of Lot 4 in Block 68-F, Branchburg Township Tax Map Data to iron rod set in the Northerly line of Lot 5 in Block 68 Branchburg Township Tax Map Data; thence
4. North 81 degrees 02 minutes 00 seconds West 99.54 feet along the same to a point; thence

5. North 84 degrees 02 minutes 00 seconds West, 203.30 feet along the northerly line of Lot 5B, Block 68 Branchburg Township Tax Map Data to an angle point in the same; thence
6. North 80 degrees 32 minutes 00 seconds West 165.00 feet along the same to an angle point in the same; thence
7. North 49 degrees 47 minutes 00 seconds West, 234.30 feet still along the same to an angle point in the same; thence
8. North 52 degrees 32 minutes 00 seconds West 161.05 feet still along the same to an iron rod set in the same; thence
9. North 45 degrees 55 minutes 03 seconds East, 571.52 feet (a non radial line) along the Easterly line of Lot 2 in Block 68-F Branchburg Township Tax Map Data to the iron rod set the place of beginning.

Being known and described as Block 68-F Lot 3 on Amended Final Map "Branchburg Corporate Center, Bellemead Development Corp, Branchburg Twp. Somerset Co., N.J." filed in the Somerset County Clerk's Office on 1/3/83 as Map No. 1997.

Together with all of the terms and conditions as set forth in the Stream Encroachment Permit No. 7271 as recorded 1/31/77 in Book 4 page 9.

This description is in accordance with a survey prepared by Earl N. Strom, PLS for International Land Services, Inc. dated 2/26/06; last recorded 4/10/06 as job number 06-02-013:001A.

FOR INFORMATIONAL PURPOSES ONLY:

"In compliance with Chapter 157, Laws of 1977, premises herein is Lot 3 in Block 68.06 on the Tax Map of the Township of Branchburg, County of Somerset, State of New Jersey.

Loan No.: 502856399

51 Imclone Drive, Branchburg, New Jersey

PROMISSORY NOTE

\$4,500,000.00

May 9, 2006

FOR VALUE RECEIVED, the undersigned, 51 CHUBB SPE LLC, a Delaware limited liability company ("Borrower"), having an address c/o Mack-Cali Realty, L.P. at 11 Commerce Drive, Cranford, New Jersey 07016, promises to pay to the order of WACHOVIA BANK, NATIONAL ASSOCIATION, a national banking association (together with its successors and assigns, "Lender"), at the office of Lender at Commercial Real Estate Services, 8739 Research Drive URP - 4, NC 1075, Charlotte, North Carolina 28262, or at such other place as Lender may designate to Borrower in writing from time to time, the principal sum of FOUR MILLION FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$4,500,000.00), together with interest on so much thereof as is from time to time outstanding and unpaid, from the date of the advance of the principal evidenced hereby, at the rate of six and twenty-seven hundredths percent (6.27%) (the "Note Rate"), together with all other amounts due hereunder or under the other Loan Documents (as defined herein), in lawful money of the United States of America, which shall at the time of payment be legal tender in payment of all debts and dues, public and private.

ARTICLE I

TERMS AND CONDITIONS

Section 1.1 Computation of Interest. Interest shall be computed hereunder based on a 360-day year and based on the actual number of days elapsed for any period in which interest is being calculated including, without limitation, the Interest Only Period (hereinafter defined), as more particularly set forth on Annex 1 attached hereto and incorporated by this reference. Interest shall accrue from the date on which funds are advanced hereunder (regardless of the time of day) through and including the day on which funds are credited pursuant to Section 1.2 hereof.

Section 1.2 Payment of Principal and Interest. Payments in federal funds immediately available at the place designated for payment received by Lender prior to 2:00 p.m. local time on a day on which Lender is open for business at said place of payment shall be credited prior to close of business, while other payments, at the option of Lender, may not be credited until immediately available to Lender in federal funds at the place designated for payment prior to 2:00 p.m. local time on the next day on which Lender is open for business. Such principal and interest shall be payable in consecutive monthly installments of \$27,765.83 each, beginning on June 11, 2006 (the "First Payment Date"), and continuing on the eleventh (11th) day of each and every calendar month thereafter through and including April 11, 2016 (each, a "Payment Date"). On May 11, 2016 (the "Maturity Date") (provided that in the event that there is a Defeasance of the Loan pursuant to Section 1.5(d) hereof, the Maturity Date shall

automatically be the Lockout Expiration Date), the entire outstanding principal balance hereof, together with all accrued but unpaid interest thereon, shall be due and payable in full.

Section 1.3 Application of Payments. So long as no Event of Default (as hereinafter defined) exists hereunder or under any other Loan Document, each such monthly installment shall be applied, first, to any amounts hereafter advanced by Lender hereunder or under any other Loan Document, second, to any late fees and other amounts payable to Lender, third, to the payment of accrued interest and last to reduction of principal.

Section 1.4 Payment of "Short Interest." If the advance of the principal amount evidenced by this Note is made on a date other than a Payment Date, Borrower shall pay to Lender contemporaneously with the execution hereof interest at the Note Rate for a period from the date hereof through and including the tenth (10th) day of either (x) this month, in the event that the date hereof is on or prior to the 11th of the month, and (y) the immediately succeeding month, in the event that the date hereof is after the 11th of the month.

Section 1.5 Prepayment; Defeasance.

(a) This Note may not be prepaid, in whole or in part (except as otherwise specifically provided herein), at any time prior to the Payment Date occurring three (3) Payment Dates immediately prior to the Maturity Date (the "Lockout Expiration Date"). In the event that Borrower wishes to have the Property (as hereinafter defined) released from the lien of the Security Instrument prior to the Lockout Expiration Date, Borrower's sole option shall be a Defeasance (as hereinafter defined) upon satisfaction of the terms and conditions set forth in Section 1.5(d) hereof. This Note may be prepaid in whole but not in part without premium or penalty on any Payment Date occurring on or after the Lockout Expiration Date provided (i) written notice of such prepayment is received by Lender not more than ninety (90) days and not less than thirty (30) days prior to the date of such prepayment, and (ii) such prepayment is accompanied by all interest accrued hereunder through and including the date of such prepayment and all other sums due hereunder or under the other Loan Documents. If, upon any such permitted prepayment on any Payment Date occurring on or after the Lockout Expiration Date, the aforesaid prior written notice has not been timely received by Lender, there shall be due a prepayment fee equal to the lesser of (i) thirty (30) days' interest computed at the Note Rate on the outstanding principal balance of this Note so prepaid and (ii) interest computed at the Note Rate on the outstanding principal balance of this Note so prepaid that would have been payable for the period from, and including, the date of prepayment through the Maturity Date, as though such prepayment had not occurred.

(b) If, prior to the Lockout Expiration Date, the indebtedness evidenced by this Note shall have been declared due and payable by Lender pursuant to Article II hereof or the provisions of any other Loan Document due to a default by Borrower, then, in addition to the indebtedness evidenced by this Note being immediately due and payable, there shall also then be immediately due and payable a prepayment fee in an amount equal to the Yield Maintenance Premium (as hereinafter defined) based on the entire indebtedness on the date of such acceleration. In addition to the amounts described in the preceding sentence, in the event of any such acceleration or tender of payment of such indebtedness occurs or is made on or prior to the first (1st) anniversary of the date of this Note, there shall also then be immediately due and

payable an additional prepayment fee of three percent (3%) of the principal balance of this Note. The term "Yield Maintenance Premium" shall mean an amount equal to the greater of (A) one percent (1%) of the principal amount being prepaid, and (B) the present value of a series of payments each equal to the Payment Differential (as hereinafter defined) and payable on each Payment Date over the remaining original term of this Note and on the Maturity Date, discounted at the Reinvestment Yield (as hereinafter defined) for the number of months remaining as of the date of such prepayment to each such Payment Date and the Maturity Date. The term "Payment Differential" shall mean an amount equal to (i) the Note Rate less the Reinvestment Yield, divided by (ii) twelve (12) and multiplied by (iii) the principal sum outstanding under this Note after application of the constant monthly payment due under this Note on the date of such prepayment, provided that the Payment Differential shall in no event be less than zero. The term "Reinvestment Yield" shall mean an amount equal to the lesser of (i) the yield on the U.S. Treasury issue (primary issue) with a maturity date closest to the Maturity Date, or (ii) the yield on the U.S. Treasury issue (primary issue) with a term equal to the remaining average life of the indebtedness evidenced by this Note, with each such yield being based on the bid price for such issue as published in the Wall Street Journal on the date that is fourteen (14) days prior to the date of such prepayment (or, if such

bid price is not published on that date, the next preceding date on which such bid price is so published) and converted to a monthly compounded nominal yield. In the event that any prepayment fee is due hereunder, Lender shall deliver to Borrower a statement setting forth the amount and determination of the prepayment fee, and, provided that Lender shall have in good faith applied the formula described above, Borrower shall not have the right to challenge the calculation or the method of calculation set forth in any such statement in the absence of manifest error, which calculation may be made by Lender on any day during the fifteen (15) day period preceding the date of such prepayment. Lender shall not be obligated or required to have actually reinvested the prepaid principal balance at the Reinvestment Yield or otherwise as a condition to receiving the prepayment fee.

(c) Partial prepayments of this Note shall not be permitted, except for partial prepayments resulting from Lender's election to apply insurance or condemnation proceeds to reduce the outstanding principal balance of this Note as provided in the Security Instrument, in which event no prepayment fee or premium shall be due unless, at the time of either Lender's receipt of such proceeds or the application of such proceeds to the outstanding principal balance of this Note, an Event of Default, or an event which, with notice or the passage of time, or both, would constitute an Event of Default, shall have occurred, which default or Event of Default is unrelated to the applicable casualty or condemnation, in which event the applicable prepayment fee or premium shall be due and payable based upon the amount of the prepayment. No notice of prepayment shall be required under the circumstances specified in the preceding sentence. No principal amount repaid may be reborrowed. Any such partial prepayments of principal shall be applied to the unpaid principal balance evidenced hereby but such application shall not reduce the amount of the fixed monthly installments required to be paid pursuant to Section 1.2 above. Except as otherwise expressly provided in this Section, the prepayment fees provided above shall be due, to the extent permitted by applicable law, under any and all circumstances where all or any portion of this Note is paid prior to the Maturity Date, whether such prepayment is voluntary or involuntary, including, without limitation, if such prepayment results from Lender's exercise of its rights upon Borrower's default and acceleration of the Maturity Date of this Note (irrespective of whether foreclosure proceedings have been commenced), and shall be in addition to any other sums due hereunder or under any of the other Loan Documents. No tender of a

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prepayment of this Note with respect to which a prepayment fee is due shall be effective unless such prepayment is accompanied by the applicable prepayment fee.

