
**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) February 21, 2006

Gladstone Commercial Corporation

(Exact name of registrant as specified in its chapter)

Maryland
(State or other jurisdiction
of incorporation)

0-50363
(Commission
File Number)

02-0681276
(IRS Employer
Identification No.)

1521 Westbranch Drive, Suite 200
McLean, Virginia
(Address of principal executive offices)

22102
(Zip Code)

Registrant's telephone number, including area code: **(703) 287-5800**

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:

- 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))
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Item 1.01. Entry into Material Definitive Agreements.

On February 21, 2006, we assumed approximately \$10.0 million pursuant to a long-term note payable from Wells Fargo Bank, National Association, in connection with our acquisition, on the same date, of a property located in Champaign, Illinois. The note accrues interest at a rate of 5.91% per year, and we may not repay this note prior to the last 3 months of the term, or we would be subject to a prepayment penalty. The note matures on December 1, 2013.

On February 21, 2006, we assumed approximately \$20.0 million pursuant to a long-term note payable from Greenwich Capital Financial Products, Inc, in connection with our acquisition, on the same date, of a property located in Roseville, Minnesota. The note accrues interest at a rate of 5.20% per year, and we may not repay this note prior to the last 3 months of the term, or we would be subject to a prepayment penalty. The note matures on June 1, 2014.

Item 2.01. Completion of Acquisitions or Dispositions of Assets.

On February 21, 2006, we acquired four office buildings located in the same business park in Champaign, Illinois, from a single seller totaling 108,262 square feet. We acquired the four properties for approximately \$15.1 million, including transaction costs, which was funded by a combination of borrowings from our line of credit, and the assumption of approximately \$10.0 million of financing on the property. At closing, we were assigned the previously existing triple net leases with the sole tenant, which had remaining terms ranging from five to six years at the time of assignment, and the tenant has options to extend each lease for additional periods of three years each. The leases provide for annual rents of approximately \$1.3 million in 2007.

On February 21, 2006, we acquired a 359,540 square foot office building in Roseville, Minnesota for approximately \$29.7 million, including transaction costs, which was funded by a combination of borrowings from our line of credit, and the assumption of approximately \$20.0 million of financing on the property. At closing, we were assigned the previously existing triple net lease with the sole tenant, which had a remaining term of approximately seven years at the time of assignment, and the tenant has one option to extend the lease for an additional period of five years. The lease provides for annual rents of approximately \$2.4 million in 2007, with prescribed escalations thereafter.

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

In connection with the transaction described in Item 1.01 above, the Company entered into a direct financial obligation with Wells Fargo Bank, National Association in the amount of \$9,742,167.

In connection with the transaction described in Item 1.01 above, the Company entered into a direct financial obligation with Greenwich Capital Financial Products, Inc in the amount of \$20,387,487.

Item 9.01. Financial Statements and Exhibits.

- (d) Exhibit 10.20 — Loan agreement between Stonewater Dox Funding LLC and Wells Fargo Bank, National Association, dated as of November 21, 2003.
 - Exhibit 10.21 — Assumption agreement between Stonewater Dox Funding LLC, ACI06 Champaign IL LLC, Gladstone Commercial Corporation and LaSalle Bank National Association, dated as of February 21, 2006.
 - Exhibit 10.22 — Promissory note between Stonewater Dox Funding LLC and Wells Fargo Bank, National Association, dated as of November 21, 2003.
 - Exhibit 10.23 — Purchase agreement between Stonewater UIS Funding LLC and Gladstone Commercial Limited Partnership, dated as of November 23, 2005, as the same has been modified by that certain Amendment to Purchase Agreement dated December 22, 2005, that certain Amendment to Purchase Agreement dated December 30, 2005, that certain Amendment to Purchase Agreement dated January 6, 2006, that certain Amendment to Purchase Agreement dated January 13, 2006, that certain Amendment to Purchase Agreement dated January 17, 2006 and that certain Amendment to Purchase Agreement dated January 20, 2006.
 - Exhibit 10.24 — Loan agreement between Stonewater Dox Funding LLC and Greenwich Capital Financial Products, Inc, dated as of May 12, 2004.
 - Exhibit 10.25 — Loan assumption agreement between Stonewater UIS Funding LLC, and UC06 Roseville MN LLC, Gladstone Commercial Corporation and LaSalle Bank National Association, dated as of February 21, 2006.
 - Exhibit 10.26 — Promissory note between Stonewater UIS Funding LLC and Greenwich Capital Financial Products, Inc, dated as of May 12, 2004.
 - Exhibit 10.27 — Purchase agreement between Stonewater UIS Funding LLC and Gladstone Commercial Limited Partnership, dated as of November 23, 2005, as the same has been modified by that certain Amendment to Purchase Agreement dated December 22, 2005, that certain Amendment to Purchase Agreement dated December 30, 2005, that certain Amendment to Purchase Agreement dated January 6, 2006, that certain Amendment to Purchase Agreement dated January 13, 2006, that certain Amendment to Purchase Agreement dated January 17, 2006 and that certain Amendment to Purchase Agreement dated January 20, 2006.
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SIGNATURES

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

Gladstone Commercial Corporation
(Registrant)

February 24, 2006

By: _____ /s/ Harry Brill
(Harry Brill, Chief Financial Officer)

Recording Requested by
and when recorded return to:

WELLS FARGO BANK, N.A.
Commercial Mortgage Origination
MAC A0194-093
45 Fremont Street, 9th Floor
San Francisco, California 94105

Attention: CMO Loan Admin.
Loan No.: 31-0901388

Commonly Known Address:
Devonshire Corporate Center II Office Complex,
2301, 2215, 2201, 2109 and 2101 Fox Drive
Champaign, Illinois 61820
Parcel Identification No.: 45-20-24-326-020;
45-20-24-326-011; 45-20-24-326-012;
45-20-24-326-013; 45-20-24-326-016

MORTGAGE
AND
ABSOLUTE ASSIGNMENT OF RENTS
AND LEASES
AND
SECURITY AGREEMENT
(AND FIXTURE FILING)

The parties to this MORTGAGE AND ABSOLUTE ASSIGNMENT OF RENTS AND LEASES AND SECURITY AGREEMENT (AND FIXTURE FILING) ("Mortgage"), dated as of November 21, 2003 are STONEWATER DOX FUNDING LLC, a Delaware limited liability company ("Mortgagor"), whose principal place of business is located at c/o Stonewater Partners, 22 Deer Creek Lane, Mt. Kisco, New York 10549, and WELLS FARGO BANK, NATIONAL ASSOCIATION ("Mortgagee"), with a mailing address at 1320 Willow Pass Road, Suite 205, Concord, California 94520.

RECITALS

A. Mortgagor proposes to borrow from Mortgagee, and Mortgagee proposes to lend to Mortgagor the principal sum of TEN MILLION AND NO/100THS DOLLARS (\$10,000,000.00) ("Loan"). The Loan is evidenced by a promissory note ("Note") executed by Mortgagor, dated the date of this Mortgage, payable to the order of Mortgagee in the principal amount of the Loan. The maturity date of the Loan is December 1, 2013.

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B. The loan documents include this Mortgage, the Note and the other documents described in the Note as Loan Documents ("Loan Documents").

ARTICLE 1. MORTGAGE

1.1. GRANT. For the purposes of and upon the terms and conditions of this Mortgage, Mortgagor irrevocably grants, conveys, mortgages, warrants and assigns to Mortgagee, all estate, right, title and interest which Mortgagor now has or may hereafter acquire in, to, under or derived from any or all of the following:

- a. That real property ("Land") located in Champaign, county of Champaign, state of Illinois, and more particularly described on Exhibit A attached hereto;
- b. All appurtenances, easements, rights of way, water and water rights, pumps, pipes, flumes and ditches and ditch rights, water stock, ditch and/or reservoir stock or interests, royalties, development rights and credits, air rights, minerals, oil rights, and gas rights, now or later used or useful in connection with, appurtenant to or related to the Land;
- c. All buildings, structures, facilities, other improvements and fixtures now or hereafter located on the Land;
- d. All apparatus, equipment, machinery and appliances and all accessions thereto and renewals and replacements thereof and substitutions therefor used in the operation or occupancy of the Land and which are not owned by any tenant, it being intended by the parties that all such items shall be conclusively considered to be a part of the Land, whether or not attached or affixed to the Land;
- e. All land lying in the right-of-way of any street, road, avenue, alley or right-of-way opened, proposed or vacated, and all sidewalks, strips

and gores of land adjacent to or used in connection with the Land;

- f. All additions and accretions to the property described above;
- g. All licenses, authorizations, certificates, variances, consents, approvals and other permits now or hereafter pertaining to the Land and all estate, right, title and interest of Mortgagor in, to, under or derived from all tradenames or business names relating to the Land or the present or future development, construction, operation or use of the Land;
- h. All Accounts (as defined in the Cash Management Agreement) and the Letters of Credit (as defined in the Note); and
- i. All proceeds of any of the foregoing.

All of the property described above is hereinafter collectively defined as the "Property". The listing of specific rights or property shall not be interpreted as a limitation of general terms.

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ARTICLE 2. OBLIGATIONS SECURED

- 2.1. OBLIGATIONS SECURED. Mortgagor makes the foregoing grant and assignment for the purpose of securing the following obligations ("Secured Obligations"):
- a. Full and punctual payment to Mortgagee of all sums at any time owing under the Note;
 - b. Payment and performance of all covenants and obligations of Mortgagor under this Mortgage including, without limitation, indemnification obligations and advances made to protect the Property;
 - c. Payment and performance of all additional covenants and obligations of Mortgagor under the Loan Documents;
 - d. Payment and performance of all covenants and obligations, if any, which any rider attached as an exhibit to this Mortgage recites are secured hereby;
 - e. Payment and performance of all future advances and other obligations that the then record owner of all or part of the Property may agree to pay and/or perform (whether as principal, surety or guarantor) for the benefit of Mortgagee, when the obligation is evidenced by a writing which recites that it is secured by this Mortgage;
 - f. All interest and charges on all obligations secured hereby including, without limitation, prepayment charges, late charges and loan fees, if any;
 - g. All modifications, extensions and renewals of any of the obligations secured hereby, however evidenced, including, without limitation: (i) modifications of the required principal payment dates or interest payment dates or both, as the case may be, deferring or accelerating payment dates wholly or partly; and (ii) modifications, extensions or renewals at a different rate of interest whether or not any such modification, extension or renewal is evidenced by a new or additional promissory note or notes; and
 - h. Payment and performance of any other obligations which are defined as "Secured Obligations" in the Note.
- 2.2. OBLIGATIONS. The term "obligations" is used herein in its broadest and most comprehensive sense and shall be deemed to include, without limitation, all interest and charges, prepayment charges, late charges and loan fees, if any, at any time accruing or assessed on any of the Secured Obligations. The maximum amount secured by this Mortgage (excluding interest, costs, expenses, charges, fees, protective advances and indemnification obligations, all of any type or nature) is \$10,000,000.00.
- 2.3. INCORPORATION. All terms and conditions of the documents which evidence any of the Secured Obligations are incorporated herein by this reference. All persons who may have or acquire an interest in the Property shall be deemed to have notice of the terms of

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the Secured Obligations and to have notice that the rate of interest on one or more Secured Obligation may vary from time to time.

ARTICLE 3. ASSIGNMENT OF RENTS AND LEASES

- 3.1. ASSIGNMENT. Mortgagor irrevocably assigns to Mortgagee all of Mortgagor's right, title and interest in, to and under: (a) all present and future leases of the Property or any portion thereof, all licenses and agreements relating to the management, leasing or operation of the Property or any portion thereof, and all other agreements of any kind relating to the use or occupancy of the Property or any portion thereof, whether such leases, licenses and agreements are now existing or entered into after the date hereof ("Leases"); and (b) the rents, issues, deposits and profits of the Property, including, without limitation, all amounts payable and all rights and benefits accruing to Mortgagor under the Leases ("Payments"). The term "Leases" shall also include all guarantees of and security for the tenants' performance thereunder, and all amendments, extensions, renewals or modifications thereto which are permitted hereunder. This is a present and absolute assignment, not an assignment for security purposes only, and Mortgagee's right to the Leases and Payments is not contingent upon, and may be exercised without possession of, the Property.
- 3.2. GRANT OF LICENSE. Mortgagee confers upon Mortgagor a revocable license ("License") to collect and retain the Payments as they become due and payable, until the occurrence and during the continuance of a Default (as hereinafter defined). Upon and during the continuance of a Default, the License shall be automatically revoked and Mortgagee may collect and apply the Payments pursuant to the terms hereof without notice and without taking possession of the Property. All Payments thereafter collected by Mortgagor shall be held by Mortgagor as trustee under a constructive trust for the benefit of Mortgagee. Subject to the terms and conditions of the Cash Management Agreement dated the date hereof, Mortgagor hereby irrevocably authorizes and directs the tenants under the Leases to rely upon and comply with any notice or demand given by Mortgagee during the continuance of a Default for the payment to Mortgagee of any rental or other sums which may at any time become due under the Leases, or for the performance of any of the tenants' undertakings under the Leases, and the tenants shall have no right or duty to inquire as to whether any Default has actually occurred or is then existing. Mortgagor hereby relieves the tenants from any liability to Mortgagor by reason of relying upon and complying with any such notice or demand by Mortgagee. Mortgagee may apply, in its sole discretion, any Payments so collected by Mortgagee against any Secured Obligation or any other obligation of Mortgagor or any other person or entity, under any document or instrument related to or executed in connection with the Loan Documents, whether existing on the date hereof or hereafter arising. Collection of any Payments by Mortgagee shall not cure or waive any Default or notice of Default or invalidate any acts done pursuant to such notice. If and when no Default exists, Mortgagee shall re-confer the License upon Mortgagor until the occurrence of another Default.
- 3.3. EFFECT OF ASSIGNMENT. The foregoing irrevocable assignment shall not cause Mortgagee to be: (a) a mortgagee in possession; (b) responsible or liable for the control,

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care, management or repair of the Property or for performing any of the terms, agreements, undertakings, obligations, representations, warranties, covenants and conditions of the Leases; (c) responsible or liable for any waste committed on the Property by the tenants under any of the Leases or by any other parties; for any dangerous or defective condition of the Property; or for any negligence in the management, upkeep, repair or control of the Property resulting in loss or injury or death to any tenant, licensee, employee, invitee or other person; or (d) responsible for or impose upon Mortgagee any duty to produce rents or profits. Unless such liability arises from the gross negligence or willful misconduct of Mortgagee, its agents, contractors and employees, Mortgagee shall not directly or indirectly be liable to Mortgagor or any other person as a consequence of: (e) the exercise or failure to exercise any of the rights, remedies or powers granted to Mortgagee hereunder; or (f) the failure or refusal of Mortgagee to perform or discharge any obligation, duty or liability of Mortgagor arising under the Leases.

3.4 COVENANTS-LONG TERM LEASES.

- a. ALL LEASES. Mortgagor shall, at Mortgagor's sole cost and expense:
- (i) perform all material obligations of the landlord under the Leases and use reasonable efforts to enforce performance by the tenants of all material obligations of the tenants under the Leases;
 - (ii) use reasonable efforts to keep the Property leased at all times to tenants which Mortgagor reasonably and in good faith believes are creditworthy at rents not less than the fair market rental value (including, but not limited to, free or discounted rents to the extent the market so requires);

- (iii) promptly upon Mortgagee's request, deliver to Mortgagee a copy of each requested Lease (not previously delivered to Mortgagee) and all amendments thereto and waivers thereof; and
- (iv) promptly upon Mortgagee's request, execute and record any additional assignments of landlord's interest under any Lease to Mortgagee and use reasonable efforts to cause any tenant to execute specific subordinations of any Lease to this Mortgage, in form and substance reasonably satisfactory to Mortgagee.

Unless consented to in writing by Mortgagee or otherwise permitted under any other provision of the Loan Documents, Mortgagor shall not:

- (v) grant any tenant under any Lease any option, right of first refusal or other right to purchase all or any portion of the Property under any circumstances;
- (vi) grant any tenant under any Lease any right to prepay rent more than 1 month in advance;

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- (vii) except upon Mortgagee's request, execute any assignment of landlord's interest in any Lease; or
- (viii) collect rent or other sums due under any Lease in advance, other than to collect rent 1 month in advance of the time when it becomes due (other than rental escalations required by the terms of any existing lease to be paid in advance, provided no fixed or base rent should be paid more than one (1) month in advance.

Any such attempted action in violation of the provisions of this Section shall be null and void.

Mortgagor shall deposit with Mortgagee any sums received by Mortgagor in consideration of any termination, modification or amendment of any Lease or any release or discharge of any tenant under any Lease from any obligation thereunder (including, without limitation, the termination fee payable pursuant to the terms of that certain lease dated February 25, 1999 (the "Parking Lease")) and any such sums received by Mortgagor shall be held in trust by Mortgagor for such purpose. Notwithstanding the foregoing, so long as no Default exists, the portion of any such sum received by Mortgagor with respect to any Lease which is less than \$50,000 shall be payable to Mortgagor. All such sums received by Mortgagee with respect to any Lease shall be deemed "Impounds" (as defined in Section 6.12(b)) and shall be deposited by Mortgagee into a pledged account in accordance with Section 6.12(b). If no Default exists, Mortgagee shall release such Impounds to Mortgagor from time to time as necessary to pay or reimburse Mortgagor for such tenant improvements, brokerage commissions and other leasing costs as may be required to re-tenant the affected space; provided, however, Mortgagee shall have received and approved each of the following for each tenant for which such costs were incurred: (1) Mortgagor's, written request for such release, including the name of the proposed tenant, the location and net rentable area of the space and a description and cost breakdown of the tenant improvements or other leasing costs covered by the request; (2) Mortgagor's certification that any tenant improvements completed as of the date of the request have been completed lien-free and in a workmanlike manner, other than liens being contested in good faith in accordance with Section 8.4 hereof; (3) a fully executed Lease, or extension or renewal of the current Lease; (4) prior to the last release of Impounds for each space, an estoppel certificate executed by the tenant including its acknowledgement that all tenant improvements have been satisfactorily completed; and (5) such other information with respect to such costs as Mortgagee may reasonably require. Following the re-tenanting of all affected space (including, without limitation, the completion of all tenant improvements), and provided no Default exists, Mortgagee shall release any remaining Impounds relating to the affected space to Mortgagor. Mortgagor shall construct or cause to be constructed all tenant improvements in a workmanlike manner and in accordance with all applicable laws, ordinances, rules and regulations.

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- (b) MAJOR LEASES. Mortgagor shall, at Mortgagor's sole cost and expense, give Mortgagee written notice of any material default by landlord or tenant under any Major Lease (as defined below) promptly after becoming aware of same. Unless consented to in writing by Mortgagee

within 30 days after written notice or otherwise permitted under any other provision of the Loan Documents, Mortgagor shall not:

- (i) enter into any Major Lease after the date hereof which (aa) is not on then prevailing market terms (which terms may include free or discounted rent to the extent the market so requires); (bb) does not contain a provision requiring the tenant to execute and deliver to the landlord an estoppel certificate in form and substance reasonably satisfactory to the landlord promptly upon the landlord's request; or (cc) allows the tenant to assign or sublet the demised premises without the landlord's consent, not to be unreasonably withheld, conditioned or delayed; provided, however, the Major Lease may allow tenant to assign or sublet the demised premises to tenant's affiliates or a merged entity resulting from a merger involving tenant, provided the tenant's affiliate or the surviving merged entity (A) has a rating of at least BBB- or better by the rating agencies which have assigned a rating to the Loan in connection with a securitization, (B) occupies and uses the demised premises, (C) has a net worth equal to or greater than existing tenant's net worth as reported on tenant's most recently filed financial statements with the SEC prior to the date hereof, (D) has not been, within the last ten (10) years, (I) subject to any material, uncured event of default in connection with a loan financing which resulted in litigation or an acceleration of an indebtedness held by Mortgagee or any other secondary market or institutional lender or (II) the subject of any action or proceeding under Creditor's Rights Laws, and (E) has not ever been convicted of a felony;
- (ii) reduce any rent or other sums due from the tenant under any Major Lease;
- (iii) terminate or materially modify or amend any Major Lease (except in connection with the release of the Parking Parcel (as defined in the Note) as long as Borrower complies with the provisions contained in Section 6 of Exhibit A of the Note); or
- (iv) release or discharge the tenant or any guarantor, under any Major Lease from any material obligation thereunder except in connection with a permitted termination, cancellation or surrender of the applicable Major Lease, approved by Mortgagee or not requiring Mortgagor approval.

Any such attempted action in violation of the provisions of this Section shall be null and void.

Notwithstanding anything to the contrary contained herein, to the extent Mortgagee's prior approval is required for any leasing matters set forth in this

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Section 3, Mortgagee shall have thirty (30) days from receipt of written request and all required information and documentation relating thereto in which to approve or disapprove such matter, provided that such request to Lender is marked in bold lettering with the following language: "MORTGAGEE'S RESPONSE IS REQUIRED WITHIN THIRTY (30) DAYS OF RECEIPT OF THIS NOTICE PURSUANT TO THE TERMS OF A MORTGAGE BETWEEN THE UNDERSIGNED AND MORTGAGEE" and the envelope containing the request must be marked "PRIORITY". In the event that Mortgagee fails to respond to the leasing matter in question within such time, Mortgagee's approval shall be deemed given for all purposes. Mortgagor shall provide Mortgagee with such information and documentation as may be reasonably required by Mortgagee.

"Major Lease", as used herein, shall mean any Lease, which is, at any time: (1) a Lease of more than 20% of the total rentable area of the Property; or (2) a Lease which generates a gross base monthly rent exceeding 20% of the total gross base monthly rent generated by all Leases (excluding all Leases under which the tenant is then in default). Mortgagor's obligations with respect to Major Leases shall be governed by the provisions of Section 3.4a as well as by the provisions of this Section.

- c. FAILURE TO DENY REQUEST Mortgagee's failure to deny any written request by Mortgagor for Mortgagee's consent under the provisions of Sections 3.4a or 3.4b within 10 Business Days after Mortgagee's receipt of such request (and all documents and information reasonably related thereto) shall be deemed to constitute Mortgagee's consent to such request.

3.5. ESTOPPEL CERTIFICATES. Within 30 days after request by Mortgagee, Mortgagor shall deliver to Mortgagee and to any party designated by Mortgagee, estoppel

certificates relating to the Leases executed by Mortgagor and by each of the tenants, in the form required by the Lease, or if none provided for in the applicable Lease, form and substance reasonably acceptable to Mortgagee; provided, however, if any tenant shall fail or refuse to so execute and deliver any such estoppel certificate upon request, Mortgagor shall use reasonable efforts to cause such tenant to execute and deliver such estoppel certificate but such tenant's continued failure or refusal to do so, despite Mortgagor's reasonable efforts, shall not constitute a default by Mortgagor under this Mortgage.

3.6. RIGHT OF SUBORDINATION. Mortgagee may at any time and from time to time by specific written instrument intended for the purpose unilaterally subordinate the lien of this Mortgage to any Lease, without joinder or consent of, or notice to, Mortgagor, any tenant or any other person. Notice is hereby given to each tenant under a Lease of such right to subordinate. No subordination referred to in this Section shall constitute a subordination to any lien or other encumbrance, whenever arising, or improve the right of any junior lienholder. Nothing herein shall be construed as subordinating this Mortgage to any Lease.

ARTICLE 4. SECURITY AGREEMENT AND FIXTURE FILING

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4.1. SECURITY INTEREST. Mortgagor grants and assigns to Mortgagee a security interest to secure payment and performance of all of the Secured Obligations, in all of Mortgagor's right, title and interest in all of the following described personal property in which Mortgagor now or at any time hereafter has any interest ("Collateral"):

All goods, building and other materials, supplies, work in process, equipment, machinery, fixtures, furniture, furnishings, signs and other personal property, wherever situated, which are or are to be incorporated into, used in connection with or appropriated for use on the Property; all rents, issues, deposits and profits of the Property (to the extent, if any, they are not subject to the Absolute Assignment of Rents and Leases); all inventory, accounts, cash receipts, deposit accounts, impounds, accounts receivable, contract rights, general intangibles, software, chattel paper, instruments, documents, promissory notes, drafts, letters of credit, letter of credit rights, supporting obligations, insurance policies, insurance and condemnation awards and proceeds, any other rights to the payment of money, trade names, trademarks and service marks arising from or related to the Property or any business now or hereafter conducted thereon by Mortgagor; all permits, consents, approvals, licenses, authorizations and other rights granted by, given by or obtained from, any governmental entity with respect to the Property; all deposits or other security now or hereafter made with or given to * utility companies by Mortgagor with respect to the Property; all advance payments of insurance premiums made by Mortgagor with respect to the Property; all plans, drawings and specifications relating to the Property; all loan funds held by Mortgagee, whether or not disbursed; all funds deposited with Mortgagee pursuant to any Loan Document, all reserves, deferred payments, deposits, accounts, refunds, cost savings and payments of any kind related to the Property or any portion thereof, including, without limitation, all "Impounds" as defined herein; together with all replacements and proceeds of, and additions and accessions to, any of the foregoing, and all books, records and files relating to any of the foregoing.

As to all of the above-described personal property which is or which hereafter becomes a "fixture" under applicable law this Mortgage constitutes a fixture filing under the Illinois Uniform Commercial Code, as amended or recodified from time to time ("UCC").