(d) (i) On any Payment Date on or after the earlier to occur of (x) three (3) years following the first Payment Date hereunder, and (y) the day immediately following the date which is two (2) years after the "startup day," within the meaning of Section 860G(a) (9) of the Internal Revenue Code of 1986, as amended from time to time or any successor statute (the "Code"), of a "real estate mortgage investment conduit," within the meaning of Section 860D of the Code (a "REMIC Trust"), that holds this Note, and provided no Event of Default has occurred and is continuing hereunder or under any of the other Loan Documents, at Borrower's option, Lender shall cause the release of the Property from the lien of the Security Instrument and the other Loan Documents (a "Defeasance") upon the satisfaction of the following conditions:

(A) Borrower shall give not more than ninety (90) days' or less than sixty (60) days' prior written notice to Lender specifying the date Borrower intends for the Defeasance to be consummated (the "Release Date"), which date shall be a Payment Date.

(B) All accrued and unpaid interest and all other sums due under this Note and under the other Loan Documents up to and including the Release Date shall be paid in full on or prior to the Release Date.

(C) Borrower shall deliver to Lender on or prior to the Release Date:

(1) a sum of money in immediately available funds (the "Defeasance Deposit") equal to the outstanding principal balance of this Note plus an amount, if any, which together with the outstanding principal balance of this Note, shall be sufficient to enable Lender to purchase, through means and sources customarily employed and available to Lender, for the account of Borrower, (x) direct, non-callable, fixed rate obligations of the United States of America or (y) non-callable, fixed rate obligations, other than U.S. Treasury Obligations, that are "government securities" within the meaning of Section 2(a)(16) of the Investment Company Act of 1940, as amended, that provide for payments prior, but as close as possible, to all successive monthly Payment Dates occurring after the Release Date and to the Lockout Expiration Date, with each such payment being equal to or greater than the amount of the corresponding installment of principal and/or interest required to be paid under this Note (including, but not limited to, the scheduled outstanding principal balance of the Loan due on the Maturity Date based upon payments of principal and interest through the Lockout Expiration Date) for the balance of the term hereof (the "Defeasance Collateral"), each of which shall be duly endorsed by the holder thereof as directed by Lender or accompanied by a written instrument of transfer in form and substance satisfactory to Lender in its sole discretion (including, without limitation, such instruments as may be required by the depository institution holding such securities or the issuer

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thereof, as the case may be, to effectuate book-entry transfers and pledges through the book-entry facilities of such institution) in order to perfect upon the delivery of the Defeasance Security Agreement (as hereinafter defined) the first priority security interest in the Defeasance Collateral in favor of Lender in conformity with all applicable state and federal laws governing granting of such security interests.

(2) a pledge and security agreement, in form and substance satisfactory to Lender, creating a first priority security interest in favor of Lender in the Defeasance Collateral (the "Defeasance Security Agreement");

(3) a certificate of Borrower certifying that all of the requirements set forth in this subsection 1.5(d)(i) have been satisfied;

(4) one or more opinions of counsel for Borrower in form and substance and delivered by counsel which would be satisfactory to Lender stating, among other things, that (i) Lender has a perfected first priority security interest in the Defeasance Collateral and that the Defeasance Security Agreement is enforceable against Borrower in accordance with its terms, (ii) in the event of a bankruptcy proceeding or similar occurrence with respect to Borrower, none of the Defeasance Collateral nor any proceeds thereof will be property of Borrower's estate under Section 541 of the U.S. Bankruptcy Code, as amended, or any similar statute and the grant of security interest therein to Lender shall not constitute an avoidable preference under Section 547 of the U.S. Bankruptcy Code, as amended, or applicable state law, (iii) the release of the lien of the Security Instrument and the pledge of Defeasance Collateral will not directly or indirectly result in or cause any REMIC Trust that then holds this Note to fail to maintain its status as a REMIC Trust and (iv) the defeasance will not cause any REMIC Trust to be an "investment company" under the Investment Company Act of 1940;

(5) evidence in writing from any applicable Rating Agency (as defined in the Security Instrument) to the effect that the Defeasance will not result in a downgrading, withdrawal or qualification of the respective ratings in effect immediately prior to such Defeasance for any Securities (as hereinafter defined) issued in connection with the securitization which are then outstanding; provided, however, no evidence from a

Rating Agency shall be required if this Note does not meet the then-current review requirements of such Rating Agency.

(6) a certificate in form and scope acceptable to Lender in its sole discretion from an acceptable independent accountant certifying that the Defeasance Collateral will generate amounts sufficient to make all payments of principal and interest due under this Note through the Lockout Expiration Date and the outstanding principal balance of the Loan

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due on the Maturity Date based upon payments of principal and interest through the Lockout Expiration Date;

(7) Borrower and any guarantor or indemnitor of Borrower's obligations under the Loan Documents for which Borrower has personal liability executes and delivers to Lender such documents and agreements as Lender shall reasonably require to evidence and effectuate the ratification of such personal liability and guaranty or indemnity, respectively;

(8) such other certificates, documents or instruments as Lender may reasonably require; and

(9) payment of all fees, costs, expenses and charges incurred by Lender in connection with the Defeasance of the Property and the purchase of the Defeasance Collateral, including, without limitation, all legal fees and costs and expenses incurred by Lender or its agents in connection with release of the Property, review of the proposed Defeasance Collateral and preparation of the Defeasance Security Agreement and related documentation, any revenue, documentary, stamp, intangible or other taxes, charges or fees due in connection with transfer of the Note, assumption of the Note, or substitution of collateral for the Property shall be paid on or before the Release Date. Without limiting Borrower's obligations with respect thereto, Lender shall be entitled to deduct all such fees, costs, expenses and charges from the Defeasance Deposit to the extent of any portion of the Defeasance Deposit which exceeds the amount necessary to purchase the Defeasance Collateral.

(D) In connection with the Defeasance Deposit, Borrower hereby authorizes and directs Lender using the means and sources customarily employed and available to Lender to use the Defeasance Deposit to purchase for the account of Borrower the Defeasance Collateral. Furthermore, the Defeasance Collateral shall be arranged such that payments received from such Defeasance Collateral shall be paid directly to Lender to be applied on account of the indebtedness of this Note. Any part of the Defeasance Deposit in excess of the amount necessary to purchase the Defeasance Collateral and to pay the other and related costs Borrower is obligated to pay under this Section 1.5 shall be refunded to Borrower.

(ii) Upon compliance with the requirements of subsection 1.5(d)(i), the Property shall be released from the lien of the Security Instrument and the other Loan Documents, and the Defeasance Collateral shall constitute collateral which shall secure this Note and all other obligations under the Loan Documents. Lender will, at Borrower's expense, execute and deliver any agreements reasonably requested by Borrower to release the lien of the Security Instrument from the Property.

(iii) Upon the release of the Property in accordance with this Section 1.5(d), Borrower shall assign all its obligations and rights under this Note, together with the

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pledged Defeasance Collateral, to a newly created successor entity which complies with the terms of Section 2.29 of the Security Instrument designated by Lender in its sole discretion. Such successor entity shall execute an assumption agreement in form and substance satisfactory to Lender in its sole discretion pursuant to which it shall assume Borrower's obligations under this Note and the Defeasance Security Agreement. As conditions to such assignment and assumption, Borrower shall (x) deliver to Lender an opinion of counsel in form and substance satisfactory to a prudent lender and delivered by counsel satisfactory to a prudent lender stating, among other things, that such assumption agreement is enforceable against Borrower and such successor entity in accordance with its terms and that this Note and the Defeasance Security Agreement as so assumed, are enforceable against such successor entity in accordance with their respective terms, and (y) pay all costs and expenses (including, but not limited to, legal fees) incurred by Lender or its agents in connection with such assignment and assumption (including, without limitation, the review of the proposed transferee and the preparation of the assumption agreement and related documentation). Upon such assumption, Borrower shall be relieved of its obligations hereunder, under the other Loan Documents other than as specified in Section 1.5(d)(i)(C)(7) above and under the Defeasance Security Agreement (or other Defeasance document).

Section 1.6 Security. The indebtedness evidenced by this Note and the obligations created hereby are secured by, among other things, that certain mortgage, deed of trust or deed to secure debt, security agreement and fixture filing (the "Security Instrument") from Borrower for the benefit of Lender, dated of even date herewith, covering the Property. The Security Instrument, together with this Note and all other documents to or of which Lender is a party or beneficiary now or hereafter evidencing, securing, guarantying, modifying or otherwise relating to the indebtedness evidenced hereby, are herein referred to collectively as the "Loan Documents". All of the terms and provisions of the Loan Documents are incorporated herein by reference. Some of the Loan Documents are to be filed for record on or about the date hereof in the appropriate public records.

ARTICLE II

DEFAULT

Section 2.1 Events of Default. It is hereby expressly agreed that should any default occur in the payment of principal or interest as stipulated above and such payment is not made on the date such payment is due, or should any other default occur under any other Loan Document and not be cured within any applicable grace or notice period (if any), then an Event of Default (an "Event of Default") shall exist hereunder, and in such event the indebtedness evidenced hereby, including all sums advanced or accrued hereunder or under any other Loan Document, and all unpaid interest accrued thereon, shall, at the option of Lender and without notice to Borrower, at once become due and payable and may be collected forthwith, whether or not there has been a prior demand for payment and regardless of the stipulated date of maturity.

Section 2.2 Late Charges. In the event that any payment is not received by Lender on the date when due (subject to any applicable grace period), then, in addition to any

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default interest payments due hereunder, Borrower shall also pay to Lender a late charge in an amount equal to five percent (5%) of the amount of such overdue payment.

Section 2.3 Default Interest Rate. So long as any Event of Default exists hereunder or under any other Loan Document, regardless of whether or not there has been an acceleration of the indebtedness evidenced hereby, and at all times after maturity of the indebtedness evidenced hereby (whether by acceleration or otherwise), interest shall accrue on the outstanding principal balance of this Note, from the date due until the date credited, at a rate per annum equal to five percent (5%) in excess of the Note Rate, or, if such increased rate of interest may not be collected under applicable law, then at the maximum rate of interest, if any, which may be collected from Borrower under applicable law (as applicable, the "Default Interest Rate"), and such default interest shall be immediately due and payable.

Section 2.4 Borrower's Agreements. Borrower acknowledges that it would be extremely difficult or impracticable to determine Lender's actual damages resulting from any late payment or default, and such late charges and default interest are reasonable estimates of those damages and do not constitute a penalty. The remedies of Lender in this Note or in the Loan Documents, or at law or in equity, shall be cumulative and concurrent, and may be pursued singly, successively or together, in Lender's discretion.

Section 2.5 Borrower to Pay Costs. In the event that this Note, or any part hereof, is collected by or through an attorney-at-law, Borrower agrees to pay all costs of collection, including, but not limited to, reasonable attorneys' fees.

Section 2.6 Exculpation. Notwithstanding anything in this Note or the Loan Documents to the contrary, but subject to the qualifications hereinbelow set forth, Lender agrees that:

(a) Borrower shall be liable upon the indebtedness evidenced hereby and for the other obligations arising under the Loan Documents to the full extent (but only to the extent) of the security therefor, the same being all properties (whether real or personal), rights, estates and interests now or at any time hereafter securing the payment of this Note and/or the other obligations of Borrower under the Loan Documents (collectively, the "Property");

(b) if a default occurs in the timely and proper payment of all or any part of such indebtedness evidenced hereby or in the timely and proper performance of the other obligations of Borrower under the Loan Documents, any judicial proceedings brought by Lender against Borrower shall be limited to the preservation, enforcement and foreclosure, or any thereof, of the liens, security titles, estates, assignments, rights and security interests now or at any time hereafter securing the payment of this Note and/or the other obligations of Borrower under the Loan Documents, and no attachment, execution or other writ of process shall be sought, issued or levied upon any assets, properties or funds of Borrower other than the Property, except with respect to the liability described below in this section; and

(c) in the event of a foreclosure of such liens, security titles, estates, assignments, rights or security interests securing the payment of this Note and/or the other obligations of Borrower under the Loan Documents, no judgment for any deficiency upon the

indebtedness evidenced hereby shall be sought or obtained by Lender against Borrower, except with respect to the liability described below in this section provided, however, that, notwithstanding the foregoing provisions of this section, Borrower shall be fully and personally liable and subject to legal action (i) for proceeds paid under any insurance policies (or paid as a result of any other claim or cause of action against any person or entity) by reason of damage, loss or destruction to all or any portion of the Property, to the full extent of such proceeds not previously delivered to Lender, but which, under the terms of the Loan Documents, should have been delivered to Lender, (ii) for proceeds or awards resulting from the condemnation or other taking in lieu of condemnation of all or any portion of the Property, to the full extent of such proceeds or awards not previously delivered to Lender, but which, under the terms of the Loan Documents, should have been delivered to Lender, (iii) for all tenant security deposits or other refundable deposits paid to or held by Borrower or any other person or entity in connection with leases of all or any portion of the Property which are not applied in accordance with the terms of the applicable lease or other agreement, except if Lender receives such tenant security deposits or other refundable deposits and fails to refund same to the applicable tenant(s) in accordance with such tenant's lease, (iv) for rent and other payments received from tenants under leases of all or any portion of the Property paid more than one (1) month in advance, provided that with respect to any taxes and/or operating expenses paid by any tenants in other than monthly installments under the applicable lease, such payments shall not be paid more than one installment in advance, (v) for rents, issues, profits and revenues of all or any portion of the Property received or applicable to a period after the occurrence of any Event of Default hereunder or under the Loan Documents which are not either applied to the ordinary and necessary expenses of owning and operating the Property or paid to Lender, (vi) for waste committed on the Property, damage to the Property as a result of the intentional misconduct or gross negligence of Borrower or any of its principals, officers, general partners or members, any guarantor, any indemnitor, or any agent or employee of any such person, or any removal of all or any portion of the Property in violation of the terms of the Loan Documents, to the full extent of the losses or damages incurred by Lender on account of such occurrence, (vii) for failure to pay any valid taxes, assessments, mechanic's liens, materialmen's liens or other liens which could create liens on any portion of the Property which would be superior to the lien or security title of the Security Instrument or the other Loan Documents, to the full extent of the amount claimed by any such lien claimant except, with respect to any such taxes or assessments, to the extent that funds have been deposited with Lender pursuant to the terms of the Security Instrument specifically for the applicable taxes or assessments and not applied by Lender to pay such taxes and assessments, (viii) for all obligations and indemnities of Borrower under the Loan Documents relating to Hazardous Substances (as defined in the Security Instrument) or radon or compliance with Environmental Laws (as defined in the Security Instrument) and regulations to the full extent of any losses or damages (including those resulting from diminution in value of any Property) incurred by Lender and/or any of its affiliates as a result of the existence of such Hazardous Substances or radon or failure to comply with such Environmental Laws or regulations, and (ix) for fraud, material misrepresentation or failure to disclose a material fact, any untrue statement of a material fact or omission to state a material fact in the written materials and/or information provided to Lender or any of its affiliates by or on behalf of Borrower or any of its affiliates, principals, officers, general partners or members, any guarantor, any indemnitor or any agent, employee or other person authorized or apparently authorized to make statements, representations or disclosures on behalf of Borrower, any affiliate, principal, officer, general

partner or member of Borrower, any guarantor or any indemnitor, to the full extent of any losses, damages and expenses of Lender and/or any of its affiliates on account thereof. References herein to particular sections of the Loan Documents shall be deemed references to such sections as affected by other provisions of the Loan Documents relating thereto. Nothing contained in this section shall (1) be deemed to be a release or impairment of the indebtedness evidenced by this Note or the other obligations of Borrower under the Loan Documents or the lien of the Loan Documents upon the Property, or (2) preclude Lender from foreclosing the Loan Documents in case of any default or from enforcing any of the other rights of Lender except as stated in this section, or (3) limit or impair in any way whatsoever (A) the Indemnity and Guaranty Agreement (the "Indemnity Agreement") or (B) the Environmental Indemnity Agreement (the "Environmental Indemnity Agreement"), each of even date herewith executed and delivered in connection with the indebtedness evidenced by this Note or release, relieve, reduce, waive or impair in any way whatsoever, any obligation of any party to the Indemnity Agreement or the Environmental Indemnity Agreement.

Notwithstanding the foregoing, the agreement of Lender not to pursue recourse liability as set forth in this Section 2.6 SHALL BECOME NULL AND VOID and shall be of no further force and effect in the event of (i) a default by Borrower, Indemnitor (as defined in the Security Instrument) or any general partner, manager or managing member of Borrower of any of the covenants set forth in Section 2.9 of the Security Instrument or a default by Borrower, Indemnitor or any general partner, manager or managing member of Borrower which is a Single-Purpose Entity (as defined in the Security Instrument) (if any) of the covenants set forth in Section 2.29 of the

Security Instrument, or (ii) if the Property or any part thereof shall become an asset in (A) a voluntary bankruptcy or insolvency proceeding of Borrower or Indemnitor, or (B) an involuntary bankruptcy or insolvency proceeding of Borrower or Indemnitor in which the Borrower or the Indemnitor colludes or any of their affiliates with creditors in such bankruptcy or insolvency proceeding and which is not dismissed within sixty (60) days of filing or (C) Borrower or Indemnitor or any of their affiliates intentionally interferes in any material respect, directly or indirectly, with Lender's exercise and/or realization of Lender's remedies under and as set forth in the Loan Documents other than by the assertion of a good faith defense based upon a failure by Lender to observe the provisions of this Section 2.6 of this Note.

Notwithstanding anything to the contrary in this Note, the Security Instrument or any of the other Loan Documents, Lender shall not be deemed to have waived any right which Lender may have under Section 506(a), 506(b), 1111(b) or any other provisions of the U.S. Bankruptcy Code to file a claim for the full amount of the indebtedness evidenced hereby or secured by the Security Instrument or any of the other Loan Documents or to require that all collateral shall continue to secure all of the indebtedness owing to Lender in accordance with this Note, the Security Instrument and the other Loan Documents.

ARTICLE III

GENERAL CONDITIONS

Section 3.1 No Waiver; Amendment. No failure to accelerate the indebtedness evidenced hereby by reason of default hereunder, acceptance of a partial or past due payment, or indulgences granted from time to time shall be construed (i) as a novation of this Note or as a

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reinstatement of the indebtedness evidenced hereby or as a waiver of such right of acceleration or of the right of Lender thereafter to insist upon strict compliance with the terms of this Note, or (ii) to prevent the exercise of such right of acceleration or any other right granted hereunder or by any applicable laws; and Borrower hereby expressly waives the benefit of any statute or rule of law or equity now provided, or which may hereafter be provided, which would produce a result contrary to or in conflict with the foregoing. No extension of the time for the payment of this Note or any installment due hereunder made by agreement with any person now or hereafter liable for the payment of this Note shall operate to release, discharge, modify, change or affect the original liability of Borrower under this Note, either in whole or in part, unless Lender agrees otherwise in writing. This Note may not be changed orally, but only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

Section 3.2 Waivers. Presentment for payment, demand, protest and notice of demand, protest and nonpayment and all other notices are hereby waived by Borrower. Borrower hereby further waives and renounces, to the fullest extent permitted by law, all rights to the benefits of any moratorium, reinstatement, marshaling, forbearance, valuation, stay, extension, redemption, appraisal, exemption and homestead now or hereafter provided by the Constitution and laws of the United States of America and of each state thereof, both as to itself and in and to all of its property, real and personal, against the enforcement and collection of the obligations evidenced by this Note or the other Loan Documents.