4.2. COVENANTS. Mortgagor agrees: (a) to execute and deliver such documents as Mortgagee deems reasonably necessary to create, perfect and continue the security interests contemplated hereby; (b) not to change its name, and, as applicable, its chief executive offices, its principal residence or the jurisdiction in which it is organized without giving Mortgagee at least 30 days' prior written notice thereof; and (c) to reasonably cooperate with Mortgagee in perfecting all security interests granted herein and in obtaining such agreements from third parties as Mortgagee deems reasonably necessary, proper or convenient in connection with the preservation, perfection or enforcement of any of Mortgagee's rights hereunder.

4.3. RIGHTS OF MORTGAGEE. In addition to Mortgagee's rights as a "Secured Party" under the UCC, Mortgagee may, but shall not be obligated to, at any time without notice

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and at the expense of Mortgagor upon the occurrence and continuance of a Default: (a) give notice to any person of Mortgagee's rights hereunder and enforce such rights at law or in equity; (b) insure, protect, defend and preserve the Collateral or any rights or interests of Mortgagee therein; and (c) inspect the Collateral; Notwithstanding the above, in no event shall Mortgagee be deemed to have accepted any property other than cash in satisfaction of any obligation of Mortgagor to Mortgagee unless Mortgagee shall make an express written election of said remedy under the UCC or other applicable law.

4.4. RIGHTS OF MORTGAGEE UPON DEFAULT. Upon the occurrence of a Default, then in addition to all of Mortgagee's rights as a "Secured Party" under the UCC or otherwise at law:

- a. DISPOSITION OF COLLATERAL. Mortgagee may: (i) upon written notice, require Mortgagor to assemble any or all of the Collateral and make it available to Mortgagee at a place designated by Mortgagee; (ii) without prior notice, to the extent permitted by applicable law, enter upon the Property, subject to the rights of tenants under the applicable Leases, or other place where the Collateral may be located and take possession of, collect, sell, lease, license and otherwise dispose of the Collateral, and store the same at locations acceptable to Mortgagee at Mortgagor's expense; or (iii) sell, assign and deliver the Collateral at any place or in any lawful manner and bid and become purchaser at any such sales; and
- b. OTHER RIGHTS. Mortgagee may, for the account of Mortgagor and at Mortgagor's expense: (i) operate, use, consume, sell, lease, license or otherwise dispose of the Collateral as Mortgagee deems appropriate for the purpose of performing any or all of the Secured Obligations; (ii) enter into any agreement, compromise or settlement including insurance claims, which Mortgagee may deem desirable or proper with respect to the Collateral; and (iii) endorse and deliver evidences of title for, and receive, enforce and collect by legal action or otherwise, all indebtedness and obligations now or hereafter owing to Mortgagor in connection with or on account of the Collateral.

Mortgagor acknowledges and agrees that 10 days' prior notice of the time and place of any public sale or other intended disposition is commercially reasonable notice. Mortgagee shall have no obligation to process or prepare the Collateral for sale or other disposition. In disposing of the Collateral, Mortgagee may disclaim all warranties of title, possession, quiet enjoyment and the like. Any proceeds of any sale or other disposition of the Collateral may be applied by Mortgagee first to the reasonable expenses incurred by Mortgagee in connection therewith, including, without limitations, reasonable attorneys' fees and disbursements, and then to the payment of the Secured Obligations, in such order of application as Mortgagee may from time to time elect.

4.5. POWER OF ATTORNEY. Mortgagor hereby irrevocably appoints Mortgagee as Mortgagor's attorney-in-fact (such agency being coupled with an interest), and as such attorney-in-fact, Mortgagee may, without the obligation to do so, in Mortgagee's name or in the name of Mortgagor, prepare, execute, file and record financing statements, continuation statements, applications for registration and like papers necessary to create,

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perfect or preserve any of Mortgagee's security interests and rights in or to the Collateral, and during the continuance of a Default, take any other action required of Mortgagor; provided, however, that Mortgagee as such attorney-in-fact shall (i) be accountable only for such funds as are actually received by Mortgagee, and (ii) only be exercised after Mortgagor's failure to take required action within ten (10) business days after request.

ARTICLE 5. REPRESENTATIONS AND WARRANTIES

5.1. REPRESENTATIONS AND WARRANTIES. Mortgagor represents and warrants to Mortgagee that, to Mortgagor's current actual knowledge ("actual knowledge" means, with respect to all representations and warranties based solely on the representations, warranties and other information set forth in the purchase and sale agreement, dated October 3, 2003 between Par 3 Development, L.L.C., as seller, and Mortgagor, as purchaser, and/or conveyance documents delivered pursuant thereto and Mortgagor's good faith due diligence investigation in connection with the acquisition of the Property), the following statements are true and correct as of the Effective Date:

- a. Legal Status. Mortgagor is duly organized and existing and in good standing under the laws of the state(s) in which Mortgagor is organized. Mortgagor is qualified or licensed to do business in all jurisdictions in which such qualification or licensing is required.

- b. PERMITS. Mortgagor possesses all permits, franchises and licenses and all rights to all trademarks, trade names, patents and fictitious names, if any, necessary to enable Mortgagor to conduct the business(es) in which Mortgagor is now engaged in compliance with applicable law.
- c. AUTHORIZATION AND VALIDITY. The execution and delivery of the Loan Documents have been duly authorized and the Loan Documents constitute valid and binding obligations of Mortgagor or the party which executed the same, enforceable in accordance with their respective terms, except as such enforcement may be limited by bankruptcy, insolvency, moratorium or other laws affecting the enforcement of creditors' rights, or by the application of rules of equity.
- d. VIOLATIONS. The execution, delivery and performance by Mortgagor of each of the Loan Documents do not violate any provision of any law or regulation, or result in any breach or default under any contract, obligation, indenture or other instrument to which Mortgagor is a party or by which Mortgagor is bound.
- e. LITIGATION. There are no pending or threatened (in writing) actions, claims, investigations, suits or proceedings before any governmental authority, court or administrative agency which are reasonably likely to materially adversely affect the financial condition or operations of Mortgagor other than those previously disclosed in writing by Mortgagor to Mortgagee.
- f. FINANCIAL STATEMENTS. The financial statements of Mortgagor, of each general partner (if Mortgagor is a partnership), of each member (if Mortgagor is a limited liability company) and of each guarantor, if any, previously delivered by

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Mortgagor to Mortgagee are: (i) materially complete and correct; (ii) present fairly the financial condition of such party; and (iii) have been prepared in accordance with the same accounting standard used by Mortgagor to prepare the financial statements delivered to and approved by Mortgagee in connection with the making of the Loan, or other accounting standards approved by Mortgagee. Since the date of such financial statements, there has been no material adverse change in such financial condition, nor have any assets or properties reflected on such financial statements been sold, transferred, assigned, mortgaged, pledged or encumbered except as previously disclosed in writing by Mortgagor to Mortgagee and approved in writing by Mortgagee.

- g. REPORTS. All reports, documents, instruments and information delivered to Mortgagee in connection with the Loan: (i) are correct in all material respects and sufficiently complete to give Mortgagee accurate knowledge of their subject matter; and (ii) do not contain any misrepresentation of a material fact or omission of a material fact which omission makes the provided information misleading.
- h. INCOME TAXES. There are no pending assessments or adjustments of Mortgagor's income tax payable with respect to any year.
- i. SUBORDINATION. There is no agreement or instrument to which Mortgagor is a party or by which Mortgagor is bound that would require the subordination in right of payment of any of Mortgagor's obligations under the Note to an obligation owed to another party.
- j. TITLE. Mortgagor lawfully holds and possesses fee simple title to the Property, without limitation on the right to encumber same. This Mortgage is a first lien on the Property prior and superior to all other liens and encumbrances on the Property except: (i) liens for real estate taxes and assessments not yet due and payable; (ii) exceptions shown in the title insurance policy insuring the lien of this Mortgage accepted by Mortgagee; and (iii) other matters, if any, previously disclosed to Mortgagee by Mortgagor in a writing specifically referring to this representation and warranty.
- k. MECHANICS' LIENS. There are no mechanics' or similar liens or claims which have been filed for work, labor or material (and to Mortgagor's actual knowledge without investigation (other than its review of the title policy) no rights are outstanding that under law could give rise to any such liens) affecting the Property which are or may be prior to or equal to the lien of this Mortgage.
- l. ENCROACHMENTS. Except as shown in the survey, if any, previously delivered to Mortgagee, none of the buildings or other improvements which were included for the purpose of determining the appraised value

of the Property lies outside of the boundaries or building restriction lines of the Property and no buildings or other improvements located on adjoining properties encroach upon the Property.

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- m. LEASES. All existing Leases are in full force and effect and are enforceable in accordance with their respective terms. Except as may be disclosed in the tenant estoppel certificates delivered to Mortgagee in connection with the Loan, no material breach or default by any party, or event which would constitute a material breach or default by any party after notice or the passage of time, or both, exists under any existing Lease. None of the landlord's interests under any of the Leases, including, but not limited to, rents, additional rents, charges, issues or profits, has been transferred or assigned, except to Mortgagee in connection with this Loan. No rent or other payment under any existing Lease has been paid by any tenant for more than 1 month in advance.
- n. COLLATERAL. Mortgagor has good title to the existing Collateral, free and clear of all liens and encumbrances except the prior lien of this Mortgage and those, if any, previously disclosed to Mortgagee by Mortgagor in writing specifically referring to this representation and warranty. Mortgagor's chief executive office (or principal residence, if applicable) is located at the address shown on page one of this Mortgage. Mortgagor is an organization organized solely under the laws of the State of Delaware. Mortgagor has delivered to Mortgagee correct and complete copies of its organizational documents. Mortgagor's legal name is exactly as shown on page one of this Mortgage.
- o. CONDITION OF PROPERTY. Except as shown in the property condition survey or other engineering reports, if any, previously delivered to or obtained by Mortgagee, the Property is in good condition and repair and is free from any damage that would materially and adversely affect the value of the Property as security for the Loan or the intended use of the Property.
- p. HAZARDOUS MATERIALS. Except as shown in the environmental assessment report(s), if any, previously delivered to or obtained by Mortgagee, the Property is not and has not been a site for the use, generation, manufacture, storage, treatment, release, threatened release, discharge, disposal, transportation or presence of Hazardous Materials (as hereinafter defined) except as otherwise previously disclosed in writing by Mortgagor to Mortgagee.
- q. HAZARDOUS MATERIALS LAWS. The Property complies with all Hazardous Materials Laws (as hereinafter defined).
- r. HAZARDOUS MATERIALS CLAIMS. There are no pending or threatened Hazardous Materials Claims (as hereinafter defined).
- s. WETLANDS. Except as may be shown on the survey or property condition report, if any, previously delivered to Mortgagee, no part of the Property consists of or is classified as wetlands, tidelands or swamp and overflow lands.
- t. COMPLIANCE WITH LAWS. The Property complies in all material respects with all federal, state and local laws, rules and regulations applicable to the Property, including, without limitation, all zoning and building requirements and all

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requirements of the Americans With Disabilities Act of 1990, as amended from time to time (42 U. S. C. Section 12101 et seq.). Mortgagor is in possession of all certificates of occupancy and all other material licenses, permits and other authorizations required by applicable law for the existing use of the Property. All such certificates of occupancy and other licenses, permits and authorizations are valid and in full force and effect.

- u. PROPERTY TAXES AND OTHER LIABILITIES. All taxes, governmental assessments, insurance premiums, water, sewer and municipal charges, and ground rents, if any, which previously became due and owing in respect of the Property have been paid.
- v. CONDEMNATION. There is no proceeding pending or threatened (in writing) for the total or partial condemnation of the Property.
- w. HOMESTEAD. There is no homestead or other exemption available to Mortgagor which would materially interfere with the right to sell the

Property at a trustee's sale or the right to foreclose this Mortgage.

- x. IRPTA. The execution and delivery of the Loan Documents is not a transfer of "real property", as "real property" is defined in the Illinois Responsible Property Transfer Act of 1988 (765 ILCS 90/1 et seq.), as amended from time to time.
- y. SOLVENCY. None of the transactions contemplated by the Loan will be or have been made with an actual intent to hinder, delay or defraud any present or future creditors of Mortgagor, and Mortgagor, on the Effective Date, will have received fair and reasonably equivalent value in good faith for the grant of the liens or security interests effected by the Loan Documents. On the Effective Date, Mortgagor will be solvent and will not be rendered insolvent by the transactions contemplated by the Loan Documents. On the Effective Date, Mortgagor is able to pay its debts as generally they become due.
- z. SEPARATE TAX PARCEL(S). Except as may be disclosed in the title insurance policy approved by Mortgagee, the Property is assessed for real estate tax purposes as one or more wholly independent tax parcels, separate from any other real property, and no other real property is assessed and taxed together with the Property or any portion thereof.
- aa. UTILITIES; WATER; SEWER. The Property is served by all utilities required for the current or contemplated use thereof. All utility service is provided by public utilities and the Property has accepted or is equipped to accept such utility service. The Property is served by public water and sewer systems.
- bb. ERISA MATTERS. Mortgagor is not an employee benefit plan as defined in Section 3.(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), which is subject to Title I of ERISA, nor a plan as defined in Section 4975(e)(1) of the Internal Revenue Code of 1986, as amended (each of the foregoing hereinafter referred to collectively as "Plan"). Mortgagor's assets

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do not constitute "plan assets" of one or more such Plans within the meaning of Department of Labor Regulation Section 2510.3-101. Mortgagor will not transfer or convey the Property to a Plan or to a person or entity whose assets constitute such "plan assets", and Mortgagor will not be reconstituted as a Plan or as an entity whose assets constitute "plan assets". No Tenant under any Lease is a Plan or an entity whose assets constitute such "plan assets", and Mortgagor will not knowingly enter into any Lease where the tenant thereunder is a Plan or an entity whose assets constitute such "plan assets." With respect to the Loan, Mortgagor is acting on its own behalf and not on account of or for the benefit of any Plan.

5.2 REPRESENTATIONS, WARRANTIES AND COVENANTS REGARDING STATUS (LEVEL II SPE).

Mortgagor hereby represents, warrants and covenants to Mortgagee as follows:

- (a) such entity was organized solely for the purpose of owning the Property;
- (b) such entity has not and will not engage in any business unrelated to the ownership of the Property;
- (c) such entity has not and will not have any assets other than the Property (and personal property incidental to the ownership and operation of the Property);
- (d) such entity has not and will not engage in, seek or consent to any dissolution, winding up, liquidation, consolidation, merger, asset sale, or amendment of its articles of incorporation, articles of organization, certificate of formation, operating agreement or partnership agreement, as applicable, relating to the representations, warranties and covenants set forth in this Section 5.2;
- (e) such entity, without the unanimous consent of all of its directors, general partners or members, as applicable, shall not file or consent to the filing of any bankruptcy or insolvency petition or otherwise institute insolvency proceedings;
- (f) such entity has no indebtedness (and will have no indebtedness) other than (i) the Loan; and (ii) unsecured trade debt not to exceed \$400,000.00 in the aggregate, which is not evidenced by a note and is incurred in the ordinary course of its business in connection with owning, operating and maintaining the Property and is paid within 60

days from the date incurred;

- (g) such entity has not and will not fail to correct any known misunderstanding regarding the separate identity of such entity;
- (h) such entity has maintained and will maintain its accounts, books and records separate from any other person or entity;
- (i) such entity has maintained and will maintain its books, records, resolutions and agreements as official records;

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- (j) such entity (i) has not and will not commingle its funds or assets with those of any other entity; and (ii) has held and will hold its assets in its own name;
- (k) such entity has conducted and will conduct its business in its own name;
- (l) such entity has maintained and will maintain its accounting records and other entity documents separate from any other person or entity;
- (m) such entity has prepared and will prepare separate tax returns and financial statements, or if part of a consolidated group, is shown as a separate member of such group;
- (n) such entity has paid and will pay its own liabilities and expenses out of its own funds and assets;
- (o) such entity has held and will hold regular meetings, as appropriate, to conduct its business and has observed and will observe all corporate, partnership or limited liability company formalities and record keeping, as applicable;
- (p) such entity has not and will not assume or guarantee or become obligated for the debts of any other entity or hold out its credit as being available to satisfy the obligations of any other entity;
- (q) such entity has not and will not acquire obligations or securities of its shareholders, partners or members, as applicable;
- (r) such entity has allocated and will allocate fairly and reasonably the costs associated with common employees and any overhead for shared office space and such entity has used and will use separate stationery, invoices and checks;
- (s) such entity has not and will not pledge its assets for the benefit of any other person or entity;
- (t) such entity has held and identified itself and will hold itself out and identify itself as a separate and distinct entity under its own name and not as a division or part of any other person or entity;
- (u) such entity has not made and will not make loans to any person or entity;
- (v) such entity has not and will not identify its shareholders, partners or members, as applicable, or any affiliates of any of the foregoing, as a division or part of it;
- (w) such entity has not entered into and will not enter into or be a party to, any transaction with its shareholders, partners or members, as applicable, or any affiliates of any of the foregoing, except in the ordinary course of its business pursuant to written agreements and on terms which are intrinsically fair and are no less favorable to it than would be obtained in a comparable arm's-length transaction with an unrelated third party;

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- (x) if such entity is a corporation, the directors of such entity shall consider the interests of the creditors of such entity in connection with all corporate action;
- (y) such entity has paid and will pay the salaries of its own employees out of its own funds and has maintained and will maintain a sufficient number of employees in light of its contemplated business operations;
- (z) such entity has maintained and will maintain adequate capital in light of its contemplated business operations;

- (aa) if such entity is a partnership with more than one general partner, its partnership agreement requires the remaining partners to continue the partnership as long as one solvent general partner exists; and
- (bb) if such entity is a limited liability company, its operating agreement, if any such entity is a partnership, its partnership agreement and if such entity is a corporation, to the fullest extent permitted by applicable law, its articles of incorporation, contain the provisions set forth in this Section 5.2 and such entity shall conduct its business and operations in strict compliance with the terms contained therein.

ARTICLE 6. RIGHTS AND DUTIES OF THE PARTIES

6.1. MAINTENANCE AND PRESERVATION OF THE PROPERTY. Mortgagor shall: (a) keep or cause the Property to be kept in good condition and repair; (b) restore promptly and in workmanlike manner the Property or any part thereof which may be damaged or destroyed by fire or other casualty, whether or not Mortgagee makes any Proceeds (defined below) available pursuant to Section 6.11, unless all of the conditions for releasing Proceeds set forth in Section 6.11(b)(iii) (other than the conditions set forth in subsections (b)(iii)(aa), (cc)(5), (6) and (7) thereof) have been satisfied and Mortgagee fails to make Proceeds available to Mortgagor, in which case Mortgagor shall have no obligation to restore of such Property, provided, however, Mortgagor shall be obligated to repair the applicable Property to the extent necessary (i) to protect life and safety at such Property and (ii) return such Property to a condition where the subject Property is deemed an architectural whole whereby access to any portion of such Property is not impaired and the shell of the applicable Improvements is fully complete and closed; (c) comply and cause the Property to comply with (i) all laws, ordinances, regulations and standards, (ii) all covenants, conditions, restrictions and equitable servitudes, whether public or private, of every kind and character and (iii) all requirements of insurance companies and any bureau or agency which establishes standards of insurability, in each case, to the extent such laws, covenants or requirements affect the Property and pertain to acts committed or conditions existing thereon, including, without limitation, any work of alteration, improvement or demolition as such laws, covenants or requirements mandate; (d) operate and manage the Property or cause the Property to be operated and managed at all times in a professional manner and do all other acts which from the character or use of the Property may be reasonably necessary to maintain and preserve its value; (e) promptly after execution, deliver to Mortgagee a copy of any management agreement

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concerning the Property and all amendments thereto and waivers thereof; and (f) execute and acknowledge all further documents, instruments and other papers as Mortgagee reasonably deems necessary or appropriate to preserve, continue, perfect and enjoy the benefits of this Mortgage and perform Mortgagor's obligations, including, without limitation, statements of the outstanding principal balance of the Loan amount and statements of no offset. Mortgagor shall not: (g) remove or demolish all or any material part of the Property; (h) alter either (i) the exterior of the Improvements in a manner which materially and adversely affects the value of the Property or (ii) the roof or other structural elements of the Improvements in a manner which requires a building permit except for tenant improvements required under the Leases or as Mortgagor is required to in accordance with the casualty and condemnation provisions hereof, (i) initiate or acquiesce in any change in any zoning or other land classification which affects the Property; (j) materially alter the type of occupancy or use of all or any part of the Property; or (k) commit or permit material physical waste of the Property.

6.2. HAZARDOUS MATERIALS. Without limiting any other provision of this Mortgage, Mortgagor agrees as follows:

- a. PROHIBITED ACTIVITIES. Mortgagor shall not cause or permit the Property to be used as a site for the use, generation, manufacture, storage, treatment, release, discharge, disposal, transportation or presence of any oil or other petroleum products, flammable explosives, asbestos, urea formaldehyde insulation, radioactive materials, hazardous wastes, toxic or contaminated substances or similar materials, including, without limitation, any substances which are "hazardous substances," "hazardous wastes," "hazardous materials" or "toxic substances" under the Hazardous Materials Laws (defined below) and/or other applicable environmental laws, ordinances or regulations ("Hazardous Materials") in violation of Hazardous Materials Laws.

The foregoing to the contrary notwithstanding, (i) Mortgagor may store, maintain and use on the Property janitorial and maintenance supplies, paint and other Hazardous Materials of a type and in a

quantity readily available for purchase by the general public and normally stored, maintained and used by owners and managers of properties of a type similar to the Property; (ii) tenants of the Property may store, maintain and use on the Property (and, if any tenant is a retail business, hold in inventory and sell in the ordinary course of such tenant's business) Hazardous Materials of a type and quantity readily available for purchase by the general public and normally stored, maintained and used (and, if tenant is a retail business, sold) by tenants in similar lines of business on properties similar to the Property; and (iii) the tenant under the 2301 Fox Drive Lease (defined below) may use and maintain the storage tank in accordance with the 2301 Fox Drive Lease, provided such use is in accordance with Hazardous Materials Laws. "2301 Fox Drive Lease" shall mean that certain lease, dated December 22, 2000, as amended, by and between Par 3 Development, L.L.C. and Amdocs Champaign, Inc. f/k/a ITDS Intellicom Services, Inc.

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- b. HAZARDOUS MATERIALS LAWS. Mortgagor shall comply and cause the Property to comply with all federal, state and local laws, ordinances and regulations relating to Hazardous Materials ("Hazardous Materials Laws"), including, without limitation: the Clean Air Act, as amended, 42 U.S.C. Section 7401 et seq.; the Federal Water Pollution Control Act, as amended, 33 U.S.C. Section 1251 et seq.; the Resource Conservation and Recovery Act of 1976, as amended, 42 U.S.C. Section 6901 et seq.; the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (including the Superfund Amendments and Reauthorization Act of 1986, "CERCLA"), 42 U.S.C. Section 9601 et seq.; the Toxic Substances Control Act, as amended, 15 U.S.C. Section 2601 et seq.; the Occupational Safety and Health Act, as amended, 29 U.S.C. Section 651; the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. Section 11001 et seq.; the Mine Safety and Health Act of 1977, as amended, 30 U.S.C. Section 801 et seq.; the Safe Drinking Water Act, 42 U.S.C. Section 300f et seq.; and all comparable state and local laws, laws of other jurisdictions or orders and regulations.
- c. NOTICES. Mortgagor shall promptly upon obtaining knowledge thereof notify Mortgagee in writing of: (i) the discovery of any Hazardous Materials on, under or about the Property (other than Hazardous Materials permitted under Section 6.2a); (ii) any knowledge by Mortgagor that the Property does not comply with any Hazardous Materials Laws; (iii) any claims or actions ("Hazardous Materials Claims") pending or threatened (in writing) against Mortgagor or the Property by any governmental entity or agency or any other person or entity relating to Hazardous Materials or pursuant to the Hazardous Materials Laws; and (iv) the discovery of any occurrence or condition on any real property adjoining or in the immediate vicinity of the Property that reasonably could be expected to cause the Property or any part thereof to become contaminated with Hazardous Materials.
- d. REMEDIAL ACTION. In response to the presence of any Hazardous Materials on, under or about the Property in violation of Hazardous Materials Laws, Mortgagor shall promptly take or cause to be taken, at Mortgagor's sole expense, all remedial action required by any Hazardous Materials Laws or any judgment, consent decree, settlement or compromise in respect to any Hazardous Materials Claims.
- e. INSPECTION BY MORTGAGEE. Upon reasonable prior notice to Mortgagor, Mortgagee, its employees and agents (using reasonable efforts not to disturb tenants with Leases at the Property), may from time to time during normal business hours (whether before or after the commencement of a nonjudicial or judicial foreclosure proceeding), enter and inspect the Property for the purpose of determining the existence, location, nature and magnitude of any past or present release or threatened release of any Hazardous Materials into, onto, beneath or from the Property.
- f. INTENTIONALLY DELETED.

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- 6.3. COMPLIANCE WITH LAWS. Mortgagor shall comply or cause the tenants under Leases relating to the Property to comply in all material respects with all federal, state and local laws, rules and regulations applicable to the Property, including, without limitation, all zoning and building requirements and all requirements of the Americans With Disabilities Act of 1990 (42 U.S.C. Section 12101 et seq.), as amended from time to time. Mortgagor shall possess and maintain in full force and effect at all times (a) all certificates of occupancy and other material licenses, permits and

authorizations required by applicable law for the existing use of the Property and (b) all permits, franchises and licenses and all rights to all trademarks, trade names, patents and fictitious names, if any, required by applicable law for Mortgagor to conduct the business(es) in which Mortgagor is now engaged.

- 6.4. LITIGATION. Mortgagor shall promptly after obtaining knowledge of same notify Mortgagee in writing of any litigation pending or threatened (in writing) against Mortgagor claiming damages in excess of \$50,000 and of all pending or threatened (in writing) litigation against Mortgagor if the aggregate damage claims against Mortgagor exceed \$100,000.
- 6.5. MERGER, CONSOLIDATION, TRANSFER OF ASSETS. Mortgagor shall not: (a) merge or consolidate with any other entity; (b) make any substantial change in the nature of Mortgagor's business or structure; (c) acquire all or substantially all of the assets of any other entity; or (d) sell, lease, assign, transfer or otherwise dispose of a material part of Mortgagor's assets except in the ordinary course of business.
- 6.6. ACCOUNTING RECORDS. Mortgagor shall maintain adequate books and records in accordance with the same accounting standard used by Mortgagor to prepare the financial statements delivered to and approved by Mortgagee in connection with the making of the Loan or other accounting standards reasonably approved by Mortgagee. Mortgagor shall permit any representative of Mortgagee, upon reasonable prior notice, at any reasonable time and from time to time, to inspect, audit and examine such books and records and make copies of same; provided, however, unless subsequent to a Default, Mortgagor's right to audit the same may be exercised no more than two times per year.
- 6.7. COSTS, EXPENSES AND ATTORNEYS' FEES. Mortgagor shall pay to Mortgagee the full amount of all reasonable out of pocket costs and expenses, including, without limitation, reasonable attorneys' fees and expenses of Mortgagee's in-house or outside counsel, actually incurred by Mortgagee in connection with: (a) appraisals and inspections of the Property or Collateral reasonably required by Mortgagee as a result of (i) a Transfer or proposed Transfer (as defined below), or (ii) a Default; (b) appraisals and inspections of the Property or Collateral required by applicable law, including, without limitation, federal or state regulatory reporting requirements; and (c) any acts performed by Mortgagee at Mortgagor's request or wholly or partially for the benefit of Mortgagor (including, without limitation, the preparation or review of amendments, assumptions, waivers, releases, reconveyances, estoppel certificates or statements of amounts owing under any Secured Obligation). In connection with appraisals and inspections required by the Mortgage or other Loan Documents, Mortgagor specifically (but not by way of limitation) acknowledges that: (aa) a formal written appraisal of the Property by a state

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certified or licensed appraiser may be required by federal regulatory reporting requirements on an annual or more frequent basis; and (bb) Mortgagee may require inspection of the Property by an independent supervising architect, a cost engineering specialist, or both. Mortgagor shall pay all reasonable out-of-pocket costs arising under this Section within ten (10) business days of demand by Mortgagee together with interest thereon if not paid within ten (10) business days following such demand at the rate of interest then applicable to the principal balance of the Note as specified therein.

- 6.8. LIENS, ENCUMBRANCES AND CHARGES. Mortgagor shall within thirty (30) days of notice (from any source whatsoever) discharge or bond any lien, charge or other encumbrance which attaches to the Property in violation of Section 6.15. Subject to Mortgagor's right to contest such matters under this Mortgage or as expressly permitted in the Loan Documents, Mortgagor shall pay when due all obligations secured by or reducible to liens and encumbrances which shall now or hereafter encumber or appear to encumber all or any part of the Property or any interest therein, whether senior or subordinate hereto, including, without limitation, all claims for work or labor performed, or materials or supplies furnished, in connection with any work of demolition, alteration, repair, improvement or construction of or upon the Property, except such as Mortgagor may in good faith contest or as to which a bona fide dispute may arise (provided provision is made to the reasonable satisfaction of Mortgagee for eventual payment thereof in the event that Mortgagor is obligated to make such payment and that any recorded claim of lien, charge or other encumbrance against the Property is discharged or bonded within thirty (30) days as provided for herein).
- 6.9. TAXES AND OTHER LIABILITIES. Mortgagor shall pay and discharge prior to delinquency any and all indebtedness, obligations, assessments and taxes, both real and personal and including federal and state income taxes and state and local property taxes and assessments other than those being contested in good faith in accordance with Section 8.4 hereof. Mortgagor

shall promptly provide to Mortgagee copies of all tax and assessment notices pertaining to the Property. Mortgagor hereby authorizes Mortgagee to obtain, at Mortgagor's expense, a tax service contract which shall provide tax information on the Property to Mortgagee for the term of the Loan and any extensions or renewals of the Loan.

6.10. INSURANCE COVERAGE. Mortgagor shall obtain and maintain all insurance coverage required pursuant to that certain Agreement Regarding Required Insurance dated as of the date hereof by and between Mortgagor and Mortgagee.

6.11. CONDEMNATION AND INSURANCE PROCEEDS.

a. ASSIGNMENT OF CLAIMS. Subject to the terms of this Section 6.11 (a), Mortgagor absolutely and irrevocably assigns to Mortgagee all of Mortgagee's right, title and interest in the following rights, claims and amounts (collectively, "Claims"), all of which shall be paid to Mortgagee: (i) all awards of damages and all other compensation payable directly or indirectly by reason of a condemnation or proposed condemnation for public or private use affecting all or any part of, or any interest in, the Property; (ii) all other claims and awards for damages to or

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decrease in value of all or any part of, or any interest in, the Property; (iii) all proceeds of any insurance policies payable by reason of loss sustained to all or any part of the Property; and (iv) all interest, if any, which may accrue on any of the foregoing. Mortgagor shall give Mortgagee prompt written notice of the occurrence of any casualty affecting, or the institution of any proceedings for eminent domain or for the condemnation of, the Property or any portion thereof, in each case, promptly after detaining knowledge of same. So long as no Default has occurred and is continuing at the time, (i) Mortgagor shall have the right to adjust, compromise and settle any Claim or group of related Claims of \$500,000 or less without the participation or consent of Mortgagee, (ii) Mortgagee shall have the right to participate in and consent to any adjustment, compromise or settlement of any Claim or group of related Claims exceeding \$500,000 and (iii) if the Proceeds shall be less than \$500,000 and the costs of completing the restoration shall be less than \$500,000, the Proceeds will be disbursed by Mortgagee to Mortgagor upon receipt, provided that all of the conditions set forth in Section 6.11(b) are met and Mortgagor delivers to Mortgagee a written undertaking to expeditiously commence and to satisfactorily complete with due diligence the restoration in accordance with the terms of this Agreement. If a Default has occurred and is continuing at the time, Mortgagor hereby irrevocably empowers Mortgagee, in the name of Mortgagor, as Mortgagor's true and lawful attorney in fact, to commence, appear in, defend, prosecute, adjust, compromise and settle all Claims; provided, however, Mortgagee shall not be responsible for any failure to undertake any or all of such actions regardless of the cause of the failure. All awards, proceeds and other sums described herein shall, in all cases, be payable to Mortgagee. All proceeds payable to Mortgagee under a business interruption insurance policy or loss of rents shall be held by Mortgagee and shall be applied to the obligations secured by the Loan Documents from time to time due and payable hereunder and under the Note; provided, however, that nothing herein contained shall be deemed to relieve Mortgagor of its obligations to pay the obligations secured by the Loan Documents on the respective dates of payment provided for in the Note, this Mortgage and the other Loan Documents except to the extent such amounts are actually paid out of the proceeds of such loss of rents or business income insurance, as applicable;

b. APPLICATION OF PROCEEDS; NO DEFAULT. So long as no Default has occurred and is continuing at the time of Mortgagee's receipt of the proceeds of the Claims ("Proceeds") and no Default occurs and continues thereafter, the following provisions shall apply:

(i) Condemnation. If the Proceeds are the result of Claims described in clauses 6.11.a (i) or (ii) above, or interest accrued thereon, Mortgagee shall apply the Proceeds in the following order of priority: First, to Mortgagee's reasonable expenses in settling, prosecuting or defending the Claims; Second, to the repair or restoration of the portion of the Property, if any, not condemned or proposed for condemnation and not otherwise the subject of a claim or award; and Third, to the Secured Obligations in

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any order without suspending, extending or reducing any obligation of Mortgagor to make installment payments.

- (ii) Insurance. If the Proceeds are the result of Claims described in clause 6.11.a (iii) above or interest accrued thereon, Mortgagee shall apply the Proceeds in the following order of priority: First, to Mortgagee's expenses in settling, prosecuting or defending the Claims; Second, to the repair or restoration of the Property; and Third, (aa) if the repair or restoration of the Property has been completed and all costs incurred in connection with the repair or restoration have been paid in full, to Mortgagor or (bb) in all other circumstances, to the Secured Obligations in any order without suspending, extending or reducing any obligation of Mortgagor to make installment payments.
- (iii) Restoration. Notwithstanding the foregoing Sections 6.11.b (i) and (ii), Mortgagee shall have no obligation to make any Proceeds available for the repair or restoration of all or any portion of the Property unless and until all the following conditions have been satisfied: (aa) delivery to Mortgagee of the Proceeds plus any additional amount which is needed to pay all costs of the repair or restoration (including, without limitation, taxes, financing charges, insurance and rent during the repair period); (bb) establishment of an arrangement for lien releases and disbursement of funds acceptable to Mortgagee; (cc) delivery to Mortgagee in form and content reasonably acceptable to Mortgagee of all of the following: (1) plans and specifications for the work; (2) a contract for the work, signed by a contractor reasonably acceptable to Mortgagee, provided the amount of contract exceeds \$250,000; (3) a cost breakdown for the work; (4) if required by Mortgagee, a payment and performance bond for the work; (5) unless consented to in writing by Mortgagee in the event the Proceeds are insurance proceeds, less than thirty-five percent (35%) of each of (i) fair market value of the Property as reasonably determined by Mortgagee, and (ii) the rentable area of the Improvements on the applicable Property has been damaged, destroyed or rendered unusable as a result of a casualty and Leases covering in the aggregate at least sixty-five percent (65%) of the total rentable space in the applicable Property which has been demised under executed and delivered Leases in effect as of the date of the occurrence of such casualty shall remain in full force and effect during and after the completion of restoration; (6) evidence that, upon completion of the work, value, and income coverage ratios for the Property will be at least as great as those which existed immediately before the damage or condemnation occurred; (7) evidence that the work can reasonably be completed on or before that date which is 6 months prior to the Maturity Date; and (8) evidence of the satisfaction of any additional conditions that Mortgagee may reasonably establish to protect Mortgagee's security. Mortgagor acknowledges that the specific conditions described above are reasonable.

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- c. APPLICATION OF PROCEEDS; DEFAULT. If a Default has occurred and is continuing at the time of Mortgagee's receipt of the Proceeds or if a Default occurs at any time thereafter, Mortgagee may, at Mortgagee's absolute discretion and regardless of any impairment of security or lack of impairment of security, but subject to applicable law governing use of the Proceeds, if any, apply all or any of the Proceeds to Mortgagee's reasonable expenses in settling, prosecuting or defending the Claims and then apply the balance to the Secured Obligations in any order without suspending, extending or reducing any obligation of Mortgagor to make installment payments, and may release all or any part of the Proceeds to Mortgagor upon any conditions Mortgagee chooses.

6.12. IMPOUNDS.

- a. POST-DEFAULT IMPOUNDS. If required by Mortgagee at any time after a Default occurs and is continuing, Mortgagor shall deposit with Mortgagee such amounts ("Post-Default Impounds") on such dates (determined by Mortgagee as provided below) as will be sufficient to pay any or all "Costs" (as defined below) specified by Mortgagee. Mortgagee in its reasonable discretion shall estimate the amount of such Costs that will be payable or required during any period selected by Mortgagee not exceeding 1 year and shall determine the fractional portion thereof that Mortgagor shall deposit with Mortgagee on each date specified by Mortgagee during such period. If the Post-Default Impounds paid by Mortgagor are not sufficient to pay the related Costs, Mortgagor shall deposit with Mortgagee within 10 days after demand an amount equal to the deficiency. All Post-Default Impounds

shall be payable by Mortgagor in addition to (but without duplication of) any other Impounds (as defined below).

- b. ALL IMPOUNDS. Post-Default Impounds and any other impounds that may be payable by Mortgagor under the Note are collectively called "Impounds". All Impounds shall be deposited into one or more segregated or commingled accounts maintained by Mortgagee or its servicing agent. Such account(s) shall bear interest as provided for in the Note. Mortgagee shall not be a trustee, special depository or other fiduciary for Mortgagor with respect to such account, and the existence of such account shall not limit Mortgagee's rights under this Mortgage, any other agreement or any provision of law. If no Default exists, Mortgagee shall apply all Impounds to the payment of the related Costs, or in Mortgagee's sole discretion may release any or all Impounds to Mortgagor for application to and payment of such Costs. If a Default exists, Mortgagee may apply any or all Impounds to any Secured Obligation and/or to cure such Default, whereupon Mortgagor shall restore all Impounds so applied and cure all Defaults not cured by such application. The obligations of Mortgagor hereunder shall not be diminished by deposits of Impounds made by Mortgagor, except to the extent that such obligations have actually been met by application of such Impounds. Upon any assignment of this Mortgage, Mortgagee may assign all Impounds in its possession to Mortgagee's assignee, whereupon Mortgagee shall be released from all liability with respect to such Impounds. Within 30 days following full repayment of the Secured Obligations (other than as a consequence of foreclosure

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or conveyance in lieu of foreclosure) or at such earlier time as Mortgagee may elect, Mortgagee shall pay to Mortgagor all Impounds in its possession, and no other party shall have any right or claim thereto. "Costs" means (i) all taxes and other liabilities payable by Mortgagor under Section 6.9 (excluding federal and state income taxes), (ii) all insurance premiums payable by Mortgagor under Section 6.10, (iii) all other costs and expenses for which Impounds are required under the Note, and/or (iv) all other amounts that will be required to preserve the value of the Property. Mortgagor shall deliver to Mortgagee, promptly upon receipt, all bills for Costs for which Mortgagee has required Post-Default Impounds.

- 6.13. DEFENSE AND NOTICE OF LOSSES, CLAIMS AND ACTIONS. Mortgagor shall protect, preserve and defend the Property and title to and right of possession of the Property, the security of this Mortgage and the rights and powers of Mortgagee hereunder at Mortgagor's sole expense against all adverse claims, whether the claim: (a) is against a possessory or non-possessory interest; (b) arose prior or subsequent to the Effective Date; or (c) is senior or junior to Mortgagor's or Mortgagee's rights. Promptly upon obtaining knowledge, Mortgagor shall give Mortgagee notice in writing of the assertion of any claim, of the filing of any action or proceeding, of the occurrence of any damage to the Property and of any condemnation offer or action.
- 6.14. RIGHT OF INSPECTION. Mortgagee and its independent contractors, agents and employees may enter the Property from time to time upon prior written notice during normal business hours at any reasonable time for the purpose of inspecting the Property and ascertaining Mortgagor's compliance with the terms of this Mortgage. Mortgagee shall use reasonable efforts to assure that Mortgagee's entry upon and inspection of the Property shall not materially and unreasonably interfere with the business or operations of Mortgagor or Mortgagor's tenants on the Property.
- 6.15. DUE ON SALE/ENCUMBRANCE.
- a. DEFINITIONS. The following terms shall have the meanings indicated:
- "Restricted Party" shall mean each of (i) Mortgagor, (ii) any entity obligated under any guaranty or indemnity made in favor of Mortgagee in connection with the Loan and (iii) any shareholder, partner, member or non-member manager, or any direct or indirect legal or beneficial owner of Mortgagor or any entity obligated under a guaranty or indemnity made in favor of Mortgagee in connection with the Loan.
- "Transfer" shall mean any sale, installment sale, exchange, mortgage, pledge, hypothecation, assignment, encumbrance or other transfer, conveyance or disposition, whether voluntarily, involuntarily or by operation of law or otherwise.
- b. PROPERTY TRANSFERS.

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- (i) Prohibited Property Transfers. Except as hereinafter provided, Mortgagor shall not, without Mortgagee's prior written consent, cause or permit any Transfer of all or any part of or any direct or indirect legal or beneficial interest in the Property or the Collateral (collectively, a "Prohibited Property Transfer"), including, without limitation, (A) a Lease of all or a material part of the Property for any purpose other than actual occupancy by a space tenant; and (B) the Transfer of all or any part of Mortgagor's right, title and interest in and to any Leases or Payments.
- (ii) Permitted Property Transfers. Except as hereinafter provided, notwithstanding the foregoing, none of the following Transfers shall be deemed to be a Prohibited Property Transfer: (A) a Transfer which is expressly permitted under the Note; (B) a Lease which is permitted under Article 3; (C) the sale of inventory in the ordinary course of business; and (D) the replacement of obsolete equipment in accordance with this Mortgage. No transfer fee will be required for such Permitted Property Transfers.

c. EQUITY TRANSFERS.

- (i) Prohibited Equity Transfers. Mortgagor shall not cause or permit any Transfer of any direct or indirect legal or beneficial interest in a Restricted Party (collectively, a "Prohibited Equity Transfer"), including without limitation, (A) if a Restricted Party is a corporation, any merger, consolidation or other Transfer of such corporation's stock or the creation or issuance of new stock in one or a series of transactions; (B) if a Restricted Party is a limited partnership, limited liability partnership, general partnership or joint venture, any merger or consolidation or the change, removal, resignation or addition of a general partner or the Transfer of the partnership interest of any general or limited partner or any profits or proceeds relating to such partnership interests or the creation or issuance of new limited partnership interests; (C) if a Restricted Party is a limited liability" company, any merger or consolidation or the change, removal, resignation or addition of a managing member or non-member manager (or if no managing member, any member) or any profits or proceeds relating to such membership interest, or the Transfer of a non-managing membership interest or the creation or issuance of new nonmanaging membership interests; or (D) if a Restricted Party is a trust, any merger, consolidation or other Transfer of any legal or beneficial interest in such Restricted Party or the creation or issuance of new legal or beneficial interests.
- (ii) Permitted Equity Transfers. Notwithstanding the foregoing, none of the following Transfers shall be deemed to be a Prohibited Equity Transfer: (A) a Transfer by a natural person who is a member, partner or shareholder of a Restricted Party to a revocable inter vivos trust having such natural person as trustor of such trust and one or more immediate

family members of such natural person as the sole beneficiaries of such trust ("Revocable Family Trust"); (B) a Transfer by devise or descent or by operation of law upon the death of a member, partner or shareholder of a Restricted Party where such Transfer does not result in a Default under Section 7.1(a)(vi) below; and (C) a Transfer, in one or a series of transactions, of not more than 49% of the stock, limited partnership interests or non-managing membership interests (as the case may be) in a Restricted Party; provided, however, no such Transfers result in a change of control in the Mortgagor. Notwithstanding anything to the contrary contained in this Section 6.15, Lender and rating agency prior consent shall not be required (provided Mortgagor pays all the reasonable out-of-pocket costs in connection with such transfer) with respect to transfers of direct and/or indirect interests in the Mortgagor to third parties or to other direct or indirect equity owners of Mortgagor, so long as (1) a qualified institutional investment fund managed by Fortress Investment Group LLC, with assets in excess of six hundred million and 00/100 dollars (\$600,000,000.00) (the "Fortress Fund") or a Qualified Transferee, continues to own at all times, directly or indirectly, at least a fifty-one percent (51%) interest in Mortgagor, (2) the Fortress Fund or a Qualified Transferee (defined below) shall control Mortgagor and the day-to-day operations of the Property, (3) the Property shall be managed by a Qualified Manager (defined below) and (4) Mortgagor and its general partner or managing member, as applicable,

continue to comply with the provisions set forth in Section 5.2 of this Mortgage.

- (iii) No transfer fee will be required for (1) any Permitted Equity Transfers in clause (ii) (A), (B) or (C) above or (2) a transfer in accordance with the last sentence of clause (ii) (other than a transfer or a series of transfers by Drawbridge Special Opportunities Fund LP to a Qualified Transferee which results in such Qualified Transferee owning more than a 88% membership interest in the Borrower, in which case a transfer fee equal to 1% of the outstanding principal amount of the Loan is due and payable but in no event less than \$15,000).

"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

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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 Controlled by any of the entities described in clause (i) or clauses (A) or (C) above;

(E) a Qualified Trustee in connection with a securitization of, the creation of collateralized debt obligations ("CDO") secured by or financing through an "owner trust" of, the Loan (collectively, "Securitization Vehicles"), so long as (A) the special servicer or manager of such Securitization Vehicle has the Required Special Servicer Rating (defined below) and (B) the entire "controlling class" of such Securitization Vehicle, other than with respect to a CDO Securitization Vehicle, is held by one or more entities that are otherwise Qualified Transferees under clauses (A), (B), (C) or (D) of this definition; provided that the operative documents of the related Securitization Vehicle require that (1) in the case of a CDO Securitization Vehicle, the "equity interest" in such Securitization Vehicle is owned by one or more entities that are Qualified Transferees under clauses (A), (B), (C) or (D) of this definition and (2) if any of the relevant trustee, special servicer, manager fails to meet the requirements of this clause (E), such Person must be replaced by a Person meeting the requirements of this clause (E) within thirty (30) days;

(F) an investment fund, limited liability company, limited partnership or general partnership where 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; or

(G) Stonewater Partners Inc., provided it has total assets (in name or under management) in excess of \$300,000,000.00 and capital/statutory surplus or shareholder's equity of \$125,000,000.00.

"Eligibility Requirements" means, with respect to any Person, that such Person (i) has total assets (in name or under management) in excess of \$600,000,000.00 and (except with respect to a pension advisory firm or similar fiduciary) capital/statutory surplus or shareholder's equity of \$250,000,000.00 and (ii) is regularly engaged in the business of making or owning commercial real estate loans or operating commercial mortgage properties.

"Qualified Manager" shall mean Fox Development Corporation, Stonewater Management LLC or a reputable and experienced professional management organization (a) which manages, together with its affiliates, at least five (5) first class office buildings totaling at least 1,000,000 square feet of gross leasable area, exclusive of the Property and (b) approved by Lender, which approval shall not be unreasonably withheld or delayed and for which Lender shall have received written confirmation from the Rating Agencies that the employment of such manager will not result in a downgrade, withdrawal or qualification of the initial, or if higher, then current ratings issued in connection with a Securitization, or if a Securitization has not occurred, any ratings to be assigned in connection with a Securitization.

"Required Special Servicer Rating" means (i) a rating of "CSS1" in the case of Fitch, (ii) on the S&P list of approved special servicers in the case of S&P 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.

- (iv) SPE Status. Nothing contained in this Section 6.15(c) shall be construed to permit any Transfer which would result in a breach of any representation, warranty or covenant of Mortgagor under Section 5.2 above. Notwithstanding anything to the contrary contained in this Section 6.15(c), if a nonconsolidation opinion was required as a condition to closing of the Loan, (A) Mortgagor shall deliver to Mortgagee at least 60 days' prior written notice of any Transfer under Section 6.15(c) above (other than the Transfer referenced in 6.15(c)(ii)(B)), (B) if required by Mortgagee, it shall be a condition precedent to any Transfer under Section 6.15(c) above (other than the Transfer referenced in 6.15(c)(ii)(B)) that Mortgagor deliver to Mortgagee a current nonconsolidation opinion in form and content and rendered by counsel reasonably satisfactory to Mortgagee in its sole and absolute discretion and (C) such a nonconsolidation opinion shall be delivered to Mortgagee, not more than 60 days' following any Transfer under Section 6.15(c)(ii)(B) above.

- D. CERTIFICATES OF OWNERSHIP. Mortgagor shall deliver to Mortgagee, at any time and from time to time, not more than 5 days after Mortgagee's written request therefor, a certificate, in form acceptable to Mortgagee, signed and dated by Mortgagor, listing the names of all persons and entities (except the partners that make up Drawbridge Special Opportunities Fund LP) holding direct or indirect legal or beneficial interests in the Mortgagor or the Property and the type and amount of each such interest.

6.16. INTENTIONALLY OMITTED.

6.17. INTENTIONALLY OMITTED.

6.18. EXCULPATION. Mortgagee shall not directly or indirectly be liable to Mortgagor or any other person as a consequence of: (a) the exercise of the rights, remedies or powers granted to Mortgagee in this Mortgage; (b) the failure or refusal of Mortgagee to perform or discharge any obligation or liability of Mortgagor under any agreement related to the Property or under this Mortgage; or (c) any loss sustained by Mortgagor or any third party resulting from Mortgagee's failure to lease the Property after a Default (hereafter defined) or from any other act or omission of Mortgagee in managing the Property after a Default unless the loss is caused by the gross negligence, willful misconduct and/or bad faith of Mortgagee and no such liability shall be asserted or enforced against Mortgagee, all such liability being expressly waived and released by Mortgagor.