Section 3.3 Limit of Validity. The provisions of this Note and of all agreements between Borrower and Lender, whether now existing or hereafter arising and whether written or oral, including, but not limited to, the Loan Documents, are hereby expressly limited so that in no contingency or event whatsoever, whether by reason of demand or acceleration of the maturity of this Note or otherwise, shall the amount contracted for, charged, taken, reserved, paid or agreed to be paid ("Interest") to Lender for the use, forbearance or detention of the money loaned under this Note exceed the maximum amount permissible under applicable law. If, from any circumstance whatsoever, performance or fulfillment of any provision hereof or of any agreement between Borrower and Lender shall, at the time performance or fulfillment of such provision shall be due, exceed the limit for Interest prescribed by law or otherwise transcend the limit of validity prescribed by applicable law, then, ipso facto, the obligation to be performed or fulfilled shall be reduced to such limit, and if, from any circumstance whatsoever, Lender shall ever receive anything of value deemed Interest by applicable law in excess of the maximum lawful amount, an amount equal to any excessive Interest shall be applied to the reduction of the principal balance owing under this Note in the inverse order of its maturity (whether or not then due) or, at the option of Lender, be paid over to Borrower, and not to the payment of Interest. All Interest (including any amounts or payments judicially or otherwise under the law deemed to be Interest) contracted for, charged, taken, reserved, paid or agreed to be paid to Lender shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the full term of this Note, including any extensions and renewals hereof until payment in full of the principal balance of this Note so that the Interest thereon for such full term will not exceed at any time the maximum amount permitted by applicable law. To the extent United States federal law permits a greater amount of interest than is permitted under the law of the State in which the Property is located, Lender will rely on United States federal law for the purpose of determining the maximum amount permitted

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by applicable law. Additionally, to the extent permitted by applicable law now or hereafter in effect, Lender may, at its option and from time to time, implement any other method of computing the maximum lawful rate under the law of the State in which the Property is located or under other applicable law by giving notice, if required, to Borrower as provided by applicable law now or hereafter in effect. This Section 3.3 will control all agreements between Borrower and Lender.

Section 3.4 Use of Funds. Borrower hereby warrants, represents and covenants that no funds disbursed hereunder shall be used for personal, family or household purposes.

Section 3.5 Unconditional Payment. Borrower is and shall be obligated to pay principal, interest and any and all other amounts which become payable hereunder or under the other Loan Documents absolutely and unconditionally and without any abatement, postponement, diminution or deduction and without any reduction for counterclaim or setoff. In the event that at any time any payment received by Lender hereunder shall be deemed by a court of competent jurisdiction to have been a voidable preference or fraudulent conveyance under any bankruptcy, insolvency or other debtor relief law, then the obligation to make such payment shall survive any cancellation or satisfaction of this Note or return thereof to Borrower and shall not be discharged or satisfied with any prior payment thereof or cancellation of this Note, but shall remain a valid and binding obligation enforceable in accordance with the terms and provisions hereof, and such payment shall be immediately due and payable upon demand.

Section 3.6 Governing Law. THIS NOTE SHALL BE INTERPRETED, CONSTRUED AND ENFORCED ACCORDING TO THE LAWS OF THE STATE IN WHICH THE PROPERTY IS LOCATED.

Section 3.7 Waiver of Jury Trial. BORROWER, TO THE FULL EXTENT PERMITTED BY LAW, HEREBY KNOWINGLY, INTENTIONALLY AND VOLUNTARILY, WITH AND UPON THE ADVICE OF COMPETENT COUNSEL, WAIVES, RELINQUISHES AND FOREVER FORGOES THE RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATING TO THE DEBT EVIDENCED BY THIS NOTE OR ANY CONDUCT, ACT OR OMISSION OF LENDER OR BORROWER, OR ANY OF THEIR RESPECTIVE DIRECTORS, OFFICERS, PARTNERS, MEMBERS, EMPLOYEES, AGENTS OR ATTORNEYS, OR ANY OTHER PERSONS AFFILIATED WITH LENDER OR BORROWER, IN EACH OF THE FOREGOING CASES, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE.

ARTICLE IV

MISCELLANEOUS PROVISIONS

Section 4.1 Successors and Assigns; Joint and Several; Interpretation. The terms and provisions hereof shall be binding upon and inure to the benefit of Borrower and Lender and their respective heirs, executors, legal representatives, successors, successors in title and assigns, whether by voluntary action of the parties or by operation of law. As used herein,

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the terms "Borrower" and "Lender" shall be deemed to include their respective heirs, executors, legal representatives, successors, successors in title and assigns, whether by voluntary action of the parties or by operation of law. If Borrower consists of more than one person or entity, each shall be jointly and severally liable to perform the obligations of Borrower under this Note. All personal pronouns used herein, whether used in the masculine, feminine or neuter gender, shall include all other genders; the singular shall include the plural and vice versa. Titles of articles and sections are for convenience only and in no way define, limit, amplify or describe the scope or intent of any provisions hereof. Time is of the essence with respect to all provisions of this Note. This Note and the other Loan Documents contain the entire agreements between the parties hereto relating to the subject matter hereof and thereof and all prior agreements relative hereto and thereto which are not contained herein or therein are terminated.

Section 4.2 Taxpayer Identification. Borrower's Tax Identification Number is 01-0817668.

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IN WITNESS WHEREOF, Borrower has executed this Note as of the date first written above.

BORROWER:

51 CHUBB SPE LLC,
a Delaware limited liability company

By: /s/ Mitchell E. Hersh

Name: Mitchell E. Hersh

Title: President and Chief Executive Officer

STATE OF New Jersey

SS:

COUNTY OF Union

BE IT REMEMBERED that on the 8th day of May, 2006, Mitchell E. Hersh personally came before me, and this person acknowledged under oath, to my satisfaction, that he is the President and Chief Executive Officer of 51 CHUBB SPE LLC, a Delaware limited liability company, the entity named in this document, and this document was signed and delivered by the entity as its voluntary act duly authorized by a proper resolution of the limited liability company.

/s/ Beverly E. Sturr

Beverly E. Sturr

Notary Public of New Jersey

My Commission expires on March 30, 2010

EMPLOYMENT AGREEMENT**FOR****MARK YEAGER****Table of Contents**

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THIS EMPLOYMENT AGREEMENT (the "Agreement") is entered into as of May 9, 2006, by and between Mark Yeager, an individual residing at 72 Fernwood Road, Summit, New Jersey 07901 ("Executive"), and Mack-Cali Realty Corporation, a Maryland corporation with offices at 11 Commerce Drive, Cranford, New Jersey 07016 (the "Company").

RECITALS

WHEREAS, the Company has acquired the membership interests in a group of companies referred to collectively as The Gale Service Companies and a portfolio of assets referred to collectively as the New Jersey Bellemead Portfolio; and

WHEREAS, the Company desires to employ Executive in the capacity of Executive Vice President of the Company, and Executive desires to be employed by the Company in this capacity, pursuant to the terms set forth herein.

NOW THEREFORE, in consideration of the premises and the mutual covenants and agreements set forth herein, the parties hereby agree as follows:

1. Employment.

The Company hereby agrees to employ Executive, and Executive hereby agrees to accept such employment during the period and upon the terms and conditions set forth in this Agreement.

2. Employment Period.

(a) Except as otherwise provided in this Agreement to the contrary, the terms and conditions of this Agreement shall be and remain in effect during the period of employment (the "Employment Period") established under this Paragraph 2. The initial Employment Period

shall be for a term commencing on the Effective Date and ending on the third (3rd) anniversary of the Effective Date provided, however, that commencing on the third (3rd) anniversary of the Effective Date and on each day thereafter, the Employment Period shall be extended automatically for one additional day so that a constant one (1) year Employment Period shall be in effect unless the Company or Executive elects not to extend the term of this Agreement by giving written notice to the other party not less than six (6) months prior to the designated expiration date, in which case, the term of this Agreement shall become fixed for the balance of the designated term. Any extension of this Agreement shall not create an obligation of the Company to issue new awards to Executive hereunder. The "Effective Date" shall be the "Closing Date" as defined in Section 2.03 of the Membership Interest Purchase and Contribution Agreement dated March 7, 2007 by and among Mr. Stanley C. Gale, SCG Holding Corp., Mack-Cali Realty Acquisition Corp., and Mack-Cali Realty L.P.

(b) Notwithstanding anything contained herein to the contrary: (i) Executive's employment with the Company may be terminated by the Company or Executive during the Employment Period subject to the terms and conditions of this Agreement; and (ii) nothing in this Agreement shall mandate or prohibit a continuation of Executive's employment following the expiration of the Employment Period upon such terms and conditions as the Board of Directors of the Company (the "Board") and Executive may mutually agree.

(c) If Executive's employment with the Company is terminated, for purposes of this Agreement the term "Unexpired Employment Period" shall mean the period commencing on the date of such termination and ending on the last day of the Employment Period.

3. Services / Place of Employment.

Services. During the Employment Period, Executive shall hold the position of Executive Vice President of the Company. Executive shall devote his best efforts and substantially all of his business time, skill and attention to the business of the Company and its affiliates (other than absences due to vacation, illness, disability or approved leave of absence), and shall perform such duties as are customarily performed by similar executive officers and as may be more specifically enumerated from time to time by the Chief Executive Officer; provided, however, that the foregoing is not intended to (a) preclude Executive from (i) owning and managing personal investments, including real estate investments, subject to the restrictions set forth in Paragraph 13 hereof or (ii) engaging in charitable activities and community affairs, or (b) restrict or otherwise limit Executive from conducting real estate development, acquisition or management activities with respect to, and/or additional investment in, those properties described in Schedule A attached hereto (the "Excluded Properties") provided that the performance of the activities referred to in clauses (a) and (b) does not prevent Executive from devoting substantially all of his business time to the Company.

4. Compensation and Benefits.

(a) Salary. During the Employment Period, the Company shall pay Executive a minimum annual base salary in the amount of \$370,000 (the "Annual Base Salary") payable in accordance with the Company's regular payroll practices. Executive's Annual Base Salary shall be reviewed annually in accordance with the policy of the Company from time to time and may be subject to upward adjustment based upon, among other things, Executive's performance, as determined in the sole discretion of the Chief Executive Officer. In no event shall Executive's Annual Base Salary in effect at a particular time be reduced without his prior written consent.

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(b) Incentive Compensation/Bonuses. In addition, Executive shall be eligible for incentive compensation payable each year in such amounts as may be determined by the Option and Executive Compensation Committee of the Board (the "Compensation Committee"). Executive shall be entitled to receive such bonuses, restricted share awards and options to purchase shares of common stock, par value \$0.01 per share, of the Company (the "Common Stock") as the Board or the Compensation Committee as the case may be shall approve, in its sole discretion, including, without limitation, options, restricted share awards and bonuses contingent upon Executive's performance and the achievement of specified financial and operating objectives. In addition to the foregoing, Company shall pay Executive an Initial Year Bonus on or before December 31, 2006, so long as the Executive's employment has not been terminated by the Company for Cause or by Executive without Good Reason on or before such date. For the purposes of the foregoing, "Initial Year Bonus" shall mean a single cash payment in an amount equal to \$350,000.