6.19. INDEMNITY. Without in any way limiting any other indemnity contained in this Mortgage, Mortgagor agrees to defend, indemnify and hold harmless Mortgagee and the Mortgagee Group from and against any claim, any actual loss, damage, cost, expense or liability directly or indirectly arising out of: (a) the making of the Loan, except for violations of banking laws or regulations by the Mortgagee Group; (b) this Mortgage; (c) the execution of

this Mortgage or the performance of any act required or permitted hereunder or by law; (d) any failure of Mortgagor to perform Mortgagor's obligations under this Mortgage or the other Loan Documents; (e) any alleged obligation or undertaking on the Mortgagee Group's part to perform or discharge any of the representations, warranties, conditions, covenants or other obligations contained in any other document related to the Property; (f) any act or omission by Mortgagor or any contractor, agent, employee or representative of Mortgagor with respect to the Property; or (g) any claim, loss, damage, cost, expense or liability directly or indirectly arising out of: (i) the use, generation, manufacture, storage, treatment, release, threatened release, discharge, disposal, transportation or presence of any Hazardous Materials which are found in, on, under or about the Property (including, without limitation, underground contamination in violation of applicable Hazardous Materials Laws); or (ii) the breach of any covenant, representation or warranty of Mortgagor under Sections 5.1.p, 5.1.q, 5.1.r, or 6.2 above. The foregoing notwithstanding, this indemnity shall not include any claim, loss, damage, cost, expense or liability directly or indirectly arising out of the gross negligence or willful misconduct of any member of the Mortgagee Group or Mortgagee, or any claim, loss, damage, cost, expense or liability incurred by the Mortgagee Group or Mortgagee arising from any act or incident on the Property occurring after the full reconveyance and release of the lien of this Mortgage on the Property, or with respect to the matters set forth in clause (g) above, any claim, loss, damage, cost, expense or liability incurred by the Mortgagee Group resulting from the introduction and initial release of Hazardous Materials on the Property occurring after the transfer of title to the Property at a foreclosure sale under this Mortgage, either pursuant to judicial decree or the power of sale, or by deed in lieu of such foreclosure. This indemnity shall include, without limitation: (aa) all consequential damages (including, without limitation, any third party tort claims or governmental claims, fines or penalties against Mortgagee or the Mortgagee Group); (bb) all court costs and reasonable

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attorneys' fees (including, without limitation, reasonable expert witness fees) paid or incurred by Mortgagee or the Mortgagee Group (Mortgagor shall not be liable for the counsel of more than one separate counsel unless one of the members of the Mortgagee Group shall have reasonably concluded that there may be legal defenses available to it that are different from or additional to those available to other members of the Mortgagee Group; and (cc) the costs, whether foreseeable or unforeseeable, of any investigation, repair, cleanup or detoxification of the Property which is required by any governmental entity or is otherwise necessary to render the Property in compliance with all laws and regulations pertaining to Hazardous Materials. "Mortgagee Group", as used herein, shall mean (1) Mortgagee and (including, without limitation, any participant in the Loan), (2) any entity controlling, controlled by or under common control with Mortgagee, (3) the directors, officers, employees and agents of Mortgagee and such other entities, and (4) the successors, heirs and assigns of the entities and persons described in foregoing clauses (1) through (3). Mortgagor shall pay within ten (10) days after Mortgagee's demand any amounts owing under this indemnity together with interest if not paid within such ten (10) day period from the date the indebtedness arises until paid at the rate of interest applicable to the principal balance of the Note as specified therein. Mortgagor agrees to use legal counsel reasonably acceptable to the Mortgagee and the Mortgagee Group in any action or proceeding arising under this indemnity. THE PROVISIONS OF THIS SECTION SHALL SURVIVE THE RELEASE OF THIS MORTGAGE, BUT MORTGAGOR'S LIABILITY UNDER THIS INDEMNITY SHALL BE SUBJECT TO THE PROVISIONS OF THE SECTION IN THE NOTE ENTITLED "BORROWER'S LIABILITY."

6.20. INTENTIONALLY OMITTED.

6.21. RELEASES, EXTENSIONS, MODIFICATIONS AND ADDITIONAL SECURITY. Without notice to or the consent, approval or agreement of any persons or entities having any interest at any time in the Property or in any manner obligated under the Secured Obligations ("Interested Parties"), Mortgagee may, from time to time: (a) fully or partially release any person or entity from liability for the payment or performance of any Secured Obligation; (b) extend the maturity of any Secured Obligation; (c) make any agreement with Mortgagor increasing the amount or otherwise altering the terms of any Secured Obligation; (d) accept additional security for any Secured Obligation; or (e) release all or any portion of the Property, Collateral and other security for any Secured Obligation. None of the foregoing actions shall release or reduce the personal liability of any of said Interested Parties, or release or impair the priority of the lien of this Mortgage upon the Property.

6.22. SALE OR PARTICIPATION OF LOAN. Mortgagee may at any time sell, assign, participate or securitize all or any portion of Mortgagee's rights and obligations under the Loan Documents, and that any such sale, assignment, participation or securitization may be to one or more financial

institutions or other entities, to private investors, or into the public securities market, in Mortgagee's sole discretion. Mortgagor further agrees that Mortgagee may disseminate to any such actual or potential purchaser(s), assignee(s) or participant(s) (and to any investment banking firms, rating agencies, accounting firms, law firms and other third party advisory firms and investors involved with the Loan and

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the Loan Documents or the applicable sale, assignment, participation or securitization) all documents and financial and other information heretofore or hereafter provided to Mortgagee in connection with the Loan with respect to: (a) the Property and its operation; (b) any party connected with the Loan (including, without limitation, Mortgagor or Mortgagee, any partner or member of Mortgagor or Mortgagee, any constituent partner or member of Mortgagor or Mortgagee, any guarantor and any nonborrower Mortgagor). In the event of any such sale, assignment, participation or securitization, Mortgagee and the other parties to the same shall share in the rights and obligations of Mortgagee set forth in the Loan Documents as and to the extent they shall agree among themselves. In connection with any such sale, assignment, participation or securitization, Mortgagor further agrees that the Loan Documents shall be sufficient evidence of the obligations of Mortgagor to each purchaser, assignee or participant, and Mortgagor shall, within 30 days after request by Mortgagee; (c) deliver to Mortgagee such information and documents relating to Mortgagor, the Property and its operation and any party connected with the Loan as Mortgagee may reasonably request or any rating agency may request; (d) deliver to Mortgagee an estoppel certificate for the benefit of Mortgagee and any other party designated by Mortgagee verifying the status and terms of the Loan, in form and content reasonably satisfactory to Mortgagee; (e) enter into such amendments to the Loan Documents as may be reasonably requested by Lender or as requested by any rating agency in order to facilitate any such sale, assignment, participation or securitization without impairing Mortgagor's rights or increasing Mortgagor's obligations under the Loan Documents as in effect on the date hereof; (f) if, as a condition to the closing of the Loan, Mortgagor was required to be a special-purpose bankruptcy-remote entity, enter into such amendments to the organizational documents of Mortgagor as any rating agency may request to preserve or enhance Mortgagor's specialpurpose bankruptcy-remote status; (g) if, as a condition to the closing of the Loan, Mortgagor was required to provide Mortgagee with any nonconsolidation opinions, provide Mortgagee with such amendments and restatements of such opinions as any rating agency may request; and (h) deliver to Mortgagee such Delaware springing member limited liability company opinions acceptable to Mortgagee as any rating agency may request. The indemnity obligations of Mortgagor under the Loan Documents shall also apply with respect to any purchaser, assignee or participant. Notwithstanding the foregoing, in connection with this Section 6.22, Mortgagor shall not be obligated to pay its own attorneys' fees in excess of \$2,500 and Mortgagee will reimburse Mortgagor for all actual out of pocket costs, including reasonable attorneys' fees, over \$2,500.

- 6.23. RELEASE. Upon payment in full of the Secured Obligations, Mortgagee shall release, without warranty, the lien of this Mortgage. The recitals of any matters or facts in any release executed hereunder shall be conclusive proof of the truthfulness thereof. To the extent permitted by law, the release may describe any grantee named therein as "the person or persons legally entitled thereto". Mortgagee shall have no duty to determine the rights of persons claiming to be rightful grantees under any such release.
- 6.24. SUBROGATION. Mortgagee shall be subrogated to the lien of all encumbrances, whether released of record or not, paid in whole or in part by Mortgagee pursuant to this Mortgage or by the proceeds of any loan secured by this Mortgage.

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ARTICLE 7. DEFAULT

- 7.1. DEFAULT. For all purposes hereof, "Default" shall mean either an "Optional Default" (as defined below) or an "Automatic Default" (as defined below).
- a. OPTIONAL DEFAULT. An "Optional Default" shall occur, at Mortgagee's option, upon the occurrence of any of the following events:
- (i) MONETARY. Provided failure to pay when due is not as a result of Lender's failure to deposit the sums in a timely manner pursuant to the Cash Management Agreement, Mortgagor shall fail to (aa) pay when due any sums which by their express terms require immediate payment without any grace period or sums which are payable on the Maturity Date, or (bb) pay within 5 days when due

any other sums payable under the Note, this Mortgage or any of the other Loan Documents, including without limitation, any monthly payment due under the Note.

- (ii) FAILURE TO PERFORM. Mortgagor shall fail to observe, perform or discharge any of Mortgagor's obligations, covenants, conditions or agreements, other than Mortgagor's payment obligations, under the Note, this Mortgage or any of the other Loan Documents, and (aa) such failure shall remain uncured for 30 days after written notice thereof shall have been given to Mortgagor, as the case may be, by Mortgagee or (bb) if such failure is of such a nature that it cannot be cured within such 30 day period, Mortgagor shall fail to commence to cure such failure within such 30 day period or shall fail to diligently prosecute such curative action thereafter.
- (iii) REPRESENTATIONS AND WARRANTIES. Any representation, warranty, certificate or other statement (financial or otherwise) made or furnished by or on behalf of Mortgagor, or a guarantor, if any, to Mortgagee or in connection with any of the Loan Documents, or as an inducement to Mortgagee to make the Loan, shall be false, incorrect, incomplete or misleading in any material respect when made or furnished (excluding statements made in third party reports accepted by Mortgagee in connection with this Loan).
- (iv) ATTACHMENT. The sequestration or attachment of, or levy or execution upon any of the Property, the Collateral or any other collateral provided by Mortgagor under any of the Loan Documents, or any material portion of the other assets of Mortgagor, which sequestration, attachment, levy or execution is not released or dismissed within 60 days after its occurrence; or the sale of any assets affected by any of the foregoing.
- (v) INTENTIONALLY DELETED.
- (vi) KEY PERSON OR ENTITY. The retirement, death, incapacity or material reduction in current management authority or duties, if any, of Jeffrey

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Toporek and David Stade and Mortgagor's failure to provide a substitute or replacement reasonably acceptable to Mortgagee within 45 days after the occurrence of any such event.

- b. AUTOMATIC DEFAULT. An "Automatic Default" shall occur automatically upon the occurrence of any of the following events:
 - (i) VOLUNTARY BANKRUPTCY, INSOLVENCY, DISSOLUTION. (aa) Mortgagor's filing a petition for relief under the Bankruptcy Reform Act of 1978, as amended or recodified ("Bankruptcy Code"), or under any other present or future state or federal law regarding bankruptcy, reorganization or other relief to debtors (collectively, "Debtor Relief Law"); or (bb) Mortgagor's filing any pleading in any involuntary proceeding under the Bankruptcy Code or other Debtor Relief Law which admits the jurisdiction of a court to regulate Mortgagor or the Property or the petition's material allegations regarding Mortgagor's insolvency; or (cc) Mortgagor's making a general assignment for the benefit of creditors; or (dd) Mortgagor's applying for, or consenting to the appointment of, a receiver, trustee, custodian or liquidator of Mortgagor or any of its property; or (ee) the filing by Mortgagor of a petition seeking the liquidation or dissolution of Mortgagor or the commencement of any other procedure to liquidate or dissolve Mortgagor.
 - (ii) INVOLUNTARY BANKRUPTCY. Mortgagor's failure to obtain a stay or a full dismissal of any involuntary petition under the Bankruptcy Code or other Debtor Relief Law that is filed against Mortgagor or in any way restrains or limits Mortgagor or Mortgagee regarding the Loan or the Property, prior to the earlier of the entry of any order granting relief sought in the involuntary petition or 60 days after the date of filing of the petition.
 - (iii) PARTNERS, GUARANTORS. The occurrence of an event specified in Sections (i) or (ii) as to Mortgagor, any general partner or managing member of Mortgagor, or any guarantor or other person or entity in any manner obligated to Mortgagee under the Loan Documents.

7.2. ACCELERATION. Upon the occurrence of an Optional Default, Mortgagee may, at its option, declare all sums owing to Mortgagee under the Note and the other Loan Documents immediately due and payable. Upon the occurrence of an

Automatic Default, all sums owing to Mortgagee under the Note and the other Loan Documents shall automatically become immediately due and payable.

7.3. RIGHTS AND REMEDIES. In addition to the rights and remedies in Section 7.2 above, at any time after a Default, Mortgagee shall have all of the following rights and remedies:

- a. ENTRY ON PROPERTY. With or without notice, and without releasing Mortgagor from any Secured Obligation, and without becoming a mortgagee in possession,

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to enter upon the Property from time to time and to do such acts and things as Mortgagee deems necessary or desirable in order to inspect, investigate, assess and protect the security hereof or to cure any Default, including, without limitation: (i) to take and possess all documents, books, records, papers and accounts of Mortgagor or the then owner of the Property which relate to the Property; (ii) to make, terminate, enforce or modify leases of the Property upon such terms and conditions as Mortgagee deems proper; (iii) to make repairs, alterations and improvements to the Property necessary, in Mortgagee's sole judgment, to protect or enhance the security hereof; (iv) to appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Mortgagee hereunder; (v) to pay, purchase, contest or compromise any encumbrance, charge, lien or claim of lien which, in the sole judgment of Mortgagee, is or may be senior in priority hereto, the judgment of Mortgagee being conclusive as between the parties hereto; (vi) to obtain insurance; (vii) to pay any premiums or charges with respect to insurance required to be carried hereunder or under any other Loan Document; (viii) to obtain a court order to enforce Mortgagee's right to enter and inspect the Property for Hazardous Materials, in which regard the decision of Mortgagee as to whether there exists a release or threatened release of Hazardous Materials onto the Property shall be deemed reasonable and conclusive as between the parties hereto; (ix) to have a receiver appointed pursuant to applicable law to enforce Mortgagee's rights to enter and inspect the Property for Hazardous Materials; and/or (x) to employ legal counsel, accountants, engineers, consultants, contractors and other appropriate persons to assist them;

- b. APPOINTMENT OF RECEIVER. With or without notice or hearing to apply to a court of competent jurisdiction for and obtain appointment of a receiver, trustee, liquidator or conservator of the Property, for any purpose, including, without limitation, to enforce Mortgagee's rights to collect Payments and to enter on and inspect the Property for Hazardous Materials, as a matter of strict right and without regard to: (i) the adequacy of the security for the repayment of the Secured Obligations; (ii) the existence of a declaration that the Secured Obligations are immediately due and payable; (iii) the filing of a notice of default; or (iv) the solvency of Mortgagor or any other guarantor or other person or entity in any manner obligated to Mortgagee under the Loan Documents.

- c. JUDICIAL FORECLOSURE; INJUNCTION. To commence and maintain an action or actions in any court of competent jurisdiction to foreclose this Mortgage or to obtain specific enforcement of the covenants of Mortgagor hereunder, and Mortgagor agrees that such covenants shall be specifically enforceable by injunction or any other appropriate equitable remedy and that for the purposes of any suit brought under this subparagraph, Mortgagor waives the defense of laches and any applicable statute of limitations to the extent permitted by law;

Upon sale of the Property, Mortgagee may credit bid (as determined by Mortgagee in its sole and absolute discretion) all or any portion of the Secured Obligations. In determining such credit bid, Mortgagee may, but is not obligated

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to, take into account all or any of the following: (i) appraisals of the Property as such appraisals may be discounted or adjusted by Mortgagee in its reasonable underwriting discretion; (ii) expenses and costs incurred by Mortgagee with respect to the Property prior to foreclosure; (iii) expenses and costs which Mortgagee anticipates will be incurred with respect to the Property after foreclosure, but prior to resale, including, without limitation, costs of structural reports and other due diligence, costs to carry the Property prior to resale, costs of resale (e.g. reasonable commissions, attorneys' fees, and taxes), costs of any Hazardous Materials clean-up and monitoring, costs of deferred maintenance, repair, refurbishment and retrofit,

costs of defending or settling litigation affecting the Property, and lost opportunity costs (if any), including the time value of money during any anticipated holding period by Mortgagee; (iv) declining trends in real property values generally and with respect to properties similar to the Property in the area of the Property; (v) anticipated discounts upon resale of the Property as a distressed or foreclosed property; (vi) the fact of additional collateral (if any), for the Secured Obligations; and (vii) such other factors or matters that Mortgagee (in its sole and absolute discretion) deems appropriate. In regard to the above, Mortgagor acknowledges and agrees that: (viii) Mortgagee is not required to use any or all of the foregoing factors to determine the amount of its credit bid; (ix) this paragraph does not impose upon Mortgagee any additional obligations that are not imposed by law at the time the credit bid is made; (x) the amount of Mortgagee's credit bid need not have any relation to any loan-to-value ratios specified in the Loan Documents or previously discussed between Mortgagor and Mortgagee; and (xi) Mortgagee's credit bid may be (at Mortgagee's sole and absolute discretion) higher or lower than any appraised value of the Property;

- d. **MULTIPLE FORECLOSURES.** To resort to and realize upon the security hereunder and any other security now or later held by Mortgagee concurrently or successively and in one or several consolidated or independent judicial actions or lawfully taken nonjudicial proceedings, or both, and to apply the proceeds received upon the Secured Obligations all in such order and manner as Mortgagee determines in its sole discretion;
- e. **RIGHTS TO COLLATERAL.** To exercise all rights Mortgagee may have with respect to the Collateral under this Mortgage, the UCC or otherwise at law; and
- f. **OTHER RIGHTS.** To exercise such other rights as Mortgagee may have at law or in equity or pursuant to the terms and conditions of this Mortgage or any of the other Loan Documents.

In connection with any sale or sales hereunder, Mortgagee may elect to treat any of the Property which consists of a right in action or which is property that can be severed from the Property (including, without limitation, any improvements forming a part thereof) without causing structural damage thereto as if the same were personal property or a fixture, as the case may be, and dispose of the same in accordance with applicable law,

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separate and apart from the sale of the Property. Any sale of Collateral hereunder shall be conducted in any manner permitted by the UCC.

- 7.4. **APPLICATION OF FORECLOSURE SALE PROCEEDS.** If any foreclosure sale is effected, Mortgagee shall apply the proceeds of such sale in the following order of priority: First, to the costs, fees and expenses of such sale; Second, to the payment of the Secured Obligations which are secured by this Mortgage, in such order as Mortgagee shall determine in its sole discretion; and Third, to the Mortgagor or the Mortgagor's successor in interest, or in the event the Property has been sold or transferred to another, to the vested owner of record at the time of the sale.
- 7.5. **WAIVER OF MARSHALING RIGHTS, RIGHTS OF REDEMPTION AND REINSTATEMENT.** Mortgagor, for itself and for all parties claiming through or under Mortgagor, and for all parties who may acquire a lien on or interest in the Property, hereby waives all rights to have the Property and/or any other property, including, without limitation, the Collateral, which is now or later may be security for any Secured Obligation, marshaled upon any foreclosure of this Mortgage or on a foreclosure of any other security for any of the Secured Obligations. Mortgagor further waives, for itself and for all parties claiming through or under Mortgagor, any and all rights of redemption and reinstatement.
- 7.6. **NO CURE OR WAIVER.** Neither Mortgagee's nor any receiver's entry upon and taking possession of all or any part of the Property, nor any collection of rents, issues, profits, insurance proceeds, condemnation proceeds or damages, other security or proceeds of other security, or other sums, nor the application of any collected sum to any Secured Obligation, nor the exercise of any other right or remedy by Mortgagee or any receiver shall cure or waive any Default or notice of default under this Mortgage, or nullify the effect of any notice of default or sale (unless all Secured Obligations then due have been paid or performed and Mortgagor has cured all other Defaults hereunder), or impair the status of the security, or prejudice Mortgagee in the exercise of any right or remedy, or be construed as an affirmation by Mortgagee of any tenancy, lease or option or a subordination of the lien of this Mortgage.

- 7.7. PAYMENT OF COSTS, EXPENSES AND ATTORNEYS' FEES. Mortgagor agrees to pay to Mortgagee within 5 business days demand all actual out-of-pocket costs and expenses incurred by Mortgagee in the enforcement of the terms and conditions of this Mortgage (including, without limitation, court costs and reasonable attorneys' fees, whether incurred in litigation or not) with interest from the date of expenditure until said sums have been paid at the rate of interest applicable to the principal balance of the Note as specified therein if not paid within 5 business days of demand.
- 7.8. POWER TO FILE NOTICES AND CURE DEFAULTS. Mortgagor hereby irrevocably appoints Mortgagee and its successors and assigns, as its attorney-in-fact, which agency is coupled with an interest, to perform any obligation of Mortgagor hereunder upon the occurrence of a Default, provided, however, that: (a) Mortgagee as such attorney-in-fact shall only be accountable for such funds as are actually received by

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Mortgagee; and (b) Mortgagee shall not be liable to Mortgagor or any other person or entity for any failure to act under this Section.

- 7.9. REMEDIES CUMULATIVE. All rights and remedies of Mortgagee under this Mortgage and the other Loan Documents are cumulative and are in addition to all rights and remedies provided by applicable law. Mortgagee may enforce any one or more remedies or rights under the Loan Documents either successively or concurrently.

ARTICLE 8. MISCELLANEOUS PROVISIONS

- 8.1. ADDITIONAL PROVISIONS. The Loan Documents contain or incorporate by reference the entire agreement of the parties with respect to matters contemplated herein and supersede all prior negotiations. The Loan Documents grant further rights to Mortgagee and contain further agreements and affirmative and negative covenants by Mortgagor which apply to this Mortgage and to the Property and such further rights and agreements are incorporated herein by this reference. THE OBLIGATIONS AND LIABILITIES OF MORTGAGOR UNDER THIS MORTGAGE AND THE OTHER LOAN DOCUMENTS ARE SUBJECT TO THE PROVISIONS OF THE SECTION IN THE NOTE ENTITLED "BORROWER'S LIABILITY."
- 8.2. NON-WAIVER. By accepting payment of any amount secured hereby after its due date or late performance of any other Secured Obligation, Mortgagee shall not waive its right against any person obligated directly or indirectly hereunder or on any Secured Obligation, either to require prompt payment or performance when due of all other sums and obligations so secured or to declare default for failure to make such prompt payment or performance. No exercise of any right or remedy by Mortgagee hereunder shall constitute a waiver of any other right or remedy herein contained or provided by law. No failure by Mortgagee to exercise any right or remedy hereunder arising upon any Default shall be construed to prejudice Mortgagee's rights or remedies upon the occurrence of any other or subsequent Default. No delay by Mortgagee in exercising any such right or remedy shall be construed to preclude Mortgagee from the exercise thereof at any time while that Default is continuing. No notice to nor demand on Mortgagor shall of itself entitle Mortgagor to any other or further notice or demand in similar or other circumstances.
- 8.3. CONSENTS AND APPROVALS. Wherever Mortgagee's consent, approval, acceptance or satisfaction is required under any provision of this Mortgage or any of the other Loan Documents, such consent, approval, acceptance or satisfaction shall not be unreasonably withheld, conditioned or delayed by Mortgagee unless such provision expressly so provides.
- 8.4. PERMITTED CONTESTS. After prior written notice to Mortgagee, Mortgagor may contest, by appropriate legal or other proceedings conducted in good faith and with due diligence, the amount, validity or application, in whole or in part, of any lien, levy, tax or assessment, or any lien of any laborer, mechanic, materialman, supplier or vendor, or the application to Mortgagor or the Property of any law or the validity thereof, the assertion or imposition of which, or the failure to pay when due, would constitute a Default;

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provided that (a) Mortgagor pursues the contest diligently, in a manner which Mortgagee reasonably determines is not prejudicial to Mortgagee, and does not impair the lien of this Mortgage; (b) the Property, or any part hereof or estate or interest therein, shall not be in any danger of being sold, forfeited or lost by reason of such proceedings; (c) in the case of the contest of any law or other legal requirement, Mortgagee shall not be in any danger of any civil or criminal liability; and (d) if required by Mortgagee, Mortgagor deposits with Mortgagee any funds or other forms of

assurance (including a bond or letter of credit) reasonably satisfactory to Mortgagee to protect Mortgagee from the consequences of the contest being unsuccessful. Mortgagor's right to contest pursuant to the terms of this provision shall in no way relieve Mortgagor of its obligations under the Loan or to make payments to Mortgagee as and when due.