(c) Restricted Share Award/Tax Gross-Up Payment. Pursuant to the 2000 Employee Stock Option Plan of Mack-Cali Realty Corporation, which was effective as of September 11, 2000 (the "SOP"), Executive will be awarded a restricted share award of ten thousand (10,000) shares of Common Stock (collectively, the "Restricted Shares") as of the Effective Date, five thousand (5,000) shares of which will have a Vesting Date of January 1, 2007 and the remaining five thousand (5,000) shares of which will have a Vesting Date of January 1, 2008, subject to the terms of the Restricted Share Award Agreement between Company and Executive. Upon vesting of each portion of the Restricted Shares, Executive shall be entitled to receive a tax gross-up payment (the "Tax Gross-Up Payment") from the Company with respect to each tax year in which Restricted Shares granted pursuant to the Restricted Share

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Awards vest and are distributed to him. Each Tax Gross-Up Payment shall be a dollar amount equal to forty-three (43%) percent of the fair market value of the Restricted Shares at time of vesting, exclusive of dividends. In the event vesting occurs with respect to any Restricted Shares as a result of the achievement of the required performance goals, such payment shall be made as soon as practicable after a determination that the performance goals have been achieved but in no event later than the 90th day of the fiscal year of the Company immediately following the fiscal year as to which the performance goals were achieved. In the event vesting occurs for any other reason, including, without limitation, termination of Executive's employment by the Company without Cause or by Executive for Good Reason (but excluding a termination by the Company for Cause or a voluntary quit without Good Reason by Executive), such payment shall be made as soon as practicable after the date of vesting but in no event later than the tenth (10th) business day following such vesting.

(d) Taxes and Withholding. The Company shall have the right to deduct and withhold from all compensation all social security and other federal, state and local taxes and charges which currently are or which hereafter may be required by law to be so deducted and withheld.

(e) Additional Benefits. In addition to the compensation specified above and other benefits provided pursuant to this Paragraph 4, Executive shall be entitled to the following benefits:

- (i) participation in the SOP, the Mack-Cali Realty Corporation 401(k) Savings and Retirement Plan (subject to statutory rules and maximum contributions and non-discrimination requirements applicable to 401(k) plans) and such other benefit plans and programs, including but not limited to restricted stock, phantom stock and/or unit awards, loan programs and any other incentive compensation plans or programs (whether or not employee benefit

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plans or programs), as maintained by the Company from time to time and made generally available to executives of the Company with such participation to be consistent with reasonable Company guidelines;

- (ii) participation in any health insurance, disability insurance, paid vacation, group life insurance or other welfare benefit program made

generally available to executives of the Company; and

- (iii) reimbursement for reasonable business expenses incurred by Executive in furtherance of the interests of the Company including a monthly allowance of one thousand two hundred (\$1,200) dollars which is intended to cover the cost of local business-related travel expenses exclusive of amounts paid to third-parties (e.g. taxi service).

5. Termination of Employment and Change in Control.

(a) Executive's employment hereunder may be terminated during the Employment Period under the following circumstances:

- (i) Cause. The Company shall have the right to terminate Executive's employment for Cause upon Executive's: (A) willful and continued failure to use best efforts to substantially perform his duties hereunder (other than any such failure resulting from Executive's incapacity due to physical or mental illness) for a period of thirty (30) days after written demand for substantial performance is delivered by the Company specifically identifying the manner in which the Company believes Executive has not substantially performed his duties; (B) willful misconduct and/or willful violation of Paragraph 11 hereof, which is materially economically injurious to the Company, its affiliates, or the partnership taken as a whole; (C) the willful violation of the provisions of Paragraph 13 hereof; or (D) conviction of, or plea of guilty to a felony. For purposes of this sub-paragraph 5(a), no act, or failure to act, on Executive's part shall be considered "willful" unless done, or omitted to be done, by him (I) not in good faith and (II) without reasonable belief that his action or omission was in furtherance of the interests of the Company.
- (ii) Death. Executive's employment hereunder shall terminate upon his death.
- (iii) Disability. The Company shall have the right to terminate Executive's employment due to "Disability" in the event that there

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is a determination by the Company, upon the advice of an independent qualified physician, reasonably acceptable to Executive, that Executive has become physically or mentally incapable of performing his duties under this Agreement and such disability has disabled Executive for a cumulative period of one hundred eighty (180) days within a twelve (12) month period.

- (iv) Good Reason. Executive shall have the right to terminate his employment for "Good Reason": (A) upon the occurrence of any material breach of this Agreement by the Company which shall include but not be limited to an assignment to Executive of duties materially and adversely inconsistent with Executive's status as Executive Vice President of the Company, or a material adverse alteration in the nature of a diminution in Executive's duties and/or responsibilities, reporting obligations, titles or authority; (B) upon a reduction in Executive's Annual Base Salary or a material reduction in other benefits (except for bonuses or similar discretionary payments) as in effect at the time in question, a failure to pay such amounts when due or any other failure by the Company to comply with Paragraph 4 hereof; or (C) upon any purported termination of Executive's employment for Cause which is not effected pursuant to the procedures of sub-paragraph 5(a)(i) (and for purposes of this Agreement, in the event of such failure to comply, no such purported termination shall be effective).
- (v) Without Cause. The Company shall have the right to terminate the Executive's employment hereunder without Cause subject to the terms and conditions of this Agreement.
- (vi) Without Good Reason. The Executive shall have the right to terminate his employment hereunder without Good Reason subject to the terms and conditions of this Agreement.
- (vii) Change in Control. For purposes of this Agreement "Change in Control" shall mean that any of the following events has occurred: (A) any "person" or "group" of persons, as such terms are used in Sections 13 and 14 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), other than any employee benefit plan sponsored by the Company, becomes the "beneficial owner", as such term is used in Section 13 of the Exchange Act, (irrespective of any vesting or waiting periods) of (I) Common Stock or any class of stock convertible into Common Stock and/or (II) Common OP Units or preferred units or any other class of units convertible into Common OP Units, in an amount equal to twenty (20%) percent or more of the sum total of the Common Stock and

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the Common OP Units (treating all classes of outstanding stock, units or other securities convertible into stock units as if they were converted into Common Stock or Common OP Units as the case may be and then treating Common Stock and Common OP Units as if they were a single class) issued and outstanding immediately prior to such acquisition as if they were a single class and disregarding any equity raise in connection with the financing of such transaction; (B) any Common Stock is purchased pursuant to a tender or exchange offer other than an offer by the Company; (C) the dissolution or liquidation of the Company or the consummation of any merger or consolidation of the Company or any sale or other disposition of all or substantially all of its assets, if the shareholders of the Company and unitholders of the partnership taken as a whole and considered as one class immediately before such transaction own, immediately after consummation of such transaction, equity securities and partnership units possessing less than fifty (50%) percent of the surviving or acquiring company and partnership taken as a whole; or (D) a turnover, during any two (2) year period, of the majority of the members of the Board, without the consent of the remaining members of the Board as to the appointment of the new Board members.

(b) Notice of Termination. Any termination of Executive's employment by the Company or any such termination by Executive (other than on account of death) shall be communicated by written Notice of Termination to the other party hereto. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of Executive's employment under the provision so indicated. In the event of the termination of Executive's employment on account of death, written Notice of Termination shall be deemed to have been provided on the date of death.

6. Compensation Upon Termination of Employment By the Company for Cause or By Executive without Good Reason.

In the event the Company terminates Executive's employment for Cause or Executive terminates his employment without Good Reason, the Company shall pay Executive any unpaid Annual Base Salary at the rate then in effect accrued through and including the date of termination, Expense Reimbursement (as hereinafter defined) and amounts payable under Company programs in accordance with their terms ("Applicable Benefits"). In addition, in such event, Executive shall be entitled (i) to receive any earned but unpaid incentive compensation or bonuses and (ii) to exercise any options which have vested and are exercisable in accordance with the terms of the applicable option grant agreement or plan, and (iii) to retain and/or receive any Restricted Shares which have vested as of the last day of the Company's fiscal year coincident or immediately preceding Executive's termination of employment and the corresponding Tax Gross-Up Payment (irrespective of whether the determination is made after Executive's termination of employment).

Except for any rights which Executive may have to unpaid salary amounts through and including the date of termination ("Accrued Salary"), Expense Reimbursement, Applicable Benefits, earned but unpaid incentive compensation or bonuses, vested options, vested Restricted Shares and the corresponding Tax Gross-Up Payment, the Company shall have no further obligations hereunder following such termination. The aforesaid amounts shall be payable in full immediately upon such termination.

7. Compensation Upon Termination of Employment Upon Death or Disability.

In the event of termination of Executive's employment as a result of either Executive's death or Disability, the Company shall pay to Executive, his estate or his personal representative

the aggregate of (i) a cash payment of one million dollars (\$1,000,000) in full immediately upon such termination (the "Fixed Amount") and (ii) reimbursement of expenses incurred prior to date of termination ("Expense Reimbursement"). Executive (and Executive's dependents) shall also receive continuation of health coverage through the end of the Unexpired Employment Period on the same basis as health coverage is provided by the Company for active employees and as may be amended from time to time ("Medical Continuation").

In addition, all (A) incentive compensation payments or programs of any nature whether stock based or otherwise that are subject to a vesting schedule including, without limitation, the Restricted Share Awards or any other restricted stock, phantom stock, units and any loan forgiveness arrangements granted to Executive ("Incentive Compensation") shall immediately vest as of the date of such termination ("Vested Incentive Compensation"), (B) options granted to Executive shall immediately vest as of the date of such termination (the "Vested Options") and Executive shall be entitled at the option of Executive, his estate or his personal representative, within one (1) year of the date of such termination, to exercise the Vested Options and/or other options which have vested (including, without limitation, all other options which have previously vested in accordance with any applicable option grant agreement or plan) (the "Total Vested Options") and are exercisable in accordance with the terms of the applicable option grant agreement or plan and/or any other methods or procedures for exercise applicable to optionees or to require the Company (upon written notice delivered within one hundred eighty (180) days following the date of Executive's termination) to repurchase all or any portion of Executive's vested options to purchase shares of Common Stock at a price equal to the difference between the Repurchase Fair Market Value (as hereinafter defined) of the shares of Common Stock for which the options to be repurchased are exercisable and the exercise price of

such options as of the date of Executive's termination of employment (the "Vested Option Exercise Election"), and (C) the Tax Gross-Up Payment(s) applicable to the Restricted Share Awards shall vest and be paid to Executive at such time as provided in sub-paragraph 4(c) above (the "Vested Tax Gross-Up Payments"). In the event of a conflict between any Incentive Compensation grant agreement or program or any option grant agreement or plan and this Agreement, the terms of this Agreement shall control.