- 8.5. FURTHER ASSURANCES. Mortgagor shall, upon demand by Mortgagee, execute, acknowledge (if appropriate) and deliver any and all documents and instruments and do or cause to be done all further acts reasonably necessary or appropriate to effectuate the purposes of the Loan Documents and to perfect any assignments contained therein.
- 8.6. ATTORNEYS' FEES. If any legal action, suit or proceeding is commenced between Mortgagor and Mortgagee regarding their respective rights and obligations under this Mortgage or any of the other Loan Documents, the prevailing party shall be entitled to recover, in addition to damages or other relief, costs and expenses, reasonable attorneys' fees and court costs (including, without limitation, reasonable expert witness fees). As used herein the term "prevailing party" shall mean the party which obtains the principal relief it has sought, whether by compromise settlement or judgment. If the party which commenced or instituted the action, suit or proceeding shall dismiss or discontinue it without the concurrence of the other party, such other party shall be deemed the prevailing party.
- 8.7. MORTGAGOR AND MORTGAGEE DEFINED. The term "Mortgagor" includes both the original Mortgagor and any subsequent owner or owners of any of the Property, and the term "Mortgagee" includes the original Mortgagee and any future owner or holder, including assignees, pledges and participants, of the Note or any interest therein.
- 8.8. DISCLAIMERS.
- a. RELATIONSHIP. The relationship of Mortgagor and Mortgagee under this Mortgage and the other Loan Documents is, and shall at all times remain, solely that of borrower and lender; and Mortgagee neither undertakes nor assumes any responsibility or duty to Mortgagor or to any third party with respect to the Property. Notwithstanding any other provisions of this Mortgage and the other Loan Documents: (i) Mortgagee is not, and shall not be construed to be, a partner, joint venturer, member, alter ego, manager, controlling person or other business associate or participant of any kind of Mortgagor, and Mortgagee does not intend to ever assume such status; and (ii) Mortgagee shall not be deemed responsible for or a participant in any acts, omissions or decisions of Mortgagor.
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- b. NO LIABILITY. Mortgagee shall not be directly or indirectly liable or responsible for any loss, claim, cause of action, liability, indebtedness, damage or injury of any kind or character to any person or property arising from any construction on, or occupancy or use of, the Property, unless caused by gross negligence or willful misconduct of Mortgagee, its agents or contractors, whether caused by or arising from: (i) any defect in any building, structure, grading, fill, landscaping or other improvements thereon or in any on-site or off-site improvement or other facility therein or thereon; (ii) any act or omission of Mortgagor or any of Mortgagor's agents, employees, independent contractors, licensees or invitees; (iii) any accident in or on the Property or any fire, flood or other casualty or hazard thereon; (iv) the failure of Mortgagor or any of Mortgagor's licensees, employees, invitees, agents, independent contractors or other representatives to maintain the Property in a safe condition; or (v) any nuisance made or suffered on any part of the Property.
- 8.9. SEVERABILITY. If any term of this Mortgage or any other Loan Document, or the application thereof to any person or circumstances, shall, to any extent, be invalid or unenforceable, the remainder of this Mortgage or such other Loan Document, or the application of such term to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term of this Mortgage or such other Loan Document shall be valid and enforceable to the fullest extent permitted by law.
- 8.10. RELATIONSHIP OF ARTICLES. The rights, remedies and interests of Mortgagee under the mortgage established by Article 1 and the security agreement established by Article 4 are independent and cumulative, and there shall be no merger of any lien created by the mortgage with any security interest created by the security agreement. Mortgagee may elect to exercise or enforce any of its rights, remedies or interests under either or both the mortgage or the security agreement as Mortgagee may from time to time deem appropriate. The absolute assignment of rents and leases established by Article 3 is similarly independent of and separate from the mortgage and the security agreement.

- 8.11. MERGER. No merger shall occur as a result of Mortgagee's acquiring any other estate in, or any other lien on, the Property unless Mortgagee consents to a merger in writing.
- 8.12. OBLIGATIONS OF MORTGAGOR, JOINT AND SEVERAL. If more than one person has executed this Mortgage as "Mortgagor", the obligations of all such persons hereunder shall be joint and several.
- 8.13. SEPARATE AND COMMUNITY PROPERTY. Any married person who executes this Mortgage as a "Mortgagor" agrees that any money judgment which Mortgagee obtains pursuant to the terms of this Mortgage or any other obligation of that married person secured by this Mortgage may be collected by execution upon any separate property or community property of that person.

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- 8.14. INTEGRATION; INTERPRETATION. The Loan Documents contain or expressly incorporate by reference the entire agreement of the parties with respect to the matters contemplated therein and supersede all prior negotiations or agreements, written or oral. The Loan Documents shall not be modified except by written instrument executed by all parties. Any reference in any of the Loan Documents to the Property or Collateral shall include" all or any part of the Property or Collateral. Any reference to the Loan Documents includes any amendments, renewals or extensions now or hereafter approved by Mortgagee in writing. When the identity of the parties or other circumstances make it appropriate, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.
- 8.15. CAPITALIZED TERMS. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Note.
- 8.16. SUCCESSORS IN INTEREST. The terms, covenants, and conditions contained herein and in the other Loan Documents shall be binding upon and inure to the benefit of the heirs, successors and assigns of the parties. The foregoing sentence shall not be construed to permit Mortgagor to assign the Loan except as otherwise permitted under the Note or the other Loan Documents.
- 8.17. GOVERNING LAW. This Mortgage was accepted by Mortgagee in the state New York, which state the parties agree has a substantial relationship to the parties and to the underlying transaction embodied hereby. Accordingly, in all respects, including, without limiting the generality of the foregoing, matters of construction, validity, enforceability and performance, this Mortgage, 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 and any applicable law of the United States of America, except that at all times the provisions for the foreclosure of the liens and all other remedies granted hereunder and the creation, perfection and enforcement of the security interests created pursuant hereto and pursuant to the other Loan Documents in any Collateral which is located in the state where the Property is located shall be governed by and construed according to the law of the state where the Property is located. Except as provided in the immediately preceding sentence, Mortgagor hereby unconditionally and irrevocably waives, to the fullest extent permitted by law, any claim to assert that the law of any jurisdiction other than New York governs this Mortgage, the Note and other Loan Documents.
- 8.18. CONSENT TO JURISDICTION. Mortgagor irrevocably submits to the jurisdiction of: (a) any state or federal court sitting in the state of New York over any suit, action, or proceeding, brought by Mortgagor against Mortgagee, arising out of or relating to this Mortgage, the Note or the Loan; (b) any state or federal court sitting in the state where the Property is located or the state in which Mortgagor's principal place of business is located over any suit, action or proceeding, brought by Mortgagee against Mortgagor, arising out of or relating to this Mortgage, the Note or the Loan; and (c) any state court sitting in the county of the state where the Property is located over any suit, action, or proceeding, brought by Mortgagee to exercise its rights of foreclosure under this

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Mortgage or any action brought by Mortgagee to enforce its rights with respect to the Collateral. Mortgagor irrevocably waives, to the fullest extent permitted by law, any objection that Mortgagor may now or hereafter have to the laying of venue of any such suit, action, or proceeding brought in any such court and any claim that any such suit, action, or proceeding brought in any such court has been brought in an inconvenient forum.

- 8.19. EXHIBITS. Exhibit A is incorporated into this Mortgage by this reference.

8.20. ADDRESSES; REQUEST FOR NOTICE. All notices and other communications that are required or permitted to be given to a party under this Mortgage or the other Loan Documents shall be in writing, refer to the Loan number, and shall be sent to such party, either by personal delivery, by overnight delivery service, by certified first class mail, return receipt requested, or by facsimile transmission to the address or facsimile number below. All such notices and communications shall be effective upon receipt of such delivery or facsimile transmission. The addresses of the parties are set forth on page 1 of this Mortgage and the facsimile numbers for the parties are as follows:

Mortgagee:

WELLS FARGO BANK, N.A.
1320 Willow Pass Road, Suite 205
Concord, California 94520
FAX No.: (925) 691-5947

Mortgagor:

STONEWATER DOX FUNDING LLC
c/o Stonewater Partners
22 Deer Creek Lane
Mt. Kisco, NY 10549
FAX No.: (914) 470-4011

DRAWBRIDGE SPECIAL OPPORTUNITIES FUND LLP
1251 Avenue of the Americas, 16th Floor
New York, New York 10020
Attention: Kevin Treacy
FAX No.: (212) 798-6099

and a copy to:

Solomon and Weinberg LLP
Attention: Craig H. Solomon, Esq.
FAX No.: (212) 605-1001

Mortgagor's principal place of business is at the address set forth on page 1 of this Mortgage.

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Any Mortgagor whose address is set forth on page 1 of this Mortgage hereby requests that a copy of notice of default and notice of sale be delivered to it at that address. Failure to insert an address shall constitute a designation of Mortgagor's last known address as the address for such notice. Any party shall have the right to change its address for notice hereunder to any other location within the continental United States by giving 30 days notice to the other parties in the manner set forth above.

8.21. COUNTERPARTS. This Mortgage may be executed in any number of counterparts, each of which, when executed and delivered, will be deemed an original and all of which taken together, will be deemed to be one and the same instrument.

8.22. WAIVER OF JURY TRIAL. MORTGAGEE AND MORTGAGOR HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHTS THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS MORTGAGE OR ANY OTHER LOAN DOCUMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS OF MORTGAGEE OR MORTGAGOR. THIS PROVISION IS A MATERIAL INDUCEMENT FOR MORTGAGEE TO ENTER INTO THIS MORTGAGE.

[NO FURTHER TEXT ON THIS PAGE]

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IN WITNESS WHEREOF, Mortgagor has executed this Mortgage as of the day and year set forth above.

"MORTGAGOR"

STONEWATER DOX FUNDING LLC,
a Delaware limited liability company

By: /s/ Marc K. Furstain

Name: Marc K. Furstain

STATE OF New York)
) SS.
COUNTY OF New York)

I, Nichole Atkinson a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY that Marc Furstein, as COO of Stonewater Dox Funding LLC, a Delaware limited liability company, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged to me that (he/she), being thereunto duly authorized, signed and delivered said instrument as the free and voluntary act of said corporation, each of said limited partnerships and said limited liability company and as (his/her) own free and voluntary act, for the uses and purposes set forth therein.

GIVEN under my hand and notarial seal this 19 day of Nov., 2003.

Notary Public

My Commission expires: /s/ Nichole Atkinson

NIKHOLE ATKINSON
Notary Public, State of New York
No. 01AT6095553
Qualified in New York Country
Commission Expires July 14, 2007

Loan No. 31-0901388

EXHIBIT A

DESCRIPTION OF LAND

Exhibit A to MORTGAGE AND ABSOLUTE ASSIGNMENT OF RENTS AND LEASES AND SECURITY AGREEMENT (AND FIXTURE FILING) ("Mortgage") among STONEWATER DOX FUNDING LLC, as "Mortgagor", and WELLS FARGO BANK, NATIONAL ASSOCIATION, as "Mortgagee".

Description of Land. The Land referred to in this Mortgage is situated in the County of Champaign, state of Illinois and is described as follows:

Tract 1:

Lot 4 in Final Plat of Lot 4 of Par 3 Development Subdivision, as per Plat recorded as Document 98R 28668, situated in Champaign County, Illinois.

Tract 2:

Lots 5 and 6 of Final Plat of Lots 5, 6 and 7 of Par 3 Development Subdivision, a Subdivision in the City of Champaign, Champaign County, Illinois, as per plat recorded July 10,1996 in Plat Book "CC" at page 185 as Document 96R 17100.

Tract 3:

Lot 7 of Final Plat of Lots 5, 6 and 7 of Par 3 Development Subdivision, a subdivision in the City of Champaign, Champaign County, Illinois, as per plat recorded July 10, 1996 in Plat Book "CC" at page 185 as Document 96R 17100.

Tract 4:

Lot 3 of Final Plat of Lot 3 Par 3 Development Subdivision recorded as Document 98R 14068, situated in Champaign County, Illinois.

EXHIBIT A

ASSUMPTION AGREEMENT

This Assumption Agreement ("AGREEMENT") is made this 21st day of February, 2006, by LASALLE BANK NATIONAL ASSOCIATION, as Trustee for Bear Stearns Commercial Mortgage Securities, Inc., Commercial Mortgage Securities Pass-Through Certificates Series 2004 - PWR3 ("LENDER"), STONEWATER DOX FUNDING LLC, a Delaware limited liability company ("BORROWER"), STONEWATER FUNDING LLC, a Delaware limited liability company, ("GUARANTOR"), ACI06 CHAMPAIGN IL LLC, a Delaware limited liability company ("NEW BORROWER"), and GLADSTONE COMMERCIAL CORPORATION, a Maryland corporation ("NEW GUARANTOR").

RECITALS

- A. Wells Fargo Bank, National Association (the "ORIGINAL LENDER") made a loan to Borrower in the original principal amount of Ten Million and no/100ths Dollars (\$10,000,000.00) ("LOAN"), under the terms and provisions set forth in the following loan documents, all of which are dated as of November 21, 2003 unless otherwise noted:
1. Promissory Note Secured By Mortgage ("NOTE") in the original principal amount of the Loan, made by Borrower and payable to Lender's predecessor in interest;
 2. Mortgage and Absolute Assignment of Rents and Leases and Security Agreement (and Fixture Filing) ("Security Instrument"), executed by Borrower, as Mortgagor, for the benefit of Original Lender, as Mortgagee, which secures the Note and other obligations of Borrower and which was recorded on November 25, 2003, as Instrument No. 2003R52081, in the Office of the Recorder of Champaign County, Illinois ("OFFICIAL RECORDS"), the Mortgagee's interest under which was assigned by instrument recorded on May 4, 2004, as Instrument No.2004R12813, in the Official Records. The land, improvements and other real property which are subject to the Security Instrument are hereinafter referred to as the "PROPERTY" and the equipment, machinery and other personal property which are subject to the Security Instrument are hereinafter referred to as the "COLLATERAL";
 3. Limited Guaranty ("GUARANTY") executed by Guarantor and by other guarantors, which other guarantors have since been released under the terms of a Guarantor Release Agreement dated as of (approximately) January 12, 2005;
 4. Assignment of Management Contracts ("ASSIGNMENT OF MANAGEMENT CONTRACTS") given by Borrower to Original Lender;
 5. Agreement Regarding Required Insurance ("AGREEMENT REGARDING REQUIRED INSURANCE") by and between Borrower and Original Lender;
 6. Cash Management Agreement by and between Borrowers and Original Lender ("CASH MANAGEMENT AGREEMENT"); and
 7. UCC-1 Financing Statements filed with the New York Secretary of State and the Secretary of State of the State of Illinois.

The above documents and any other Loan Documents (as defined in the Note and listed in Exhibit B to the Note, and incorporated therein), including, in each case, any prior amendments thereto, together with this Agreement and the documents executed in connection with this Agreement, including without limitation, the Borrower's Certification of even date, with all attachments, executed by New Borrower ("BORROWER'S CERTIFICATION") that certain Guarantor's Financial Certificate of even date, with all attachments, executed

by New Guarantor ("GUARANTOR'S FINANCIAL CERTIFICATE"); the Assignment of Management Contracts executed by New Borrower of even date, with its attached Consent, Subordination and Agreement of Manager dated February 15, 2006, executed by the Manager named therein (both documents together, the "NEW ASSIGNMENT AND CONSENT") and the UCC-1 and UCC-3 Financing Statements of even date ("NEW FINANCING STATEMENTS") are hereinafter collectively defined as the "LOAN DOCUMENTS"; provided however, that the term Loan Documents shall not include the Guaranty, the New Guaranty defined hereinafter, nor any other guaranty given in connection with the Loan.

- B. Original Lender transferred the Note to Lender and assigned to Lender all of its rights under the Loan Documents and the guaranty.
- C. As of February 6, 2006:
1. The principal balance outstanding under the Note was Nine Million

Seven Hundred Forty-Two Thousand One Hundred Sixty-Seven and 02/100s Dollars (\$9,742,167.02);

2. Accrued interest on the Note has been paid through January 31, 2006;
 3. Accrued but unpaid interest on the Note was Seven Thousand Nine Hundred Ninety-Six and 70/100s Dollars (\$7996.70);
 4. The balance in the tax escrow reserve was One Hundred Twenty-Seven Thousand One Hundred Eighty-Eight and 78/100s Dollars (\$127,188.78); and
 5. The balance in the insurance escrow reserve was Ten Thousand Seven Hundred Forty-Nine and 65/100Dollars (\$10,749.65).
- D. Borrower has sold and conveyed the Property and the Collateral to New Borrower, or is about to sell and convey the Property and the Collateral to New Borrower, and both parties desire to obtain from Lender a waiver of any right Lender may have under the Loan Documents to accelerate the Maturity Date of the Note by virtue of such conveyance.
- E. Subject to the terms and conditions hereof, Lender is willing to waive any right of acceleration of the Maturity Date of the Note upon assumption by New Borrower of all obligations of Borrower under the Loan Documents.

NOW THEREFORE, FOR VALUABLE CONSIDERATION, including, without limitation, the mutual covenants and promises contained herein, the parties agree as follows:

1. INCORPORATION. The foregoing recitals are incorporated herein by this reference.
2. ASSUMPTION FEE. As consideration for Lender's execution of this Agreement and in addition to any other sums due hereunder, Borrower and New Borrower agree to pay Lender or Lender's servicers (all as set forth in the escrow instructions to be executed in connection with the closing of this assumption) an assumption fee of Ninety Seven Thousand Four hundred Twenty-One and 67/100s Dollars (\$97,421.67), due on execution of this Agreement by Lender.
3. CONDITIONS PRECEDENT. The following are conditions precedent to Lender's obligations under this Agreement:
 - a. The irrevocable commitment of Chicago Title Insurance Company ("TITLE COMPANY") to issue CLTA 104.8 and CLTA 111.4 (or equivalent) endorsements to Title Company's Title Policy No.1253-000819403-CHA, dated November 25, 2003, in each case in form and substance acceptable to Lender and without deletions or exceptions other than as expressly approved by Lender in writing, insuring Lender that the priority and validity of the Security Instrument has not been and will not be impaired by this Agreement, the conveyance of the Property, or the transaction contemplated hereby;
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 - b. Receipt and approval by Lender of: (i) the executed original of this Agreement; (ii) an executed original of a Memorandum of Assumption Agreement in the form attached hereto as Exhibit A and otherwise in form and substance acceptable to Lender ("MEMORANDUM OF ASSUMPTION AGREEMENT"); and (iii) any other documents and agreements which are required pursuant to this Agreement, in form and content acceptable to Lender;
 - c. Recordation in the Official Records of the Memorandum of Assumption Agreement, together with such other documents and agreements, if any, required pursuant to this Agreement or which Lender has reasonably requested to be recorded or filed in connection with this Agreement;
 - d. New Borrower's delivery to Lender of UCC-1 and UCC-3 Financing Statements in proper form for filing in the appropriate jurisdictions as determined by Lender;
 - e. Execution and delivery to Lender by New Guarantor of a personal Limited Guaranty ("NEW GUARANTY") in favor of Lender and in form and substance acceptable to Lender, pursuant to which New Guarantor irrevocably guarantees payment for certain matters under the Loan as more specifically set forth in the New Guaranty;
 - f. Delivery to Lender of the Borrower's Certification and Guarantor's Financial Certificate, with attachments, including without limitation organizational documents and evidence of good standing of New Borrower and New Guarantor, together with such resolutions or certificates as Lender may reasonably

require, in form and content reasonably acceptable to Lender, authorizing the assumption of the Loan and the New Guaranty and executed by the appropriate persons and/or entities on behalf of New Borrower and New Guarantor;

- g. The representations and warranties contained herein are true and correct in all material respects on the date made and are reconfirmed as true and correct in all material respects on the date of the consummation of the transactions contemplated by this Agreement;
- h. Receipt by Lender of a copy of New Borrower's (or its Tenant's) casualty insurance policy and comprehensive liability insurance policy with respect to the Property or , in lieu thereof, certificates issued by the insurance carriers evidencing the coverages afforded by such policies, each in form and amount satisfactory to Lender;
- i. Receipt by Lender of a copy of the grant deed by which title to the Property will be conveyed to New Borrower, the bill of sale by which the personal property will be transferred, and the purchase and sale agreement documenting the sale of the Property to New Borrower;
- j. Receipt by Lender of an executed assignment of the purchaser's interest in the purchase and sale agreement for the Property from the purchaser named therein to New Borrower;
- k. Receipt by Lender of an executed Form W-9 for New Borrower;
- l. Receipt by Lender of a copy of the assignment and assumption agreement by which the existing property management agreement for the Property has been assigned to and assumed by New Borrower;
- m. Lender shall have received an opinion of counsel to Lender that the transfer to New Borrower, and the consummation of the transactions referenced herein are in compliance with the provisions of the Internal Revenue Code as the same pertain to real estate mortgage investment conduits;
- n. Payment of the assumption fee provided for in Section 2 above; and
- o. Borrower's or New Borrower's reimbursement to Lender of Lender's costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby, including, without limitation, title insurance costs, escrow and recording fees, reasonable attorneys' fees, appraisal,

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engineers' and inspection fees and documentation costs and charges, whether such services are furnished by Lender's employees, agents or independent contractors.

- 4. EFFECTIVE DATE. The effective date of this Agreement shall be the date the Memorandum of Assumption Agreement is recorded in the Official Records ("EFFECTIVE DATE").
- 5. ASSUMPTION. New Borrower hereby assumes and agrees to pay when due all sums due or to become due or owing under the Note, the Security Instrument and the other Loan Documents and shall hereafter faithfully perform all of Borrower's obligations under and be bound by all of the provisions of the Loan Documents and assumes all liabilities of Borrower under the Loan Documents as if New Borrower were an original signatory thereto. The execution of this Agreement by New Borrower shall be deemed its execution of the Note, the Security Instrument and the other Loan Documents.
- 6. PARTIAL RELEASE OF BORROWER AND GUARANTOR; RELEASE OF LENDER.
 - a. Lender hereby releases (on the Effective Date) Borrower and Guarantor from liability under the Loan Documents other than this Agreement; provided however, that the parties hereby acknowledge and agree that Borrower and Guarantor are expressly not released from and nothing contained herein is intended to limit, impair, terminate or revoke, any of Borrower's and Guarantor's obligations with respect to the matters set forth in Section 8.2 of the Note or Borrower's and Guarantor's liability for breaches of their representations and warranties under the Loan Documents, to the extent the same arise out of or in connection with any act or omission occurring on or before the Effective Date (the "RETAINED OBLIGATIONS"), and that such obligations shall continue in

full force and effect in accordance with the terms and provisions thereof and hereof. Borrower's and Guarantor's obligations under the Loan Documents with respect to the Retained Obligations shall not be discharged or reduced by any extension, amendment, renewal or modification to, the Note, the Security Instrument or any other Loan Documents, including, without limitation, changes to the terms of repayment thereof, modifications, extensions or renewals of repayment dates, releases or subordinations of security in whole or in part, changes in the interest rate or advances of additional funds by Lender in its discretion for purposes related to those set forth in the Loan Documents.

- b. Each of Borrower, Guarantor, New Borrower and New Guarantor hereby fully releases (on the Effective Date) Lender and any servicer(s) of the Loan from any liability of any kind to Borrower arising out of or in connection with the Loan or the Loan Documents prior to the Effective Date other than this Agreement. With respect to the immediately preceding sentence, each of Borrower, Guarantor, New Borrower and New Guarantor after consultation with its respective attorney, hereby expressly waives the benefits of the provisions of applicable law, if any, which provides to the effect that:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release which, if known by him, must have materially affected his settlement with the debtor."

From time to time without first requiring performance on the part of New Borrower, Lender may look to and require performance by Borrower of all Retained Obligations. Borrower waives all presentments, demands for performance, notices of nonperformance, protests, notices of protest and notices of dishonor of all or any part of the indebtedness now existing or hereafter arising under the Loan Documents

7. CONFIRMATION OF GUARANTY; PARTIAL RELEASE OF GUARANTOR. Nothing contained herein is intended to limit, impair, terminate or revoke Guarantor's obligations under the Guaranty to the extent the same arise out of or in connection with any act or omission occurring on or before the Effective Date and such obligations shall continue in full force and effect in accordance with the terms and provisions of the Guaranty; provided, however, Lender hereby releases Guarantor from its obligations under the Guaranty to the extent the same arise out of or in connection with any act or omission occurring after the Effective Date.

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8. REPRESENTATIONS AND WARRANTIES.

- a. Assignment. Borrower and New Borrower each hereby represents and warrants to Lender that Borrower has irrevocably and unconditionally transferred and assigned to New Borrower all of Borrower's right, title and interest in and to:
- i. The Property and the Collateral;
 - ii. The Loan Documents;
 - iii. All leases related to the Property or the Collateral;
 - iv. All rights as named insured under all casualty and liability insurance policies (and all endorsements in connection therewith) relating to the Property or the Collateral (unless, but only to the extent that, New Borrower is obtaining its own such insurance policies);
 - v. All reciprocal easement agreements, declarations of conditions, covenants and restrictions and other matters encumbering or benefiting the Property, whether or not recorded in the land records;
 - vi. All prepaid rents and security deposits, if any, held by Borrower in connection with leases of any part of the Property or the Collateral; and
 - vii. All funds, if any, deposited in impound

accounts held by or for the benefit of Lender pursuant to the terms of the Loan Documents.

b. No Consents Required.

- i. Borrower hereby further represents and warrants to Lender that no consent to the transfer of the Property and the Collateral to New Borrower is required under any agreement to which Borrower is a party, including, without limitation, under any lease, operating agreement, mortgage or security instrument (other than the Loan Documents), or if such consent is required, that the parties have obtained all such consents.
- ii. New Borrower hereby further represents and warrants to Lender that no consent to the transfer of the Property and the Collateral to New Borrower is required under any agreement to which New Borrower is a party, including, without limitation, under any lease, operating agreement, mortgage or security instrument (other than the Loan Documents), or if such consent is required, that the parties have obtained all such consents.

c. No Defaults.

- i. New Borrower hereby represents and warrants to Lender, to the best of its knowledge, that no default, event of default, breach or failure of condition has occurred, or would exist with notice or the lapse of time or both, under any of the Loan Documents, as modified by this Agreement, and all representations and warranties herein and in the other Loan Documents are true and correct.
- ii. Borrower hereby represents and warrants to Lender and to New Borrower, to the best of its knowledge, that no default, event of default, breach or failure of condition has occurred, or would exist with notice or the lapse of time or both, under any of the Loan

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Documents, as modified by this Agreement, and all representations and warranties herein and in the other Loan Documents are true and correct.

- iii. Lender hereby represents and warrants to New Borrower, to the best of its knowledge, that no default, event of default, breach or failure of condition has occurred, or would exist with notice or the lapse of time or both, under any of the Loan Documents, as modified by this Agreement.

d. Loan Documents. New Borrower represents and warrants to Lender that New Borrower has actual knowledge of all terms and conditions of the Loan Documents, and agrees that Lender has no obligation or duty to provide any information to New Borrower regarding the terms and conditions of the Loan Documents. New Borrower further agrees that all representations, agreements and warranties in the Loan Documents regarding Borrower, its status, authority, financial condition and business shall apply to New Borrower as well as to Borrower, as though New Borrower were the borrower originally named in the Loan Documents. New Borrower further understands and acknowledges that, except as expressly provided in a writing executed by Lender, Lender has not waived any right of Lender or obligation of Borrower or New Borrower under the Loan Documents and Lender has not agreed to any modification of any provision of any Loan Document or to any extension of the Loan.

e. Financial Statements. New Borrower represents and warrants to Lender that the financial statements of New Borrower and of

each member of New Borrower (if New Borrower is a limited liability company) and of each New Guarantor, if any, previously delivered by or on behalf of New Borrower to Lender: (i) are materially complete and correct; (ii) present fairly the financial condition of each of such parties as of the date such financial statements were made; and (iii) have been prepared in accordance with generally accepted accounting principles consistently applied or other accounting standards approved by Lender. New Borrower further represents and warrants to Lender that, since the date of such financial statements, there has been no material adverse change in the financial condition of any of such parties, nor have any assets or properties reflected on such financial statements been sold, transferred, assigned, mortgaged, pledged or encumbered except as previously disclosed in writing by New Borrower to Lender and Lender has acknowledged in writing its receipt and approval of such changes so disclosed.

- f. Reports. New Borrower represents and warrants to Lender that all reports, documents, instruments and information delivered to Lender by New Borrower in connection with New Borrower's assumption of the Loan: (i) are correct and sufficiently complete to give Lender accurate knowledge of their subject matter; and (ii) do not contain any misrepresentation of a material fact or omission of a material fact which omission makes the provided information misleading.
- g. New Borrower Location. New Borrower's chief executive office is located at the following address: 1521 Westbranch Drive, Suite 200, McLean, VA 22102. New Borrower is an organization organized solely under the laws of the State of Delaware. All organizational documents of New Borrower delivered to Lender are complete and accurate in every respect. New Borrower's legal name is exactly as shown on page one of this Agreement. New Borrower shall not change New Borrower's name or, as applicable, New Borrower's chief executive office, or the jurisdiction in which New Borrower is organized, without giving Lender at least 30 days' prior written notice.
- h. No Adverse Change. New Borrower represents and warrants to Lender that since the date of the financial statements for New Borrower and New Guarantor submitted by New Borrower in connection with its application to assume the Loan, there has occurred no adverse change in the financial condition of New Borrower or New Guarantor.
- i. No Pledge of Equity Interests. New Borrower represents and warrants to Lender that no equity interest in New Borrower or in any entity that, directly or indirectly, owns an equity interest in New Borrower has been pledged, hypothecated or otherwise encumbered as security for any obligation, and that no portion of the capital contributed to New Borrower, directly or indirectly, in connection with New Borrower's acquisition of the Property consists of borrowed funds.

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- 9. MODIFICATION TO CASH MANAGEMENT AGREEMENT. New Borrower and Lender hereby agree that the Cash Management Agreement is amended as provided in this Section 9:
 - a. Recital C of the Cash Management Agreement is hereby amended by deleting the identifying account number of the Restricted Account, which number appears in the fifth line of Recital C and replacing it with the following number, which shall hereafter be the identifying account number for the Restricted Account.: 4121279590.
 - b. Section 1.1 of the Cash Management Agreement is hereby amended by the deleting the second-to-last sentence thereof and substituting therefor the following:

"The Restricted Account and Excess Cash Flow Subaccount shall be assigned the federal tax identification number of Borrower, which number is 91-2198700".
 - c. Section 4.1(a) (ii) of the Cash Management Agreement is hereby amended by deleting the second sentence thereof and substituting therefor the following:

"Borrower has established an account at Briggs Bank and Trust Company; account name: ACI06 Champaign IL LLC; Bank's ABA # 051404260 ("Borrower's Operations Account")."

10. MODIFICATION TO SECURITY INSTRUMENT

- a. KEY PERSON OR ENTITY. New Borrower, Borrower and Lender hereby agree that Section 7.1(a) (vi) of the Security Instrument is hereby deleted in its entirety.
- b. "ACTUAL KNOWLEDGE" STANDARD. The parenthetical in the first paragraph in Section 5.1 is replaced by the following:
"("actual knowledge" means the knowledge of the Borrower based solely on the Purchase and Sale Agreement dated November 22, 2005 between, Gladstone Commercial Limited Partnership and Stonewater UIS Funding LLC, as amended, and as assigned by Gladstone Commercial Limited Partnership to Borrower, and/or the conveyance documents delivered pursuant thereto, and Borrower's good faith due diligence investigation in connection with the acquisition of the Property)"

11. MODIFICATION TO NOTE. Paragraph 3.5 of Exhibit A is amended by striking the following words, proper names and figures:

"Bank Name: LaSalle National Bank
ABA Routing No.: 071000505
Account Name: Stonewater DOX Funding LLC
Reference: Amdocs
Advise: John Reinsma, Ext. 4-0282"

and replacing them with:

"Bank Name: Briggs Bank and Trust Company
ABA Routing No.: 051404260
Account Name: ACI06 Champaign IL LLC
Reference: Amdocs
Advise: Matt Tucker "

12. TRANSFERS OF GLADSTONE COMMERCIAL CORPORATION. Lender hereby acknowledges and agrees that, notwithstanding anything set forth herein or in the Loan Documents, the trading or issuance of shares or other securities of Gladstone Commercial Corporation, a Maryland corporation, in the public or private markets shall not constitute a Transfer under Section 6.15 of the Security Instrument.

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13. WAIVER OF ACCELERATION. Lender hereby agrees that it shall not exercise its right to cause all sums secured by the Security Instrument to become immediately due and payable because of the conveyance of the Property and the Collateral from Borrower to New Borrower; provided, however, Lender reserves its right under the terms of the Security Instrument or any other Loan Document to accelerate all principal and interest in the event of any subsequent sale, transfer, encumbrance or other conveyance of the Property, the Collateral or any interest in New Borrower, except as permitted by the Loan Documents.
14. HAZARDOUS MATERIALS. Without in any way limiting any other provision of this Agreement, New Borrower and Borrower expressly reaffirm as of the date hereof, and New Borrower reaffirms continuing hereafter: (a) each and every representation and warranty in the Loan Documents respecting "HAZARDOUS MATERIALS"; and (b) each and every covenant and indemnity in the Loan Documents respecting "HAZARDOUS MATERIALS".
15. MULTIPLE PARTIES. If more than one person or entity has signed this Agreement as New Borrower or Borrower, then all references in this Agreement to New Borrower or Borrower shall mean each and all of the persons so signing, as applicable. The liability of all persons and entities signing shall be joint and several with all others similarly liable.
16. CONFIRMATION OF SECURITY INTEREST. Nothing contained herein shall affect or be construed to affect any lien, charge or encumbrance created by any Loan Document or the priority of that lien, charge or encumbrance. All assignments and transfers by Borrower to New Borrower are subject to any security interest(s) held by Lender.
17. NOTICES. All notices to be given to New Borrower pursuant to the Loan Documents shall be addressed as follows:

ACI06 Champaign IL LLC
c/o Gladstone Commercial Corporation
1521 Westbranch Drive - Suite 200
McLean, VA 22102
Attention: Danielle Seidman
Facsimile: (703) 287-5801

With a copy to:

Dickstein Shapiro Morin & Oshinsky LLP
2101 L Street, NW
Washington, DC 20037
Attn: James D. Kelly, Esq.
Facsimile: (202) 887-0689

18. INTEGRATION; INTERPRETATION. The Loan Documents, including this Agreement, contain or expressly incorporate by reference the entire agreement of the parties with respect to the matters contemplated herein and supersede all prior negotiations. The Loan Documents shall not be modified except by written instrument executed by Lender and New Borrower. Any reference in any of the Loan Documents to the Property or the Collateral shall include all or any parts of the Property or the Collateral.
19. SUCCESSORS AND ASSIGNS. This Agreement is binding upon and shall inure to the benefit of the heirs, successors and assigns of the parties but subject to all prohibitions of transfers contained in any Loan Document.
20. ATTORNEYS' FEES; ENFORCEMENT. If any attorney is engaged by Lender to enforce, construe or defend any provision of this Agreement, or as a consequence of any default under or breach of this Agreement, with or

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without the filing of any legal action or proceeding, New Borrower shall pay to Lender, upon demand, the amount of all attorneys' fees and costs reasonably incurred by Lender in connection therewith, together with interest thereon from the date of such demand at the rate of interest applicable to the principal balance of the Note as specified therein.

21. ONE-TIME RIGHT OF TRANSFER OF PROPERTY. The parties acknowledge that Section 4 of Exhibit A to Promissory Note attached to and forming a part of the Note provides that Lender shall, one (1) time only, consent to the voluntary sale or exchange of all of the Property, all subject, however, to the terms and conditions set forth therein. The parties agree that this Agreement and the actions to be taken as contemplated herein shall constitute such one consent and that hereafter, Lender shall not be required to consent to any further such sale or exchange.
22. MISCELLANEOUS. This Agreement shall be governed and interpreted in accordance with the laws of the jurisdiction(s) specified in the other Loan Documents as governing the other Loan Documents. In any action brought or arising out of this Agreement, Borrower and New Borrower, and general partners, members and joint venturers of them, hereby consent to the jurisdiction of any state or federal court having proper venue as specified in the other Loan Documents and also consent to the service of process by any means authorized by the law of such jurisdiction(s). Except as expressly provided otherwise herein, all terms used herein shall have the meaning given to them in the other Loan Documents. Time is of the essence of each term of the Loan Documents, including this Agreement. If any provision of this Agreement or any of the other Loan Documents shall be determined by a court of competent jurisdiction to be invalid, illegal or unenforceable, that portion shall be deemed severed therefrom and the remaining parts shall remain in full force as though the invalid, illegal, or unenforceable portion had not been a part thereof.
23. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which when executed and delivered will be deemed an original and all of which taken together will be deemed to be one and the same instrument.

[The remainder of this page is intentionally left blank.]

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IN WITNESS WHEREOF, Borrower, Guarantor, New Borrower, New Guarantor and Lender have caused this Agreement to be duly executed as of the date first above written.

LENDER:

LASALLE BANK NATIONAL ASSOCIATION, as Trustee for Bear Stearns Commercial Mortgage Securities, Inc., Commercial Mortgage Securities Pass-Through Certificates Series 2004 - PWR3

By: WELLS FARGO BANK, NATIONAL ASSOCIATION, as Master Servicer under the

Pooling and Servicing Agreement dated March 1, 2004, by and between Bear Stearns Commercial Mortgage Securities, Inc., Prudential Asset Resources, Inc., Wells Fargo Bank, National Association, Arcap Servicing, Inc., LaSalle Bank National Association, ABN AMRO Bank N.V. and The Prudential Insurance Company of America

By: _____
Name: _____
Title: _____

[Signatures continued on next page]

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BORROWER

STONEWATER DOX FUNDING LLC,
a Delaware limited liability company

By: _____
Name: Constantine Dakolias
Title: Vice President

GUARANTOR

STONEWATER FUNDING LLC,
a Delaware limited liability company

By: _____
Name: Constantine Dakolias
Title: Vice President

[Signatures continued on next page]

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NEW BORROWER

ACI06 CHAMPAIGN IL LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

NEW GUARANTOR

GLADSTONE COMMERCIAL CORPORATION,
a Maryland corporation

By: _____
Name: _____
Title: _____

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Recording Requested by
and when recorded return to:

Exhibit A

PEPLER MASTROMONACO LLP
100 First Street, 25th Floor
San Francisco, California 94105
Attention: Barrie Cowan, Esq.

Loan No.: 31-0901388

MEMORANDUM OF ASSUMPTION AGREEMENT

STONEWATER DOX FUNDING, LLC, a Delaware limited liability company ("BORROWER"), with a mailing address at c/o Stonewater Partners, 237 Mamaroneck Avenue, Suite 406, White Plains, NY 10605, STONEWATER FUNDING LLC, a Delaware limited liability company ("GUARANTOR"), with a mailing address at c/o Stonewater Partners, 237 Mamaroneck Avenue, Suite 406, White Plains, NY 10605, ACI06 CHAMPAIGN IL LLC, a Delaware limited liability company, ("NEW BORROWER"), with a mailing address at 1521 Westbranch Drive, Suite 200, McLean, VA 22102, GLADSTONE COMMERCIAL CORPORATION ("NEW GUARANTOR"), with a mailing address at 1521 Westbranch Drive, Suite 200, McLean, VA 22102, and LASALLE BANK NATIONAL ASSOCIATION, as Trustee for Bear Stearns Commercial Mortgage Securities, Inc., Commercial Mortgage Securities Pass-Through Certificates Series 2004 - PWR3 ("LENDER"), with a mailing address at c/o Wells Fargo Bank, N.A., Commercial Mortgage Servicing, 1320 Willow Pass Road, Suite 205, Concord, California 94520, are parties to that certain ASSUMPTION AGREEMENT dated of even date herewith ("ASSUMPTION AGREEMENT"). The undersigned parties agree that all obligations under that certain Promissory Note Secured by Mortgage ("NOTE") dated November 21, 2003, in the original principal amount of Ten Million and no/100ths Dollars

(\$10,000,000.00), secured by that certain Mortgage and Absolute Assignment of Rents and Leases and Security Agreement and Fixture Filing ("SECURITY INSTRUMENT") recorded November 25, 2003 as Instrument No.2003R52081, in the office of the Recorder of Champaign County, Illinois ("OFFICIAL RECORDS") the mortgagee's interest under which was assigned by instrument recorded on May 4, 2004, as Instrument No. 2004R12813, in the Official Records, and all other Loan Documents (as defined in the Assumption Agreement), have been assumed by New Borrower upon the terms and conditions set forth in the Assumption Agreement. The Assumption Agreement is by this reference incorporated herein and made a part hereof. This Memorandum of Assumption Agreement may be executed in any number of counterparts, each of which when executed and delivered will be deemed an original and all of which taken together will be deemed to be one and the same instrument.

Dated:

February __, 2006

LENDER:

LASALLE BANK NATIONAL ASSOCIATION, as Trustee for Bear Stearns Commercial Mortgage Securities, Inc., Commercial Mortgage Securities Pass-Through Certificates Series 2004 - PWR3

By: WELLS FARGO BANK, NATIONAL ASSOCIATION, as Master Servicer under the Pooling and Servicing Agreement dated March 1, 2004, by and between Bear Stearns Commercial Mortgage Securities, Inc., Prudential Asset Resources, Inc., Wells Fargo Bank, National Association, Arcap Servicing, Inc., LaSalle Bank National Association, ABN AMRO Bank N.V. and The Prudential Insurance Company of America

By: _____
Name: _____
Title: _____

BORROWER

STONEWATER DOX FUNDING LLC,
a Delaware limited liability company

By: _____
Name: Constantine Dakolias
Title: Vice President

GUARANTOR

STONEWATER FUNDING LLC,
a Delaware limited liability company

By: _____
Name: Constantine Dakolias
Title: Vice President

[Signatures continued on next page]

NEW BORROWER

ACI06 CHAMPAIGN IL LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

NEW GUARANTOR

GLADSTONE COMMERCIAL CORPORATION,
a Maryland corporation

By: _____
Name: _____
Title: _____

STATE OF VIRGINIA)
) ss
COUNTY OF FAIRFAX)

On this the ____ day of January, 2006, before me, the undersigned Notary Public, personally appeared _____, proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to

the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public
My Commission Expires:

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STATE OF NEW YORK)
) ss
COUNTY OF WESTCHESTER)

On this the ____ day of January, 2006, before me, the undersigned Notary Public, personally appeared _____, proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public
My Commission Expires:

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STATE OF NEW YORK)
) ss
COUNTY OF WESTCHESTER)

On this the ____ day of January, 2006, before me, the undersigned Notary Public, personally appeared _____, proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public
My Commission Expires:

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STATE OF CALIFORNIA)
) ss
COUNTY OF CONTRA COSTA)

On this the ____ day of January, 2006, before me, the undersigned Notary Public, personally appeared _____, proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public
My Commission Expires:

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PROMISSORY NOTE SECURED BY MORTGAGE

Loan No. 31-0901388
 New York, New York
 November 21, 2003

\$10,000,000.00

1. PROMISE TO PAY. For value received, the undersigned STONEWATER DOX FUNDING LLC ("Borrower"), promise(s) to pay to the order of WELLS FARGO BANK, NATIONAL ASSOCIATION ("Lender"), 1320 Willow Pass Road, Suite 205, Concord, California 94520, or at such other place as may be designated in writing by Lender, the principal sum of TEN MILLION AND NO/100THS DOLLARS (\$10,000,000.00) ("Loan"), with interest thereon as specified herein. All sums owing hereunder are payable in lawful money of the United States of America, in immediately available funds, without offset, deduction or counterclaim of any kind.
2. SECURED BY MORTGAGE. This Note is secured by, among other things, that Mortgage and Absolute Assignment of Rents and Leases and Security Agreement (and Fixture Filing) ("Mortgage") of even date herewith, identifying this Note as an obligation secured thereby and encumbering certain real property described therein ("Property").
3. DEFINITIONS. For the purposes of this Note, the following terms shall have the following meanings:

"Business Day" shall mean any day other than a Saturday, Sunday, legal holiday or other day on which commercial banks in California are authorized or required by law to close. All references in this Note to a "day" or a "date" shall be to a calendar day unless specifically referenced as a Business Day.

"Cash Flow" shall mean the actual rental payments (including, but not limited to, payments for taxes or payments in lieu of taxes, insurance and operating expenses) with respect to the Property actually received by Borrower for the twelve (12) calendar month period ending on the date of determination, minus (c) the actual operating expenses for such period, (d) an amount for reasonable management expenses equal to the greater of three percent (3%) or the actual management expenses for such period, and (e) the amount of any normalized capital expenditures made in connection with the Property during such period. Cash Flow shall be reasonably adjusted by Lender, if necessary, to accurately reflect the amounts of any extraordinary non-recurring maintenance items that were incurred during any such twelve (12) calendar month period, and to reflect on a prorata basis those expenses paid on an annual or semi-annual basis, including, but not limited to, payments made with respect to property taxes and insurance.

"Debt Service" shall mean, with respect to any particular period of time, scheduled payments due under this Note.

"Debt Service Coverage Ratio" shall mean the ratio of (a) the Cash Flow for the Property determined as of the date of determination, to (b) an amount equal to the Debt Service

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that would be due for the twelve (12) calendar month period immediately preceding such calculation.

"Default" shall have the meaning set forth in the Mortgage.

"Disbursement Date" shall mean the date upon which the Loan proceeds are funded into escrow in connection with the closing of the Loan.

"Effective Date" shall mean the earlier of (a) the date the Mortgage is recorded in the Public Records of the county where the Property is located and (b) the date Lender authorizes the Loan proceeds to be released to Borrower.

"Governmental Authority" shall mean any court, board, agency, commission, office or authority of any nature whatsoever or any governmental unit (federal, state, county, district, municipal, city or otherwise) whether now or here-after in existence.

"Interest Shortfall" shall mean, with respect to any prepayment, all interest which would have accrued on the principal balance of the Note after the date of prepayment to the next scheduled payment date.

"Legal Requirements" shall mean all federal, state, county, municipal and other governmental statutes, laws, rules, orders, regulations, ordinances, judgments, decrees and injunctions of Governmental Authorities affecting Borrower or the Property or any part thereof or the construction, use,

alteration or operation thereof, or any part thereof, whether now or hereafter enacted and in force, including, without limitation, the Americans with Disabilities Act of 1990, and all permits, licenses and authorizations and regulations relating thereto, and all covenants, agreements, restrictions and encumbrances contained in any instruments, either of record or actually known to Borrower, at any time in force affecting the Property or any part thereof, including, without limitation, any which may (i) require repairs, modifications or alterations in or to the Property or any part thereof, or (ii) in any way limit the use and enjoyment thereof.

"Loan Documents" shall mean the documents listed in Exhibit B attached hereto and incorporated herein by this reference.

"Maturity Date" shall mean December 1, 2013.

"Officer's Certificate" shall mean a certificate delivered to Lender by Borrower which is signed by an authorized senior officer of Borrower.

"Parking Parcel" shall mean a portion of the Property more particularly described in Exhibit C.

"Release Price" shall mean \$450,000.00 for the Parking Parcel.

4. INTEREST; PAYMENTS.

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4.1. DEFINITIONS. The following terms shall have the meanings indicated:

"Actual/360 Basis" shall mean on the basis of a 360-day year and charged on the basis of actual days elapsed for any whole or partial month in which interest is being calculated.

"30/360 Basis" shall mean on the basis of a 360-day year consisting of 12 months of 30 days each.

"Interest Rate" shall mean a fixed annual rate of 5.91%.

4.2. INTEREST ACCRUAL. Interest on the outstanding principal balance of this Note shall accrue from the Disbursement Date at an annual rate equal to the Interest Rate calculated on an Actual/360 Basis.

4.3. PAYMENTS. Monthly payments hereunder shall commence on the first day of the calendar month following the Disbursement Date and continue on the first day of each calendar month thereafter through the Maturity Date. If the Disbursement Date is a date other than the first day of a calendar month, the first monthly payment shall be interest only. Subsequent monthly payments shall be calculated on the basis of an equal-payment thirty (30) year amortization of principal and interest. Notwithstanding that interest on this Note accrues on an Actual/360 Basis, the total amount of each such amortized monthly payment of principal and interest shall be determined using a 30/360 Basis. On the Maturity Date, all unpaid principal and accrued but unpaid interest shall be due and owing in full. All interest shall be paid in arrears. Except as otherwise specifically provided in this Note or the other Loan Documents, all payments and deposits due under this Note or the other Loan Documents shall be made to Lender not later than 12:00 noon, California time, on the day on which such payment or deposit is due. Any funds received by Lender after such time shall, for all purposes, be deemed to have been received on the next succeeding Business Day.

4.4. ACKNOWLEDGMENTS. Borrower acknowledges that interest calculated on an Actual/360 Basis exceeds interest calculated on a 30/360 Basis and, therefore: (a) a greater portion of each monthly installment of principal and interest will be applied to interest using the Actual/360 Basis than would be the case if interest accrued on a 30/360 Basis; and (b) the unpaid principal balance of this Note on the Maturity Date will be greater using the Actual/360 Basis than would be the case if interest accrued on a 30/360 Basis.

4.5. APPLICATION OF PAYMENTS. In the absence of a specific determination by Lender to the contrary, provided no Default has occurred, all payments paid by Borrower to Lender in connection with the obligations of Borrower under this Note and under the other Loan Documents shall be applied in the following order of priority: (a) to amounts, other than principal and interest, due to Lender pursuant to this Note or the other Loan Documents; (b) to accrued but unpaid interest on this Note; and (c) to the unpaid principal balance of this Note. Upon the

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occurrence of a Default, Borrower irrevocably waives the right to direct the application of any and all payments at any time hereafter received by Lender from or on behalf of Borrower, and Borrower irrevocably agrees that, during the existence of a Default, Lender shall have the continuing exclusive right to apply any and all such payments against the then due and owing obligations of Borrower in such order of priority as Lender may deem advisable.

5. LATE CHARGE; DEFAULT RATE.

5.1. LATE CHARGE. If all or any portion of any payment or deposit required hereunder (other than the payment due on the Maturity Date) is not paid or deposited on or before the fourth day following the day on which such payment or deposit is due, Borrower shall pay a late or collection charge, as liquidated damages, equal to 5% of the amount of such unpaid payment or deposit. If all or any portion of the payment due on the Maturity Date is paid after the Maturity Date and on a date other than the first day of a month, Borrower shall pay a late or collection charge, as liquidated damages, equal to the interest which would have accrued on such amount during the period commencing on the date payment of such amount is actually made and ending on the last day of the month in which payment of such amount is actually made. Borrower acknowledges that Lender will incur additional expenses as a result of any late payments or deposits hereunder, which expenses would be impracticable to quantify, and that Borrower's payments under this Section 5.1 are a reasonable estimate of such expenses.

5.2. DEFAULT RATE. Commencing upon a Default and continuing until such Default shall have been cured by Borrower, all sums owing on this Note shall bear interest until paid in full at an annual rate equal to 5% plus the Interest Rate, but not higher than the maximum rate of interest permitted by applicable law ("Default Rate").