Except for any rights which Executive or Executive's estate in the event of Executive's death may have to all of the above including the Fixed Amount, Vested Incentive Compensation, Total Vested Options and the Vested Option Exercise Election, the Vested Tax Gross-Up Payment, Accrued Salary, Accrued Benefits, Expense

Reimbursement and Medical Continuation (which, in the event of Executive's death, shall be provided to Executive's dependents), the Company shall have no further obligations hereunder following such termination.

For purposes of this Agreement, "Repurchase Fair Market Value" shall mean the average of the closing price on the New York Stock Exchange (or such other exchange on which the Common Stock is primarily traded) of the Common Stock on each of the trading days within the thirty (30) days immediately preceding the date of termination of Executive's employment.

8. Compensation Upon Termination of Employment By the Company Without Cause or By Executive for Good Reason.

In the event the Company terminates Executive's employment for any reason other than Cause or Executive terminates his employment for Good Reason, the Company shall pay to Executive and Executive shall be entitled to receive the aggregate of (i) the Fixed Amount and (ii) Vested Incentive Compensation, Total Vested Options and the Vested Option Exercise Election, the Vested Tax Gross-Up Payment, Expense Reimbursement and Medical

Continuation. In the event of a conflict between any incentive Compensation grant agreement or program or any option grant agreement or plan and this Agreement, the terms of this Agreement shall control. Executive understands that any options exercised more than ninety (90) days following the date of his termination of employment which were granted as incentive stock options shall automatically be converted into non-qualified options.

Except for any rights which Executive may have to the Fixed Amount, Vested Incentive Compensation, Total Vested Options and the Vested Option Exercise Election, the Vested Tax Gross-Up Payment, Accrued Salary, Accrued Benefits, Expense Reimbursement and Medical Continuation, the Company shall have no further obligations hereunder following such termination. The parties both agree that the agreement to make these payments was consideration and an inducement to obtain Executive's consent to enter into this Agreement. The payments are not a penalty and neither party will claim them to be a penalty. Rather, the payments represent a fair approximation of reasonable amounts due to Executive for the Employment Period.

9. Change in Control.

(a) Options. Any Incentive Compensation and options granted to Executive that have not vested as of the date of a Change in Control shall immediately vest upon the date of the Change in Control. Neither the occurrence of a Change in Control, nor the vesting in any options as a result thereof shall require Executive to exercise any options. In the event of a conflict between any Incentive Compensation grant agreement or program or any option grant agreement or plan and this Agreement, the terms of this Agreement shall control.

(b) Excise Tax Gross Up. If it is determined by an independent accountant mutually acceptable to the Company and Executive that as a result of any payment in the nature of compensation made by the Company to (or for the benefit of) Executive pursuant to this

Agreement or otherwise, an excise tax may be imposed on Executive pursuant to Section 4999 of the Internal Revenue Code (or any successor provisions), the Company shall pay Executive in cash an amount equal to X determined under the following formula: (the "Excise Tax Gross Up"):

$$X = \frac{E \times P}{1 - [(FI \times (1 - SLI)) + SLI + E + M]}$$

where

- E = the rate at which the excise tax is assessed under Section 4999 of the Code (or any successor provisions);
- P = the amount with respect to which such excise tax is assessed, determined without regard to the Excise Tax Gross Up;
- FI = the highest effective marginal rate of income tax applicable to Executive under the Code for the taxable year in question (taking into account any phase-out or loss of deductions, personal exemptions or other similar adjustments);
- SLI = the sum of the highest effective marginal rates of income tax applicable to Executive under all applicable state and local laws for the taxable year in question (taking into account any phase-out or loss of deductions, personal exemptions and other similar adjustments); and

M = the highest marginal rate of Medicare tax applicable to Executive under the Code for the taxable year in question.

With respect to any payment in the nature of compensation that is made to (or for the benefit of) Executive under the terms of this Agreement or otherwise and on which an excise tax under Section 4999 of the Code (or any successor provisions) may be assessed, the payment determined under this sub-paragraph 9(c) shall be paid to Executive at the time of the Change in Control but prior to the consummation of the transaction with any successor. It is the intention of the parties that the Company provide Executive with a full tax Gross-Up under the provisions

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of this sub-paragraph, so that on a net after-tax basis, the result to Executive shall be the same as if the excise tax under Section 4999 of the Code (or any successor provisions) had not been imposed. The Excise Tax Gross Up may be adjusted if alternative minimum tax rules are applicable to Executive.

10. Mitigation / Effect on Employee Benefit Plans and Programs.

(a) Mitigation. Executive shall not be required to mitigate amounts payable under this Agreement by seeking other employment or otherwise, and there shall be no offset against amounts due Executive under this Agreement on account of subsequent employment. Amounts owed to Executive under this Agreement shall not be offset by any claims the Company may have against Executive and such payment shall not be affected by any other circumstances, including, without limitation, any counterclaim, recoupment, defense, or other right which the Company may have against Executive or others.

(b) Effect on Employee Benefit Programs. The termination of Executive's employment hereunder, whether by the Company or Executive, shall have no effect on the rights and obligations of the parties hereto under the Company's (i) welfare benefit plans including, without limitation, Medical Continuation as provided for herein and, health coverage thereafter but only to the extent required by law, and on the same basis applicable to other employees and (ii) 401(k) Plan but only to the extent required by law and pursuant to the terms of the 401(k) Plan.

11. Confidential Information.

(a) Executive understands and acknowledges that during his employment with the Company, he will be exposed to Confidential Information (as defined below), all of which is proprietary and which will rightfully belong to the Company. Executive shall hold in a fiduciary

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capacity for the benefit of the Company such Confidential Information obtained by Executive during his employment with the Company and shall not, directly or indirectly, at any time, either during or after his employment with the Company, without the Company's prior written consent, use any of such Confidential Information or disclose any of such Confidential Information to any individual or entity other than the Company or its employees, attorneys, accountants, financial advisors, consultants, or investment bankers except as required in the performance of his duties for the Company or as otherwise required by law. Executive shall take all reasonable steps to safeguard such Confidential Information and to protect such Confidential Information against disclosure, misuse, loss or theft.

(b) The term "Confidential Information" shall mean any information not generally known in the relevant trade or industry or otherwise not generally available to the public, which was obtained from the Company or its predecessors or which was learned, discovered, developed, conceived, originated or prepared during or as a result of the performance of any services by Executive on behalf of the Company or its predecessors, but shall not include information in the public domain through no wrongdoing of Executive or information given to Executive by a third party under no duty of confidentiality to the Company. For purposes of this Paragraph 11, the Company shall be deemed to include any entity which is controlled, directly or indirectly, by the Company and any entity of which a majority of the economic interest is owned, directly or indirectly, by the Company.

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12. Return of Documents.

Except for such items which are of a personal nature to Executive (e.g., daily business planner), all writings, records, and other documents and things containing any

Confidential Information shall be the exclusive property of the Company, shall not be copied, summarized, extracted from, or removed from the premises of the Company, except in pursuit of the business of the Company and at the direction of the Company, and shall be delivered to the Company, without retaining any copies, upon the termination of Executive's employment or at any time as requested by the Company.

13. Noncompete.

Executive agrees that:

(a) During the Employment Period and, in the event (i) the Company terminates Executive's employment for Cause, or (ii) Executive terminates his employment without Good Reason, for a one (1) year period thereafter, Executive shall not, directly or indirectly, within the continental United States, engage in, or own, invest in, manage or control any venture or enterprise primarily engaged in any office-service, flex, or office property development, acquisition or management activities without regard to whether or not such activities compete with the Company. Nothing herein shall prohibit Executive from being a passive owner of not more than five percent (5%) of the outstanding stock of any class of securities of a corporation or other entity engaged in such business which is publicly traded, so long as he has no active participation in the business of such corporation or other entity. Moreover, the foregoing limitations shall not be deemed to restrict or otherwise limit Executive from conducting real estate development, acquisition or management activities with respect to, or additional investment in, the Excluded Properties, if any, provided that during the Employment

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Period the performance of such activities does not prevent Executive from devoting substantially all of his business time to the Company.

(b) If, at the time of enforcement of this Paragraph 13, a court shall hold that the duration, scope, area or other restrictions stated herein are unreasonable, the parties agree that reasonable maximum duration, scope, area or other restrictions may be substituted by such court for the stated duration, scope, area or other restrictions and upon substitution by such court, this Agreement shall be automatically modified without further action by the parties hereto.

(c) For purposes of this Paragraph 13, the Company shall be deemed to include any entity which is controlled, directly or indirectly, by the Company and any entity of which a majority of the economic interest is owned, directly or indirectly, by the Company.

14. Remedies.

The parties hereto agree that the Company would suffer irreparable harm from a breach by Executive of any of the covenants or agreements contained in Paragraphs 11, 12 or 13 of this Agreement. Therefore, in the event of the actual or threatened breach by Executive of any of the provisions of Paragraphs 11, 12 or 13 of this Agreement, the Company may, in addition and supplementary to other rights and remedies existing in its favor, apply to any court of law or equity of competent jurisdiction for specific performance and/or injunctive or other relief in order to enforce or prevent any violation of the provisions thereof.

15. Indemnification/Legal Fees.

(a) Indemnification. In the event the Executive is made party or threatened to be made a party to any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "Proceeding"), by reason of Executive's employment with or serving as an officer or director of the Company, whether or not the basis of such Proceeding is alleged action

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in an official capacity, the Company shall indemnify, hold harmless and defend Executive to the fullest extent authorized by Maryland law, as the same exists and may hereafter be amended, against any and all claims, demands, suits, judgments, assessments and settlements including all expenses incurred or suffered by Executive in connection therewith (including, without limitation, all legal fees incurred using counsel reasonably acceptable to Executive) and such indemnification shall continue as to Executive even after Executive is no longer employed by the Company and shall inure to the benefit of his heirs, executors, and administrators. Expenses incurred by Executive in connection with any Proceeding shall be paid by the Company in advance upon request of Executive that the Company pay such expenses; but, only in the event that Executive shall have delivered in writing to the Company an undertaking to reimburse the Company for expenses with respect to which Executive is not entitled to indemnification. The provisions of this Paragraph shall remain in effect after this Agreement is terminated irrespective of the reasons for termination. The indemnification provisions of this Paragraph shall not supersede or reduce any indemnification provided to Executive under any separate agreement, or the by-laws of the Company since it is intended that this Agreement shall expand and extend the Executive's rights to receive indemnity.