6. MAXIMUM RATE PERMITTED BY LAW. Neither this Note nor any of the other Loan Documents shall require the payment or permit the collection of any interest or any late payment charge in excess of the maximum rate permitted by law. If any such excess interest or late payment charge is provided for under this Note or any of the other Loan Documents or if this Note or any of the other Loan Documents shall be adjudicated to provide for such excess, neither Borrower nor Borrower's successors or assigns shall be obligated to pay such excess, and the right to demand the payment of any such excess shall be and hereby is waived, and this provision shall control any other provision of this Note or any of the other Loan Documents. If Lender shall collect amounts which are deemed to constitute interest and which would increase the effective interest rate to a rate in excess of the maximum rate permitted by law, all such amounts deemed to constitute interest in excess of the maximum legal rate shall, upon such determination, at the option of Lender, be returned to Borrower or credited against the outstanding principal balance of this Note.

7. ACCELERATION. If (a) Borrower shall fail to pay when due any sums payable under this Note in accordance with Section 7.1(a)(i) of the Mortgage (provided failure to pay

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when due is not as a result of Lender's failure to deposit the sums in a timely manner pursuant to the Cash Management Agreement); (b) any other Default shall occur; or (c) any other event or condition shall occur which, under the terms of the Mortgage or any other Loan Document, gives rise to a right of acceleration of sums owing under this Note, then Lender, at its sole option, shall have the right to declare all sums owing under this Note immediately due and payable; provided, however, that if the Mortgage or any other Loan Document provides for the automatic acceleration of payment of sums owing under this Note, all sums owing under this Note shall be automatically due and payable in accordance with the terms of the Mortgage or such other Loan Document.

8. BORROWER'S LIABILITY.

8.1. LIMITATION. Except as otherwise provided in this Section 8, Lender's recovery against Borrower under this Note and the other Loan Documents shall be limited solely to the Property and the "Collateral" (as defined in the Mortgage).

8.2. EXCEPTIONS. Nothing contained in Section 8.1 or elsewhere in this Note or the other Loan Documents, however, shall limit in any way the personal liability of Borrower owed to Lender (a) for any actual losses or damages incurred by Lender (including, without limitation, any impairment of Lender's security for the Loan) with respect to any of the following matters: (i) fraud or willful misrepresentation of

Borrower or parties under the Control (hereinafter defined) of Borrower ("Control" shall mean the power to direct the management and policies of a party, directly or indirectly, whether through the ownership of voting securities or other beneficial interests, by contract or otherwise); (ii) material physical waste of the Property or the Collateral; (iii) failure to pay property or other taxes, assessments or similar charges (other than amounts paid to Lender for taxes, assessments or charges pursuant to Impounds as defined in Exhibit A and where Lender elects not to apply such funds toward payment of the taxes, assessments or similar charges owed) which may create liens senior to the lien of the Mortgage on all or any portion of the Property, provided, no liability shall be incurred if failure to pay or escrow such funds is due to the failure of the Property to generate income sufficient (after payment of debt service) to pay or escrow such funds or for failure of Lender or servicer to apply funds in accordance with the terms of the Loan Documents for the payment of taxes, assessments, or other similar charges; (iv) failure to deliver any insurance or condemnation proceeds or awards or any security deposits actually received by Borrower to Lender or to otherwise apply such sums as required under the terms of the Loan Documents or any other instrument now or hereafter securing this Note; (v) failure to apply or deliver to Lender for application any rents, royalties, accounts, revenues, income, issues, profits and other benefits from the Property which are actually received by Borrower during the period of any Default or after acceleration of the indebtedness and other sums owing under the Loan Documents to the payment of either (i) such indebtedness or other sums or (ii) the normal and necessary operating expenses of the Property; (vi) any breach by Borrower of any covenant in this Note or in the Mortgage regarding Hazardous Materials (as defined in the Mortgage) or any representation or warranty of Borrower regarding Hazardous

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Materials proving to have been untrue when made; or (vii) in the event of a Default resulting from a Prohibited Property Transfer (as defined in the Mortgage) or a Prohibited Equity Transfer (as defined in the Mortgage); or (b) in the event the Property or the Collateral shall become an asset in (i) a voluntary bankruptcy or insolvency proceeding or (ii) a collusive involuntary bankruptcy or insolvency proceeding (other than one filed by Lender) which is not dismissed within 90 days of filing.

8.3. No RELEASE OR IMPAIRMENT. Nothing contained in Section 8.1 shall be deemed to release, affect or impair the indebtedness evidenced by this Note or the obligations of Borrower under, or the liens and security interests created by the Loan Documents, or Lender's rights to enforce its remedies under this Note and the other Loan Documents, including, without limitation, the right to pursue any remedy for injunctive or other equitable relief, or any suit or action in connection with the preservation, enforcement or foreclosure of the liens, mortgages, assignments and security interests which are now or at any time hereafter security for the payment and performance of all obligations under this Note or the other Loan Documents.

8.4. PREVAIL AND CONTROL. The provisions of this Section 8 shall prevail and control over any contrary provisions elsewhere in this Note or the other Loan Documents.

9. NON-MORTGAGOR BORROWER. If any Borrower is not also a "Mortgagor" under the Mortgage, such Borrower hereby makes all representations and warranties in favor of Lender contained in Article 5 of the Mortgage, all covenants contained in Section 6.15 of the Mortgage, and all indemnities of Lender contained in Section 6.19 of the Mortgage, jointly and severally with the "Mortgagor."

10. MISCELLANEOUS.

10.1. JOINT AND SEVERAL LIABILITY. If this Note is executed by more than one person or entity as Borrower, the obligations of each such person or entity shall be joint and several. No person or entity shall be a mere accommodation maker, but each shall be primarily and directly liable hereunder.

10.2. WAIVER OF PRESENTMENT. Except as otherwise provided herein or in any other Loan Document, Borrower hereby waives presentment, demand, notice of dishonor, notice of default or delinquency, notice of intent to accelerate, notice of acceleration, notice of nonpayment, notice of costs, expenses or losses and interest thereon, and notice of interest on interest and late charges.

10.3. DELAY IN ENFORCEMENT. No previous waiver or failure or delay by Lender in acting with respect to the terms of this Note or the

Mortgage shall constitute a waiver of any breach, default or failure of condition under this Note, the Mortgage or the obligations secured thereby. A waiver of any term of this Note, the Mortgage or of any of the obligations secured thereby must be made in writing signed by Lender, shall be limited to the express terms of such waiver, and shall

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not constitute a waiver of any subsequent obligation of Borrower. The acceptance at any time by Lender of any past-due amount shall not be deemed to be a waiver of the right to require prompt payment when due of any other amounts then or thereafter due and payable.

- 10.4. TIME OF THE ESSENCE. Time is of the essence with respect to every provision hereof.
- 10.5. GOVERNING LAW. This Note was accepted by Lender in the state of New York, which state the parties agree has a substantial relationship to the parties and to the underlying transaction embodied hereby. Accordingly, in all respects, including, without limiting the generality of the foregoing, matters of construction, validity, enforceability and performance, this Note, the Mortgage 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 and any applicable law of the United States of America, except that at all times the provisions for the foreclosure of the liens granted under the Mortgage securing this Note and the creation, perfection and enforcement of the security interests created pursuant thereto and pursuant to the other Loan Documents shall be governed by and construed according to the law of the state where the Property is located. Except as provided in the immediately preceding sentence, Borrower hereby unconditionally and irrevocably waives, to the fullest extent permitted by law, any claim to assert that the law of any jurisdiction other than New York governs the Mortgage, this Note and the other Loan Documents.
- 10.6. CONSENT TO JURISDICTION. Borrower irrevocably submits to the jurisdiction of: (a) any state or federal court sitting in the state of New York over any suit, action, or proceeding, brought by Borrower against Lender, arising out of or relating to this Note or the Loan evidenced hereby; (b) any state or federal court sitting in the state where the Property is located or the state in which Borrower's principal place of business is located over any suit, action or proceeding, brought by Lender against Borrower, arising out of or relating to this Note or the Loan evidenced hereby; and (c) any state court sitting in the county of the state where the Property is located over any suit, action, or proceeding, brought by Lender to exercise its rights of foreclosure under the Mortgage or any action brought by the Lender to enforce its rights with respect to the Collateral. Borrower irrevocably waives, to the fullest extent permitted by law, any objection that Borrower may now or hereafter have to the laying of venue of any such suit, action, or proceeding brought in any such court and any claim that any such suit, action, or proceeding brought in any such court has been brought in an inconvenient forum.
- 10.7. COUNTERPARTS. This Note may be executed in any number of counterparts, each of which when executed and delivered shall be deemed an original and all of which taken together shall be deemed to be one and the same Note.
- 10.8. HEIRS, SUCCESSORS AND ASSIGNS. All of the terms, covenants, conditions and indemnities contained in this Note and the other Loan Documents shall be binding upon the heirs, successors and assigns of Borrower and shall inure to the benefit of the successors and assigns of Lender. The foregoing sentence shall not be construed to permit Borrower to assign the Loan except as otherwise permitted in this Note or the other Loan Documents.
- 10.9. SEVERABILITY. If any term of this Note, or the application thereof to any person or circumstances, shall, to any extent, be invalid or unenforceable, the remainder of this Note, or the application of such term to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term of this Note shall be valid and enforceable to the fullest extent permitted by law.
- 10.10. CONSENTS AND APPROVALS. Wherever Lender's consent, approval,

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acceptance or satisfaction is required under any provision of this Note or any of the other Loan Documents, such consent, approval, acceptance or satisfaction shall not be unreasonably withheld, conditioned or delayed by Lender unless such provision expressly so provides.

11. NOTICES. All notices and other communications that are required or permitted to be given to a party under this Note shall be in writing and shall be sent to such party, either by personal delivery, by overnight delivery service, by certified first class mail, return receipt requested, or by facsimile transmission to the address or facsimile number below. All such notices and communications shall be effective upon receipt of such delivery or facsimile transmission. The addresses and facsimile numbers of the parties shall be:

Borrower:	Lender:
Stonewater DOX Funding LLC	Wells Fargo Bank, N.A.
c/o Stonewater Partners	1320 Willow Pass Road, Suite 205
22 Deer Creek Lane	Concord, CA 94520
MtKisco, NY 10549	Loan No. 31-0901388
FAX No.: (914) 470-4011	FAX No.: (925) 691-5947

and

Drawbridge Special Opportunities Fund LP
1251 Avenue of the Americas, 16th Floor
New York, New York 10020
Attention: Kevin Treacy
Fax No. (212)798-6099

with a copy to

Solomon and Weinberg LLP
685 Third Avenue, 30th Floor
New York, New York 10017

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Fax No. (212)605-1001
Attention: Craig H. Solomon, Esq.

12. ADDITIONAL TERMS AND CONDITIONS. The additional terms and conditions set forth in Exhibit A attached hereto are incorporated herein by this reference.
13. PREPAYMENT - DEFEASANCE ONLY. Borrower acknowledges that any prepayment of this Note will cause Lender to lose its interest rate yield on this Note and will possibly require that Lender reinvest any such prepayment amount in loans of a lesser interest rate yield (including, without limitation, in debt obligations other than first mortgage loans on commercial properties). As a consequence, Borrower agrees as follows, as an integral part of the consideration for Lender's making the Loan:
- 13.1 VOLUNTARY PREPAYMENT. Any voluntary prepayment of this Note: (a) is prohibited except during the last three (3) months of the term, and (b) is permitted in full only, and not in part, except as provided in Section 6 of Exhibit A hereof.
- 13.2 PREPAYMENT CHARGE.
- a. BASIC CHARGE. Except as provided below, if this Note is prepaid prior to the last three months of the term, whether such prepayment is involuntary or upon acceleration of the principal amount of this Note by Lender following a Default, Borrower shall pay to Lender on the prepayment date (in addition to all other sums then due and owing to Lender under the Loan Documents) a prepayment charge equal to the greater of the following two amounts: (i) an amount equal to 1% of the amount prepaid; or (ii) an amount equal to (a) the amount, if any, by which the sum of the present values as of the prepayment date of all unpaid principal and interest payments required under this Note, calculated by discounting such payments from their respective scheduled payment dates back to the prepayment date at a discount rate equal to the Periodic Treasury Yield (defined below) exceeds the outstanding principal balance of the Loan as of the prepayment date, multiplied by (b) a fraction whose numerator is the amount prepaid and whose denominator is the outstanding principal balance of the Loan as of the prepayment date. For purposes of the foregoing, "Periodic Treasury Yield" means (iii) the annual yield to maturity of the actively traded non-callable United States Treasury fixed interest rate security (other than any such security which can be surrendered at the option of the holder at face value in payment of federal estate tax or which

was issued at a substantial discount) that has a maturity closest to (whether before, on or after) the Maturity Date (or if two or more such securities have maturity dates equally close to the Maturity Date, the average annual yield to maturity of all such securities), as reported in The Wall Street Journal or other authoritative publication or news retrieval service on the fifth Business Day preceding the prepayment date, divided by (iv) 12, if scheduled payment dates are monthly, or 4, if scheduled payment dates are quarterly.

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- b. ADDITIONAL CHARGE. If this Note is prepaid on any day other than the first day of a month, whether such prepayment is voluntary, involuntary or upon full acceleration of the principal amount of this Note by Lender following a Default, Borrower shall pay to Lender on the prepayment date (in addition to the basic prepayment charge described in Section 13.2.a above and all other sums then due and owing to Lender under this Note and the other Loan Documents) an additional prepayment charge equal to the interest which would otherwise have accrued on the amount prepaid (had such prepayment not occurred) during the period commencing on the prepayment date and ending on the last day of the month in which the prepayment occurred.
- c. EXCLUSION. Notwithstanding the foregoing, no prepayment charge of any kind shall apply in respect to any prepayment resulting from Lender's application of any insurance proceeds or condemnation awards to the outstanding principal balance of the Loan.

13.3 EFFECT OF PREPAYMENT. No partial prepayment of this Note shall change the dates or amounts of subsequent monthly installments of principal and interest, unless Lender otherwise agrees in writing.

[NO FURTHER TEXT ON THIS PAGE]

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13.4 WAIVER. Borrower waives any right to prepay this Note except under the terms and conditions set forth in this Section 13 and agrees that if this Note is prepaid, Borrower shall pay the prepayment charge set forth above. Borrower hereby acknowledges that: (a) the inclusion of this waiver of prepayment rights and agreement to pay the prepayment charge for the right to prepay this Note was separately negotiated with Lender; (b) the economic value of the various elements of this waiver and agreement was discussed; and (c) the consideration given by Borrower for the Loan was adjusted to reflect the specific waiver and agreement negotiated between Borrower and Lender and contained herein.

Borrower's Initials /s/ Illegible

[NO FURTHER TEXT ON THIS PAGE]

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14. DEFEASANCE-FULL.

14.1 DEFEASANCE DEFINITIONS. In addition to the terms defined elsewhere in this Note or the other Loan Documents, the following terms shall have the meanings indicated:

"Code" means the Internal Revenue Code of 1986, as amended to date and as further amended from time to time, or any successor statutes thereto, together with applicable regulations issued pursuant thereto in temporary or final form.

"Defeasance" means the Borrower's substitution of collateral and Lender's release of the lien of the Deed of Trust upon satisfaction of all of the terms and conditions of this Section 14.

"Defeasance Collateral" means obligations or securities, not subject to prepayment, call or early redemption, each of which qualifies as a "Government security" as defined in Section 2(a)(16) of the Investment Company Act of 1940, as amended (15 U.S.C. Section 80a-1 et seq.), together with all revenues and proceeds of such obligations or securities.

"Defeasance Date" means the date upon which the Defeasance is completed, which shall be a scheduled payment date.

"Defeasance Security Agreements" shall have the meaning specified in Section 14.3(d)(ii)

"Lockout Period" means the period beginning on the Effective Date and ending on the later of (a) the second anniversary of the Startup Day of the REMIC, if any, that holds this Note on the Defeasance Date, and (b) the third (3rd) anniversary of the Effective Date.

"Rating Agencies" means Fitch, Inc., Moody's Investors Service, Inc., Standard & Poor's Rating Services and any other nationally-recognized statistical rating organization that, in connection with the securitization of the Loan by a REMIC maintains a rating, on the Defeasance Date, of the securities issued by the REMIC.

"REMIC" means a "real estate mortgage investment conduit" within the meaning of Section 860D of the Code.

"Startup Day" means the "startup day" within the meaning of Section 860G(a)(9) of the Code.

"Successor Borrower" means an entity designated by Lender whose sole purpose is to own the Defeasance Collateral delivered by Borrower under this Section 14 and assume Borrower's obligations with respect to the Loan either alone, or

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together with the Defeasance Collateral for other, previously defeased loans or portions of loans assumed by Successor Borrower which are also held by the REMIC that holds this Note. Successor Borrower shall, in either case, be restricted from taking actions that could result in its bankruptcy or dissolution.

- 14.2 BORROWER RIGHT TO DEFEASE. At any time after the Lockout Period, Borrower may elect to effect a Defeasance of the Loan in accordance with the provisions of this Section 14, at Borrower's sole cost and expense.
- 14.3 CONDITIONS. Borrower shall only have the right to cause a Defeasance if all of the following conditions have been satisfied:
- a. NOTICE. Borrower shall give at least 45 days but not more than 90 days written notice to Lender specifying the Borrower's intended Defeasance Date. Simultaneously with the delivery of such notice, Borrower shall deposit with Lender an amount reasonably estimated by Lender to be sufficient to reimburse Lender's anticipated actual, out-of-pocket expenses in connection with the Defeasance, for which Borrower shall be solely responsible whether or not the Defeasance shall be completed. If any such notice shall have been given by Borrower, Borrower shall be obligated to complete the Defeasance of the Loan on the Defeasance Date, unless such notice is revoked in writing by Borrower prior to the Defeasance Date. Upon completion of the Defeasance or revocation by Borrower as specified above, Lender shall promptly return any surplus deposit to Borrower;
 - b. NO DEFAULT. No Default shall exist either on the date of receipt of Borrower's notice under Section 14.3.a above or on the Defeasance Date;
 - c. PAYMENTS. Borrower shall pay in full, on or before the Defeasance Date (i) all unpaid interest accruing under this Note to and including the Defeasance Date (or otherwise cause Successor Borrower to assume liability for such interest), (ii) all other sums due under this Note and the other Loan Documents on or before the Defeasance Date, (iii) all escrow, closing, recording, legal, appraisal, Rating Agency and other fees, costs and expenses paid or incurred by Lender or its agents in connection with the Defeasance, the release of the lien of the Deed of Trust on the Property, the review of the proposed Defeasance Collateral and the preparation of the Defeasance Security Agreements and related documentation, (iv) a defeasance fee to Lender of 1% of the outstanding principal balance of the Loan as of the Defeasance Date but not more than \$10,000, and (v) any revenue, documentary stamp, intangible or other taxes, charges or similar fees due in connection with the transfer or assumption of this Note or the Defeasance;
 - d. DELIVERIES. Borrower shall, at Borrower's sole cost and expense, deliver the following items to Lender on or before the Defeasance

- (i) The Defeasance Collateral, as substitute collateral for the Loan. The principal and interest payments under the Defeasance Collateral (without regard to earnings from reinvestment of proceeds) must be, in timing and amounts, sufficient to provide for payment prior, but as close as possible, to all successive scheduled payment dates occurring after the Defeasance Date, with each such payment being equal to or greater than the amount of the corresponding installment of principal and interest required to be paid under this Note (including, without limitation, all amounts due on the Maturity Date) for the balance of the term hereof. Borrower shall take such actions, enter such agreements and issue such orders or directions (including those specified below), as are necessary or appropriate and in accordance with customary commercial standards to effectuate book-entry transfers and pledges through the book-entry facilities of the institution holding the Defeasance Collateral or otherwise to create and perfect a valid, enforceable, first priority security interest in the Defeasance Collateral in favor of Lender;
- (ii) A pledge and security agreement and an account control agreement, each in form and substance customary in commercial mortgage defeasance transactions (such agreements, the "Defeasance Security Agreements"), creating, attaching and perfecting a first priority security interest in favor of Lender in the Defeasance Collateral under the law of the jurisdiction selected by Lender, which agreements shall provide, among other things, that all payments generated by the Defeasance Collateral shall be paid directly to Lender and applied by Lender to amounts then due and payable under this Note;
- (iii) A certificate of Borrower certifying that all of the requirements of this Section 14 have been satisfied;
- (iv) Opinions of counsel for Borrower, addressed to Lender and all Rating Agencies and delivered by counsel reasonably satisfactory to Lender, subject only to customary assumptions, qualifications and exceptions, stating, among other things, that (a) Lender has a perfected security interest in the Defeasance Collateral, (b) the Defeasance Security Agreements are enforceable against Borrower in accordance with their terms and (c) any REMIC that holds this Note immediately prior to the Defeasance Date will not, as a result of the Defeasance, fail to maintain its status as a "real estate mortgage investment conduit" within the meaning of Section 860D of the Code;
- (v) A certificate, addressed to Lender and all Rating Agencies, from a firm of independent certified public accountants reasonably

acceptable to Lender, subject only to customary assumptions, qualifications and exceptions, certifying that the Defeasance Collateral satisfies the requirements of Section 14.3.d.(i) above and certifying that in no fiscal year of Successor Borrower will the interest earned on the Defeasance Collateral exceed the interest payable for the same period on the Loan under this Note;

- (vi) If this Note is held by a REMIC, written evidence from all of the Rating Agencies that the Defeasance will not result in a downgrading, withdrawal or qualification of the respective ratings in effect immediately prior to the Defeasance for any securities representing interests in such REMIC which are then outstanding; and
- (vii) Such other certificates, opinions, documents or instruments as are necessary and customary in commercial mortgage defeasance transactions to effect the Defeasance as reasonably required by Lender.

e. RELEASE OF LIEN. Upon satisfaction of all conditions specified in this Section 14, the Property shall be released from the lien of

the Deed of Trust and the other Loan Documents, and the Defeasance Collateral and the proceeds thereof shall constitute the only collateral securing the obligations of Borrower under this Note and the other Loan Documents. Lender shall, at Borrower's expense, prepare, execute and deliver any instruments reasonably necessary to release the lien of the Deed of Trust from the Property.

- f. ASSIGNMENT AND ASSUMPTION. In connection with the Defeasance, Borrower may and shall, at the request of Lender, assign all of its right, title and interest in and to the pledged Defeasance Collateral and all its obligations and rights under this Note and the Defeasance Security Agreements to Successor Borrower. Successor Borrower shall execute an assumption agreement in form and substance customary in commercial mortgage defeasance transactions, pursuant to which it shall assume Borrower's obligations under this Note and the Defeasance Security Agreements. As conditions to such assignment and assumption, Borrower shall (x) deliver to Lender opinions of counsel addressed to Lender and all Rating Agencies, in form and substance customary in commercial defeasance transactions and delivered by counsel reasonably satisfactory to Lender, and subject only to customary assumptions, qualifications and exceptions, stating, among other things, that such assumption agreement is enforceable against Borrower and Successor Borrower in accordance with its terms and that this Note and the Defeasance Security Agreements, as so assumed, are enforceable against Successor Borrower in accordance with their respective terms, and that the bankruptcy of any affiliate of Successor Borrower will not affect the assets of Successor Borrower; and (y) pay all actual, out of pocket costs and expenses incurred by Lender or its agents in connection with such assignment and assumption (including, without limitation, the formation or review of Successor Borrower and the preparation of the assumption agreement and related documentation). Upon such assumption by Successor Borrower, Borrower shall be relieved of its obligations under this Note, the Defeasance Security

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Agreements and the other Loan Documents other than (i) representations and warranties made in connection with the Defeasance, (ii) the obligation to effect the Defeasance in accordance with this Section 14, and to provide further assurances as necessary to do so, (iii) liability for actual losses to Lender resulting from an avoidance, rescission or set-aside of the Defeasance arising as a result of actions taken or suffered by Borrower, and (iv) those obligations which are specifically intended to survive the repayment of the Loan or other termination, satisfaction or assignment of this Note, the Defeasance Security Agreements or the other Loan Documents or Lender's exercise of its rights and remedies under any of such documents and instruments.

15. WAIVER OF JURY TRIAL. LENDER AND BORROWER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHTS THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS NOTE OR ANY OTHER LOAN DOCUMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN), OR ACTIONS OF LENDER OR BORROWER. THIS PROVISION IS A MATERIAL INDUCEMENT FOR LENDER TO MAKE THE LOAN TO BORROWER.

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"BORROWER"

STONEWATER DOX FUNDING LLC,
a Delaware limited liability company

By: /s/ Marc K. Furstein

Name: Marc K. Furstein
Title: Chief Operating Officer

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EXHIBIT A TO PROMISSORY NOTE
ADDITIONAL TERMS AND CONDITIONS

This Exhibit A is attached to and forms a part of that Promissory Note ("Note") executed by STONEWATER DOX FUNDING LLC ("Borrower") in favor of WELLS FARGO BANK, NATIONAL ASSOCIATION ("Lender").