(b) Legal Fees. If any contest or dispute shall arise between the Company and Executive regarding or as a result of any provision of this Agreement, the Company shall reimburse Executive for all legal fees and expenses reasonably incurred by Executive in connection with such contest or dispute, but only if Executive is successful in respect of substantially all of Executive's claims pursued or defended in connection with such contest or dispute. Such reimbursement shall be made as soon as practicable following the resolution of such contest or dispute (whether or not appealed).

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16. Successors and Assigns.

(a) The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company, by agreement in form and substance satisfactory to Executive, to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Failure of the Company to obtain such agreement prior to the effectiveness of such succession shall be a breach of this Agreement and shall entitle Executive to compensation from the Company in the same amount and on the same terms as he would be entitled to hereunder if Executive terminated his employment hereunder for Good Reason except that for purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed the date of termination. In the event of such a breach of this Agreement, the Notice of Termination shall specify such date as the date of termination. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to all or substantially all of its business and/or its assets as aforesaid which executes and delivers the agreement provided for in this Paragraph 16 or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law. Any cash payments owed to Executive pursuant to this Paragraph 16 shall be paid to Executive in a single sum without discount for early payment immediately prior to the consummation of the transaction with such successor.

(b) This Agreement and all rights of Executive hereunder may be transferred only by will or the laws of descent and distribution. Upon Executive's death, this Agreement and all rights of Executive hereunder shall inure to the benefit of and be enforceable by Executive's beneficiary or beneficiaries, personal or legal representatives, or estate, to the extent any such

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person succeeds to Executive's interests under this Agreement. Executive shall be entitled to select and change a beneficiary or beneficiaries to receive any benefit or compensation payable hereunder following Executive's death by giving the Company written notice thereof. If Executive should die following the date of termination while any amounts would still be payable to him hereunder if he had continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to such person or persons so appointed in writing by Executive, including, without limitation, under any applicable plan, or otherwise to his legal representatives or estate.

17. Timing of and No Duplication of Payments.

All payments payable to Executive pursuant to this Agreement shall be paid as soon as practicable after such amounts have become fully vested and determinable. In addition, Executive shall not be entitled to receive duplicate payments under any of the provisions of this Agreement.

18. Modification or Waiver.

No amendment, modification, waiver, termination or cancellation of this Agreement shall be binding or effective for any purpose unless it is made in a writing signed by the party against whom enforcement of such amendment, modification, waiver, termination or cancellation is sought. No course of dealing between or among the parties to this Agreement shall be deemed to affect or to modify, amend or discharge any provision or term of this Agreement. No delay on the part of the Company or Executive in the exercise of any of their respective rights or remedies shall operate as a waiver thereof, and no single or partial exercise by the Company or Executive of any such right or remedy shall preclude other or further exercise thereof. A waiver of right or

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remedy on any one occasion shall not be construed as a bar to or waiver of any such right or remedy on any other occasion.

The respective rights and obligations of the parties hereunder shall survive the Executive's termination of employment and termination of this Agreement to the extent necessary for the intended preservation of such rights and obligations.

19. Notices.

All notices or other communications required or permitted hereunder shall be made in writing and shall be deemed to have been duly given if delivered by hand or delivered by a recognized delivery service or mailed, postage prepaid, by express, certified or registered mail, return receipt requested, and addressed to the Chief Executive Officer of the Company or Executive, as applicable, at the address set forth above (or to such other address as shall have been previously provided in accordance with this Paragraph 19).

20. Governing Law.

This Agreement will be governed by and construed in accordance with the laws of the State of New Jersey except as to Paragraph 15(a), without regard to principles of conflicts of laws thereunder.

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21. Severability.

Whenever possible, each provision and term of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision or term of this Agreement shall be held to be prohibited by or invalid under such applicable law, then, subject to the provisions of Paragraph 13(b) above, such provision or term shall be ineffective only to the extent of such prohibition or invalidity, without invalidating or affecting in any manner whatsoever the remainder of such provisions or term or the remaining provisions or terms of this Agreement.

22. Legal Representation.

Each of the Company and Executive have been represented by counsel with respect to this Agreement.

23. Counterparts.

This Agreement may be executed in separate counterparts, each of which is deemed to be an original and both of which taken together shall constitute one and the same agreement.

24. Headings.

The headings of the Paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute a part hereof and shall not affect the construction or interpretation of this Agreement.

25. Entire Agreement.

This Agreement constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes all other prior agreements and undertakings, both written and oral, among the parties with respect to the subject matter hereof.

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26. Survival of Agreements.

The covenants made in Paragraphs 5 through 15 and 21 each shall survive the termination of this Agreement.

* * * *

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first above written.

MACK-CALI REALTY CORPORATION

By: /s/ Mitchell E. Hersh
Mitchell E. Hersh
President and Chief Executive Officer

MACK-CALI REALTY CORPORATION
RESTRICTED SHARE AWARD AGREEMENT
MARK YEAGER

**AGREEMENT EVIDENCING THE GRANT
OF A RESTRICTED SHARE AWARD PURSUANT
TO THE EMPLOYEE STOCK OPTION PLAN
OF MACK-CALI REALTY CORPORATION**

AGREEMENT (“Agreement”) is made and entered into this 9th day of May, 2006 to be effective as of the Grant Date as defined herein, by and between Mack-Cali Realty Corporation (the “Company”) and Mark Yeager (the “Recipient”).

WHEREAS, pursuant to the Employee Stock Option Plan of Mack-Cali Realty Corporation which was effective September 11, 2000 (the “Plan”), the Company hereby awards shares of the Company’s common stock, par value \$.01 per share (“Common Stock”) to the Recipient subject to such terms, conditions, and restrictions (hereinafter, “Restricted Share Award”) as set forth in the Plan, this Agreement, and the Employment Agreement dated as of May 9, 2006 by and between the Company and the Recipient (the “Employment Agreement”), and

WHEREAS, upon the vesting of Restricted Shares, the Recipient is also entitled to receive a tax gross-up from the Company under the terms of the Employment Agreement to enable the Recipient to retain as many shares of Common Stock as possible,

NOW THEREFORE, the parties hereto hereby agree as follows:

1. Award of Shares of Restricted Stock.

Pursuant to the Plan, the Committee hereby awards to the Recipient, effective as of the Grant Date, a Restricted Share Award representing the conditional receipt of 10,000 shares of Common Stock (“Restricted Shares”) at no out-of-pocket cost to the Recipient subject to the terms, conditions and restrictions set forth herein. The Grant Date shall be the Effective Date as

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defined in the Employment Agreement. Except for defined terms set forth in Section 4 below, capitalized terms not otherwise defined in this Agreement shall be as defined in the Plan.

2. Award Restrictions.

(a) General Rules. Ownership of Restricted Shares shall not vest in the Recipient, and shall be subject to forfeiture until the conditions of Sections 2(b) and (c) or Section 4 are fully satisfied. For purposes of this Agreement, the following concepts shall be defined as follows: (i) the lapse of restrictions on the Recipient’s rights with respect to the Restricted Shares granted hereunder shall be referred to as “Vesting”; (ii) the period between the Grant Date and the date of Vesting shall be referred to as the “Vesting Period”; and (iii) the date Vesting occurs shall be referred to as the “Vesting Date.”

(b) Vesting. An aggregate of 10,000 Restricted Shares may vest in the Recipient on a year by year basis over a two- to four-year Vesting Period. The number of Restricted Shares which have been vested and earned on each Vesting Date on a year by year basis as a result of the Annual Performance Targets specified in Section 2(c) below being satisfied is as follows:

<u>Restricted Shares</u>	<u>Vesting Date</u>
5,000	January 1, 2007
5,000	January 1, 2008

(c) Annual Performance Targets. (i) The Restricted Shares shall vest on the applicable Vesting Date on a year by year basis provided that the Annual Performance Targets (as hereinafter defined) for the calendar year ending on the last day of the Company's fiscal year immediately preceding such Vesting Date are met. The "Annual Performance Targets" shall mean the annual performance targets for each applicable calendar year as determined by the

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Executive Compensation and Option Committee of the Company's Board of Directors and communicated to the Recipient no later than the last day of the first calendar quarter of the applicable calendar year; and (ii) in the event that the Annual Performance Targets for any calendar year are not satisfied so that the Restricted Shares do not vest on the Vesting Date on which they were scheduled to vest had the Annual Performance Targets been met, such Restricted Shares that failed to vest on such Vesting Date shall vest on any subsequent Vesting Date provided that the Annual Performance Targets for a subsequent calendar year are met. If any Restricted Shares remain unvested as of January 1, 2008, Annual Performance Targets shall be set for the 2008 calendar year and if any Restricted Shares have not vested by January 1, 2009, Annual Performance Targets shall be set for the 2009 calendar year. The Vesting Date applicable to the 2008 calendar year is January 1, 2009 and for the 2009 calendar year is January 1, 2010. Any Restricted Shares that have not been earned and vested by January 1, 2010 shall automatically be canceled or forfeited.

(d) Lapse of Restrictions. Upon the Vesting of Restricted Shares, the Recipient shall own the Shares free and clear of all restrictions imposed by this Agreement and the Recipient shall be free to hold or dispose of such Shares in his discretion, subject to applicable federal and state law or regulations.

(e) Prohibition Against Assignment. During the Vesting Period, the Restricted Shares may not be transferred or encumbered by the Recipient by means of sale, assignment, mortgage, transfer, exchange, pledge, or otherwise. The levy of any execution, attachment, or similar process upon the Restricted Shares shall be null and void.

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3. Stock Certificates.

(a) Certificates. Restricted Shares shall be evidenced by one or more stock certificates registered in the name of the Recipient or a nominee or nominees therefor. Prior to Vesting, the Company shall prepare and issue separate certificates for the Restricted Shares scheduled to vest in each year (the "Share Certificates"), which shall be registered in the name of the Recipient and which shall bear such restrictive legend or legends (if any) as the Company may deem necessary or desirable under any applicable law.

(b) Stock Powers. The Recipient shall execute and deliver to the designee of the Company (the "Designee") stock powers corresponding to the Share Certificates designating the Company as the transferee of an unspecified number of Shares, which stock powers may be completed by the Designee as specified herein. The Recipient and the Company each waive the requirement that the signature of the Recipient on the stock powers be guaranteed. Upon receipt of a copy of this Agreement and the stock powers, each signed by the Recipient, the Designee shall promptly notify the proper officers of the Company and the Share Certificates and stock powers shall be held by the Company in accordance with the terms of this Agreement.

(c) Effect of Vesting. Upon Vesting, the Company shall cause to be delivered to the Recipient (i) a certificate for the Shares which have vested free and clear of restrictive legends and (ii) any stock powers signed hereunder by the Recipient remaining in its possession related to the vested shares. In the event that the Recipient dies before delivery of the certificate, such certificate shall be delivered to, and registered in the name of, the Recipient's beneficiary or estate, as the case may be.

(d) Rights of Stockholder. Except as otherwise provided in Section 2 and this Section 3, during the Vesting Period and after the certificates for the Restricted Shares have been

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issued, the Recipient shall be entitled to all rights of a stockholder of the Company, including the right to vote and the right to receive dividends, with respect to the Restricted Shares subject to this Agreement. Subject to applicable withholding requirements, if any, dividends on the Restricted Shares shall be paid to the Recipient when earned and payable.

(e) Power of Designee. The Designee is hereby authorized by the Recipient to utilize the stock power delivered by the Recipient to transfer all forfeited Shares to the Company upon receipt of instructions from a duly authorized representative of the Company.

4. Termination of Employment; Change in Control

(a) Termination Due to Disability, Death or for Good Reason; Change in Control Unless otherwise provided in the Employment Agreement and notwithstanding any provision of the Plan to the contrary, if the Recipient terminates employment with the Company due to Disability, death, for Good Reason or a termination initiated by the Company without Cause, all Restricted Shares subject to this Agreement and held by, or on behalf of, the Recipient shall be deemed earned and vested as of the Recipient's last day of employment with the Company. In addition, unless otherwise provided in the Employment Agreement and notwithstanding any provision of the Plan to the contrary, all Restricted Shares subject to this Agreement and held by the Recipient on the date a Change in Control occurs shall be deemed earned and vested as of such date.

(b) Termination for Any Other Reason Unless otherwise provided in the Employment Agreement, if the Recipient's employment with the Company terminates prior to January 1, 2010 for reasons other than Disability, death, a termination initiated by the Company without Cause or for Good Reason or as a result of a Change in Control, any Restricted Shares subject to this Agreement that have not been earned and vested prior to the Recipient's

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termination of employment shall be immediately forfeited on the last day of the Recipient's employment with the Company.

5. Withholding

In connection with the delivery of any stock certificates, or the making of any payment in accordance with the provisions of this Agreement, the Company shall withhold Shares or cash amounts (for fractional Shares) equal to the taxes then required by applicable federal, state and local law to be so withheld.

6. Adjustments for Capital Changes

In the event of any change in the outstanding shares of Common Stock of the Company by reason of any stock dividend or split, recapitalization, merger, consolidation, spin-off, reorganization, combination or exchange of shares, or other similar corporate change, or other increase or decrease in such shares effected without receipt or payment of consideration by the Company, a duly authorized representative of the Company shall adjust the number of Restricted Shares granted pursuant to the Plan and this Agreement to prevent dilution or enlargement of the rights granted to the Recipient.

7. No Right to Continued Employment

Nothing in this Agreement shall confer on the Recipient any right to continue as an employee of the Company or in any way affect the Company's or any subsidiary's right to terminate the Recipient's employment at any time.

8. Notice

Any notice to the Company hereunder shall be in writing addressed to:

Mack-Cali Realty Corporation
11 Commerce Drive Cranford
New Jersey 07016

Attn: Mitchell E. Hersh, President and Chief Executive Officer

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Any notice to the Recipient hereunder shall be in writing addressed to 72 Fernwood Road, Summit, New Jersey, 07901, or such other address as the Recipient shall notify the Company in writing.

9. Entire Agreement; Effect of Employment Agreement

(a) Entire Agreement. This Agreement contains the entire understanding of the parties and shall not be modified or amended except in writing and duly signed by each of the parties hereto. No waiver by either party of any default under this Agreement shall be deemed a waiver of any later default thereof.

(b) Effect of Employment Agreement. In the event the Employment Agreement with the Company contains additional rights, duties and/or obligations with respect to the Recipient, such terms and conditions shall govern the Recipient's Restricted Share Award as if such terms and conditions had been set forth herein; and in the event of any conflict or inconsistency between the terms of the Employment Agreement or this Agreement, the terms and conditions of the Employment Agreement shall control.

10. Construction.

The various provisions of this Agreement are severable in their entirety. Any determination of invalidity or unenforceability of anyone provision shall have no effect on the continuing force and effect of the remaining provisions.

11. Governing Law.

This Agreement shall be governed by the laws of the State of New Jersey applicable to contracts made, and to be enforced, within the State of New Jersey.

12. Successors.

This Agreement shall be binding upon and inure to the benefits of the successors, assigns and heirs of the respective parties.

In WITNESS WHEREOF, the parties hereto have executed this Agreement to be effective on the date first above written.

Mack-Cali Realty Corporation

By: /s/ Mitchell E. Hersh
Mitchell E. Hersh
President and Chief Executive Officer

Recipient

/s/ Mark Yeager
Mark Yeager

MACK — CALI REALTY CORPORATION

NEWS RELEASE

For Immediate Release

<p>Contacts: Barry Lefkowitz Executive Vice President and Chief Financial Officer (908) 272-8000</p> <p>Rick Matthews Executive Vice President Rubenstein Associates (212) 843-8267</p>	<p>Virginia Sobol Vice President, Marketing and Public Relations (908) 272-8000</p>
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MACK-CALI COMPLETES ITS ACQUISITION OF
THE GALE REAL ESTATE SERVICES COMPANY AND INTERESTS IN
20 NEW JERSEY OFFICE PROPERTIES
—Gale President Mark Yeager Named EVP at Mack-Cali—

Cranford, New Jersey—May 10, 2006—Mack-Cali Realty Corporation (NYSE: CLI) today announced it has completed its acquisition of The Gale Real Estate Services Company and interests in approximately 2.8 million square feet of office properties in New Jersey.

The company also announced that Gale President Mark Yeager, while retaining his duties in that role, has been named as an executive vice president of Mack-Cali.

Mack-Cali President and Chief Executive Officer Mitchell E. Hersh, commented, “This transaction is a watershed event for Mack-Cali. It solidifies our dominant office market position in New Jersey and provides us with a powerful engine for further growth. We are excited to welcome Mark Yeager and his team to our organization and we are confident that the addition will produce strong results for our shareholders and enhanced choices for our tenants in the coming months and years.” Mr. Hersh added, “We also appreciate Stan Gale’s leadership and continuing personal involvement to ensure a smooth transition over the next few years.”

In line with agreements previously announced, Mack-Cali acquired:

- The Gale Real Estate Services Company for \$12 million in cash, \$10 million in common operating partnership units and up to an additional \$18 million in cash based on a three-year earn-out. During that period, Stanley C. Gale will serve as non-executive vice chairman of The Gale Real Estate Services Company. Mr. Hersh will serve as The Gale Real Estate Services Company’s chairman and chief executive officer, in addition to his position as president, chief executive officer and director of Mack-Cali.
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- Substantially all the ownership interests in 13 class A office properties in Northern and Central New Jersey, valued at \$378 million and totaling 1.9 million square feet. The interests in the properties were acquired from a joint venture of SL Green Realty Corp. (NYSE: SLG) and The Gale Real Estate Services Company.
 - Approximately one-half of the ownership interests in seven class A office properties, also in Northern and Central New Jersey, valued at \$127.5 million and totaling approximately 900,000 square feet. The interests were acquired from a joint venture of SL Green Realty Corp. and Stanley C. Gale.

The acquisition transactions were financed through the assumption of mortgage debt, the placement of new mortgage debt, credit facility drawings, cash, and the issuance of 224,719 common operating partnership units valued at \$44.50 per unit.

Mack-Cali also acquired from an affiliate of The Gale Real Estate Services Company a 10% ownership interest in a 550,000 square-foot office property located in Princeton, New Jersey for approximately \$1.8 million in cash. In addition, Mack-Cali may also acquire ownership interests in up to 10 other properties, subject to third-party consents or other conditions, for approximately \$24 million. The interests, which would be acquired from Stanley C. Gale and/or his affiliates, range from one to 50 percent and include office properties, developable land, and project development rights, all in Northern and Central New Jersey.

Mack-Cali’s acquisition of The Gale Real Estate Services Company and the 20 office properties in which Mack-Cali owns substantially all or one-half of the ownership interests increases its holdings to 297 properties totaling 33.6 million square feet, including 165 properties totaling 21.9 million square feet in New Jersey.

Mack-Cali Realty Corporation is a fully-integrated, self-administered, self-managed real estate investment trust (REIT) providing management, leasing, development, construction and other tenant-related services for its class A real estate portfolio. Mack-Cali currently owns or has interests in 297 properties, primarily office and office/flex buildings located in the Northeast, totaling approximately 33.6 million square feet. The properties enable the Company to provide a full complement of real estate opportunities to its diverse base of approximately 2,400 tenants.

Additional information on Mack-Cali Realty Corporation is available on the Company’s Web site at www.mack-cali.com.

Statements made in this press release may be forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements can be identified by the use of words such as “may,” “will,” “plan,” “should,” “expect,” “anticipate,” “estimate,” “continue,” or comparable terminology. Such forward-looking statements are inherently subject to certain risks, trends and uncertainties, many of which the Company cannot predict with accuracy and some of which the Company might not even anticipate, and involve factors that may cause actual results to differ materially from those projected or suggested. Readers are cautioned not to place undue reliance on these forward-looking statements and are advised to consider the factors listed above together with the additional factors under the headings

“Disclosure Regarding Forward-Looking Statements” and “Risk Factors” in the Company’s Annual Reports on Form 10-K. The Company assumes no obligation to update or supplement forward-looking statements that become untrue because of subsequent events, new information or otherwise.