1. DISBURSEMENT OF LOAN PROCEEDS; LIMITATION OF LIABILITY.

Borrower hereby authorizes Lender to disburse the proceeds of the Loan, after deducting any and all fees owed by Borrower to Lender in connection with the Loan, to Chicago Title Insurance Company. With respect to such disbursement, Borrower understands and agrees that Lender does not accept responsibility for errors, acts or omissions of others, including, without limitation, the escrow company, other banks, communications carriers or clearinghouses through which the transfer of Loan proceeds may be made or through which Lender receives or transmits information, and no such entity shall be deemed Lender's agent. As a consequence, Lender shall not be liable to Borrower for any actual (whether direct or indirect), consequential or punitive damages which may arise with respect to the disbursement of Loan proceeds, whether or not (a) any claim for such damages is based on tort or contract, or (b) either Lender or Borrower knew or should have known of the likelihood of such damages in any situation other than actual losses arising from Lender's gross negligence or willful misconduct.

2. FINANCIAL STATEMENTS.

2.1 STATEMENTS REQUIRED. During the term of the Loan and while any liabilities of Borrower to Lender under any of the Loan Documents remain outstanding and unless Lender otherwise consents in writing, Borrower shall provide to Lender the following:

- a. OPERATING STATEMENT. Not later than 10 days after and as of each calendar month during the period prior to any sale of the Loan, and thereafter not later than 30 days after and as of the end of each calendar quarter, an operating statement, signed and dated by Borrower in a form reasonably acceptable to Lender, showing all revenues and expenses during such month or quarter and year-to-date, relating to the Property, including, without limitation, all information requested under any of the Loan Documents;
- b. RENT ROLL. Not later than 10 days after and as of each calendar month during the period prior to any sale of the Loan, and thereafter not later than 30 days after and as of the end of each calendar quarter, a rent roll signed and dated by Borrower in a form reasonably acceptable to Lender, showing the following lease information with regard to each tenant: the

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name of the tenant, monthly or other periodic rental amount, dates of commencement and expiration of the lease, and payment status;

- c. BALANCE SHEET. If requested by Lender, not later than 90 days after and as of the end of each fiscal year, a balance sheet, signed and dated by Borrower in a form reasonably acceptable to Lender (or audited financial statements if Borrower obtains them), showing all assets and liabilities of Borrower; and
- d. OTHER INFORMATION. From time to time, upon Lender's delivery to Borrower of at least 10 days' prior written notice, such other information with regard to Borrower, principals of Borrower, guarantors or the Property as Lender may reasonably request in writing.

2.2 FORM; WARRANTY. Borrower agrees that all financial statements to be delivered to Lender pursuant to Section 2.1 shall: (a) be complete and correct in all material respects; (b) present fairly the financial condition of the party; (c) disclose all liabilities that are required to be reflected or reserved against; and (d) be prepared in accordance with the same accounting standard used by Borrower to prepare the financial statements delivered to and approved by Lender in connection with the making of the Loan or other accounting standards reasonably acceptable to Lender. Borrower shall be deemed to warrant and represent that, as of the date of delivery of any such financial statement, there has been no material adverse change in financial condition, nor have any assets or properties been sold, transferred, assigned, mortgaged, pledged or encumbered since the date of such financial statement except as disclosed by Borrower in a writing

delivered to Lender. Borrower agrees that all rent rolls and other information to be delivered to Lender pursuant to Section 2.1 shall not contain any misrepresentation or omission of a material fact.

2.3 LATE CHARGE. If any financial statement, leasing schedule or other item required to be delivered to Lender pursuant to Section 2.1 is not timely delivered, Borrower shall promptly pay to Lender, as a late charge, the sum of \$500 per item. In addition, Borrower shall promptly pay to Lender an additional late charge of \$500 per item for each full month during which such item remains undelivered following written notice from Lender. Borrower acknowledges that Lender will incur additional expenses as a result of any such late deliveries, which expenses would be impracticable to quantify, and that Borrower's payments under this Section 2.3 are a reasonable estimate of such expenses.

3. IMPOUNDS AND CASH MANAGEMENT.

3.1 AMOUNTS. Borrower shall deposit with Lender, the amounts ("Impounds") stated below on the dates stated below, for the purpose of paying the costs stated below:

a. TAXES. (i) \$75,776.00 on the Disbursement Date, and (ii) on the first payment date on which both principal and interest under the Loan are

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payable and on each payment date thereafter, an amount reasonably estimated from time to time by Lender in its sole discretion to be sufficient to pay for real estate taxes and assessments payable by Borrower under Section 6.9 of the Mortgage. The initial estimated monthly amount to be deposited by Borrower on each payment date is \$18,944.00.

b. INSURANCE. (i) \$2,228.00 on the Disbursement Date, and (ii) on the first payment date on which both principal and interest under the Loan are payable and on each payment date thereafter, an amount reasonably estimated from time to time by Lender in its sole discretion to be sufficient to pay for premiums for insurance payable by Borrower under Section 6.10 of the Mortgage. The initial estimated monthly amount to be deposited by Borrower on each payment date is \$1,114.00.

c. INTENTIONALLY DELETED.

d. INTENTIONALLY DELETED.

e. INTENTIONALLY DELETED.

f. INTENTIONALLY DELETED.

g. INTENTIONALLY DELETED.

h. INTENTIONALLY DELETED.

i. INTENTIONALLY DELETED.

j. INTENTIONALLY DELETED.

k. INTENTIONALLY DELETED.

l. CAPITAL EXPENDITURES. \$1,747.00 on the first payment date on which both principal and interest under the Loan are payable and on each payment date thereafter for payment or reimbursement of Capital Expenditures (defined below).

m. WAIVER OF CERTAIN IMPOUNDS. Notwithstanding the foregoing or anything to the contrary contained herein, Borrower shall not be required to make the monthly deposits for the Impounds referenced in Section 3.1(1) above ("Trigger Impounds") until a Default (a "Trigger Event").

n. LETTER OF CREDIT IN LIEU OF CASH FLOW SWEEP. In the event that a Cash Flow Sweep Trigger Event (defined below) has occurred pursuant to the terms of the Cash Management Agreement dated the date hereof, in lieu of all Gross Income delivered from the Property being deposited into the Excess Cash Flow Subaccount after applying all funds in the Restricted Account (as defined in the Cash Management Agreement) to the amounts

due under this Note on each scheduled payment date as provided for in the Cash Management Agreement, Borrower may deposit with Lender a Letter of Credit (defined below) in the principal amount of \$2,000,000. The Letter of Credit (defined below) will be held as additional collateral for the Loan. The Letter of Credit shall be released to Borrower upon the occurrence of a Cash Flow Sweep Event Cure (as defined in the Cash Management Agreement dated the date hereof).

"Cash Flow Sweep Trigger Event" shall mean the occurrence of any one of the following events: (i) Amdocs gives notice to Borrower that it will not exercise any option to extend contained in any Amdocs Leases pursuant to the terms of the applicable Amdocs Lease or (ii) Amdocs fails to (A) deliver evidence reasonably satisfactory to Lender that it has exercised each of the options to extend contained in each of the Amdocs Leases in accordance with each of their terms on or before that date that is twenty-four (24) months prior to the current expiration date of the applicable Amdocs Lease or (B) deliver to Lender extensions of each of the Amdocs Leases covering all of the Amdocs Space containing the following terms (reasonably satisfactory to Lender in all respects), (1) a term no less than five (5) years beyond the Maturity Date of the Loan, (2) then current market rates for the office submarket where the Property is located (after any rate abatement is calculated into the rate, if applicable) but in no event less than the rental rates currently provided for in each of the Amdocs Leases, and (3) such other terms and conditions shall be reasonably satisfactory to Lender.

"Letter of Credit" shall mean an irrevocable, auto-renewing, unconditional, transferable, clean sight draft letter of credit having an initial term of not less than one (1) year and with automatic renewals for one (1) year periods, for which Borrower shall have no reimbursement obligation and which reimbursement obligation is not secured by the Property or any other property pledged to secure the Note, in favor of Lender and entitling Lender to draw thereon in New York, New York, based solely on a statement that Lender has the right to draw thereon executed by an officer or authorized signatory of Lender. A Letter of Credit must be issued by an Approved Bank (defined below). If at any time the institution issuing any such Letter of Credit shall cease to be an Approved Bank (defined below), Lender shall have the right to draw down the same in full and hold the proceeds thereof in accordance with the provisions of the Loan Documents, unless Borrower shall deliver a replacement Letter of Credit from an Approved Bank (defined below) within (i) as to (a) above, twenty (20) days after Lender delivers written notice to Borrower that the institution issuing the Letter of Credit has ceased to be an Approved Bank (defined below) or (ii) as to (b) above, within twenty (20) days prior to the expiration date of said Letter of Credit.

"Approved Bank" shall mean (a) a bank or other financial institution which has the Required Rating (defined below), (b) if a securitization has not occurred, a bank or other reasonably financial institution acceptable to Lender or (c) if a securitization has occurred, a bank or other financial institution which the rating agencies have confirmed in writing will not, in and of itself, result in a downgrade, withdrawal or qualification of the then current ratings assigned in connection with such securitization.

"Required Rating" shall mean a rating by S&P of not less than A-1+ if the term of such Letter of Credit, bond or other instrument is no longer than three (3) months or if the term of such Letter of Credit, bond or other instrument is in excess of three (3) months, a rating by the applicable rating agencies of not lower than "AA", "AA" and "Aa2" by S&P, Fitch and/or Moody's, respectively, or, if a securitization has not occurred, such other rating that is reasonably acceptable to Lender or, if a securitization shall have occurred, such other rating that the rating agencies shall have confirmed in writing will not, in and of itself, result in a downgrade, withdrawal or qualification of the then current ratings assigned in connection with such securitization.

- o. AMDOCS GO-DARK RESERVE. In the event that any portion of the Amdocs Space is not operated and occupied by Amdocs pursuant to the terms of the Amdocs Lease for a continuous period of 30 days or more (the "Dark Space"), or if Amdocs offers any portion of the Amdocs Space for sublease (the "Sublet Space"), Borrower shall be required to make monthly deposits with Lender for the ensuing 12-month period in an amount equal to the quotient obtained by dividing (i) the product of (A) \$15.00 multiplied by (B) the number of square feet in the Improvements covered by the Dark Space or the Sublet Space (the "Amdocs Go-Dark Reserve") and (ii) twelve (12) (the "Go-Dark Deposits"). The Amdocs Go-Dark Reserve shall be held by Lender as additional collateral for the Loan. In lieu of Amdocs Go-Dark Reserve, Borrower may deposit with Lender a Letter of Credit in the amount of the Amdocs Go-Dark Reserve to be required to be deposited over the 12-month period referenced above.

The Borrower shall no longer be obligated to fund the Go-Dark Deposits upon Borrower's delivery of evidence satisfactory to Lender that (a) the Sublet Space has been sublet to a subtenant reasonably satisfactory to Lender pursuant to a sublease reasonably satisfactory to Lender and such subtenant has taken possession of the Sublet Space and commenced paying rent, (b) the Dark Space is re-occupied by Amdocs and is operating pursuant to the terms of the Amdocs Lease or (c) the Dark Space is re-let to a replacement tenant, reasonably satisfactory to Lender, pursuant to a replacement lease, reasonably satisfactory to Lender, and such replacement tenant has taken possession of the Dark Space and commenced paying rent. Notwithstanding the foregoing or anything

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herein to the contrary, if only a portion of the Dark Space or the Sublet Space is sublet, re-occupied or re-let, as applicable, Borrower must continue to fund the Go-Dark Deposits with Lender until there is on deposit with Lender an amount no less than the product of (i) \$15.00, and (ii) the number of square feet representing the portion of the Dark Space or the Sublet Space, as applicable ("the Required Minimum Go Dark Reserve Balance"). Lender agrees that in the event that Borrower is no longer obligated to fund the Go Dark Deposits, Lender shall refund to Borrower all amounts in the Amdocs Go Dark Reserve in excess of the Required Minimum Go Dark Reserve Balance.

3.2 APPLICATION.

- a. TAXES. If no Default exists, Lender shall apply the Impounds to the payment of the taxes and other liabilities stated above.
- b. INSURANCE. If no Default exists, Lender shall apply the Impounds to the payment of the insurance premiums stated above.
- c. INTENTIONALLY DELETED.
- d. INTENTIONALLY DELETED.
- e. INTENTIONALLY DELETED.
- f. INTENTIONALLY DELETED.
- g. CAPITAL EXPENDITURES. If no Default exists, Lender shall release the Impounds to Borrower as necessary, in increments of no more than \$20,000 per release, to pay or reimburse Borrower for the Capital Expenditures; provided, however, that Lender shall have received and approved each of the following:
 - (i) Borrower's written request for such release, including a description of the Capital Expenditures and Borrower's certification that all Capital Expenditures for which payment or reimbursement is sought have been paid or incurred by Borrower for work completed lien-free and in a workmanlike manner subject to Borrower's right to contest liens as provided for in the Mortgage;
 - (ii) copies of invoices supporting the request for such release; and
 - (iii) an inspection report if reasonably required by Lender, signed by an inspector selected by Borrower and reasonably approved by Lender, whose fees and expenses shall be paid by Borrower and deducted from requested release of Impounds,

and such other evidence as Lender shall require, confirming Borrower's certification.

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- 3.3 GENERAL. Subject to the terms of the Cash Management Agreement (as defined below), any portion of the Impounds that exceeds the amount required for payment of the foregoing costs shall be promptly repaid to Borrower upon Borrower's compliance with the foregoing. Reference is made to Section 6.12(b) of the Mortgage for a description of the account into which the Impounds shall be deposited and for a description of certain rights and remedies of Lender with respect to amounts in such account. Notwithstanding anything to the contrary in the Mortgage, all accounts containing Impounds for tenant improvements, deferred maintenance work, and capital expenditures shall bear interest at a rate established by Lender or its servicing agent, which may or may not yield the highest rate then available of the type customarily maintained.
- 3.4 MAINTENANCE AND CONSTRUCTION.
- a. TENANT IMPROVEMENTS. Borrower shall construct or cause to be constructed all tenant improvements in a workmanlike manner and in accordance with all applicable laws, ordinances, rules and regulations.
 - b. INTENTIONALLY DELETED.
 - c. INTENTIONALLY DELETED.
 - d. CAPITAL EXPENDITURES. Borrower shall complete or cause to be completed the lien-free performance (subject to Borrower's right to contest liens as provided for in the Mortgage) or installation of the Capital Expenditures (as defined below) from time to time as necessary, in a workmanlike manner and in accordance with all applicable laws, ordinances, rules and regulations. "Capital Expenditures" shall mean major repairs and replacements to maintain or improve the Property, including, without limitation, structural repairs, roof replacements, HVAC repairs and replacements, mechanical and plumbing repairs and replacements and boiler repair and replacements.
 - e. RIGHT OF INSPECTION. Lender shall have the right to enter upon the Property at all reasonable times during normal business hours upon reasonable notice to inspect all work for the purpose of verifying information disclosed or required pursuant to this Note. Notwithstanding the foregoing, Lender shall not be obligated to supervise or inspect any work or to inform Borrower or any third party regarding any aspect of any work.
- 3.5 RELEASE. Lender shall release any Impounds to Borrower through a funds transfer of such Impounds initiated by Lender to the following account or such other account as Borrower specifies in a notice to Lender:

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Bank Name: LaSalle National Bank
ABA Routing No.: 071000505
Account Name: Stonewater DOX Funding LLC
Reference: Amdocs
Advise: John Reinsma, Ext. 4-0282

Lender shall determine the funds transfer system and other means to be used in making each such release. Borrower agrees that each such funds transfer initiated by Lender shall be deemed to be a funds transfer properly authorized by Borrower, even if the transfer is not actually properly authorized by Borrower. Borrower acknowledges that Lender shall rely on the account number and ABA routing number set forth above or specified in a notice from Borrower to Lender, even if such account number identifies an account with a name different from the name so specified, or the routing number identifies a bank different from the bank so specified. If Borrower learns of any error in the transfer of any Impounds or of any transfer which was not properly authorized, Borrower shall notify Lender as soon as possible in writing but in no case more than 14 days after Lender's first confirmation to Borrower of such transfer.

- 3.6. CASH MANAGEMENT. Borrower shall enter into that certain Cash Management Agreement (In-Place Hard) dated as of even date herewith

among Borrower, Lender, as "Lender", and Lender, as "Depository" (the "Cash Management Agreement") which shall govern the collection and disbursement of all Gross Income (as defined in the Cash Management Agreement) during the term of the Loan.

4. ONE-TIME RIGHT OF TRANSFER OF PROPERTY. Notwithstanding anything to the contrary contained in Section 6.15 of the Mortgage, Lender shall, one time only, consent to the voluntary sale or exchange of all of the Property to a bona-fide third party purchaser, without any modification of the terms of this Note or the other Loan Documents, if no Default has occurred and is continuing and all of the following conditions have been satisfied:
- 4.1 Lender's reasonable determination that the proposed purchaser, the proposed guarantor, if any, and the Property all reasonably satisfy Lender's then applicable credit review and underwriting standards, taking into consideration, among other things, (a) any material decrease in the Property's cash flow which would result from any increase in real property taxes due to any anticipated reassessment of the Property for tax purposes and (b) any requirement of Lender that the proposed borrowing entity satisfy Lender's then applicable criteria for a single purpose bankruptcy remote entity;
- 4.2 Lender's reasonable determination that the proposed purchaser possesses satisfactory recent experience in the ownership and operation of properties comparable to the Property;

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- 4.3 the execution and delivery to Lender of such documents and instruments as Lender shall reasonably require, in form and content reasonably satisfactory to Lender, including, without limitation, (i) an assumption agreement under which the purchaser assumes all obligations and liabilities of Borrower under this Note and the other Loan Documents and agrees to periodically pay such new or additional Impounds to Lender as Lender may reasonably require, and (ii) a consent to the transfer by any existing guarantor and a reaffirmation of such guarantor's obligations and liabilities under any guaranty made in connection with the Loan or a new guaranty executed by a new guarantor reasonably satisfactory to Lender;
- 4.4 the purchaser shall furnish an opinion of counsel reasonably satisfactory to Lender and its counsel (A) that the assumption of the Loan has been duly authorized, executed and delivered, and that the Note, the assumption agreement and the other Loan Documents are valid, binding and enforceable against the purchaser in accordance with their terms, (B) that purchaser, any entity which is a controlling stockholder, member or general partner of the purchaser, and any additional signatory of the purchaser have been duly organized, and are in existence and good standing, and (C) with respect to such other matters as Lender may reasonably request;
- 4.5 if required by Lender, delivery to Lender of evidence of title insurance reasonably satisfactory to Lender insuring Lender that the lien of the Mortgage and the priority thereof will not be impaired or affected by reason of such transfer or exchange of the Property;
- 4.6 payment to Lender of an assumption fee equal to 1% of the then outstanding principal balance of this Note (but not less than \$15,000);
- 4.7 if reasonably required by Lender, deposit with Lender of any new or additional Impounds;
- 4.8 reimbursement to Lender of any and all actual out of pocket costs and expenses paid or incurred by Lender in connection with such transfer or exchange, including, without limitation, all reasonable in-house or outside counsel attorneys' fees, title insurance fees, appraisal fees, inspection fees, environmental consultant's fees and any fees or charges of the applicable rating agencies; and
- 4.9 if required by Lender, delivery to Lender of written evidence from the applicable rating agencies that such transfer or exchange will not result in a downgrading, withdrawal or qualification of the respective ratings in effect immediately prior to the transfer or exchange for any securities issued in connection with the securitization of the Loan which are then outstanding (a "Rating Agency Confirmation").

Lender shall fully release Borrower and any existing guarantor from any further obligation or liability to Lender under this Note and the other Loan Documents upon the

assumption by the purchaser and any new guarantor of all such obligations and liabilities and the satisfaction of all other conditions precedent to a transfer or exchange in accordance with the provisions of this Section.

5. PREPAYMENT.

5.1 The Note contains provisions which permit: Full Defeasance Only.

6. RELEASE OF PARKING PARCEL - EXPANSION

6.1 Notwithstanding anything to the contrary contained herein or in other Loan Documents, provided no Default has occurred and is continuing, Borrower may obtain the release of the Parking Parcel (a "Partial Release") from the lien of the Mortgage (and this Note and other Loan Documents) and the release of Borrower's obligations under this Note and other Loan Documents with respect to such Parking Parcel (other than those expressly stated to survive), but only upon the satisfaction of each of the following conditions:

- a. Borrower shall provide Lender with at least sixty (60) days but no more than ninety (90) days prior written notice of its request to obtain a release of the Parking Parcel;
- b. A wire transfer to Lender of immediately available federal funds in an amount equal to the Release Price for the Parking Parcel, together with (i) all accrued and unpaid interest on the amount of principal being prepaid on the date of such prepayment, (ii) if such payment is not made on a scheduled payment date, the Interest Shortfall with respect to the amount prepaid, (iii) any applicable prepayment premium in accordance with Section 13.2 hereof, and (iv) all other sums due under this Note or the other Loan Documents in connection with a partial prepayment;
- c. Borrower shall submit to Lender, not less than ten (10) days prior to the date of such release, a release of the lien (and other Loan Documents) for such Parking Parcel for execution by Lender. Such release shall be in a form appropriate in Illinois and shall contain standard provisions, if any, protecting the rights of Lender. In addition, Borrower shall provide all other documentation Lender customarily requires in Illinois to be delivered by Borrower in connection with such release;
- d. After giving effect to the release of the lien of the Mortgage encumbering the Parking Parcel proposed by Borrower to be released and paydown of the Note, Lender shall have determined, based on criteria that would be satisfactory to a prudent institutional mortgage loan lender, that the Debt Service Coverage Ratio with respect to the remaining Property shall be no less than the greater of (i) the Debt Service Coverage Ratio of the Property

as of the date hereof or (ii) the Debt Service Coverage Ratio of the Property immediately prior to the Partial Release;

- e. After giving effect to the release of the lien of the Mortgage encumbering the Parking Parcel proposed by Borrower to be released and paydown of the Note, Lender shall have determined, based on criteria that would be satisfactory to a prudent institutional mortgage loan lender, that the loan to value ratio with respect to the remaining Property shall be no greater than the lesser of (i) the loan to value ratio of the Property as of the date hereof or (ii) the loan to value ratio of the Property immediately prior to the Partial Release based on updated appraisals at the time of the Partial Release;
- f. Lender shall have received evidence that the Parking Parcel to be released shall be conveyed to a person or entity other than Borrower or any of its affiliates;
- g. Lender shall have received payment of all Lender's actual out-of-pocket costs and expenses, including due diligence review costs and reasonable counsel fees and disbursements incurred in connection with the release of the Parking Parcel from the lien of the Mortgage and the review and approval of the documents and information required to be delivered in connection therewith;

- h. Borrower shall deliver evidence reasonably satisfactory to Lender that (i) following the Partial Release, the Property remaining encumbered by the lien of the Mortgage shall comply with all Legal Requirements, including, without limitation, all zoning and building codes, rules and regulations (and specifically, parking requirements), (ii) the Property remaining encumbered by the lien of the Mortgage shall constitute a separate lot for tax and assessment purposes by no later than the earlier of (1) the earliest date permitted under applicable Legal Requirements, or (2) the first Business Day of the next calendar year, (iii) such release shall not adversely affect ingress or egress to or from the Property, (iv) the documents with respect to such release shall not impose any obligations or otherwise burden the Property in any way (subject to subsection (1) below), and (v) Borrower has obtained or caused to be obtained all necessary approvals, consents or permits with respect to such release;
- i. Borrower shall deliver to Lender a new lease with Amdocs Champaign, Inc., which shall cover all of the space in the improvements to be constructed on the Parking Parcel, reasonably acceptable to Lender;
- j. Lender shall have received an Officer's Certificate (A) as to the proposed use of the Parking Parcel, its compatibility with an office park and its effects on the operation and use of the remainder of the Property and (B)

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- indicating the gross revenue and operating expenses for the Property both immediately before and immediately after the proposed release after taking into account the proposed use of the Parking Parcel and its effects on income and expense at the Property, together with evidence in support of such conclusions;
- k. Borrower shall have delivered to Lender evidence that Borrower has complied with all requirements of and obtained all approvals required under any leases and the operating agreements, if any, applicable to the release of the Parking Parcel, if any, and that the release of the Partial Release does not violate any of the provisions of the leases and the operating agreements including, without limitation, provisions relating to the availability of parking at the Property;
 - l. Borrower shall have delivered a copy of any reciprocal easement agreement amendment to be executed on or prior to the date of the release which may contain cross-easements for the benefit of the Parking Parcel and the remainder of the Property in respect of access, driveways, parking, utilities, drainage flows, storm and sanitary sewers, and other customary purposes. The reciprocal easement agreement amendment will contain only those provisions which (x) are necessary or desirable to accommodate the proposed development of the Parking Parcel, and (y) are consistent with Borrower's obligations under the Loan Documents;
 - m. Borrower shall have delivered a certificate from an architect or engineer (licensed to practice in Illinois and reasonably acceptable to Lender) to the effect that any improvements proposed to be built on the Parking Parcel will not adversely affect the ability to operate and maintain the remainder of the Property (after giving effect to any easements reserved or granted for the benefit of such remainder or the Parking Parcel) and will not result in a loss of any rentable square feet on the remainder of the Property;
 - n. Borrower shall have delivered to Lender an architect's certificate certifying that the plans and drawings for the improvements to be built on the Parking Parcel and the improvements to be constructed pursuant thereto will comply with all Legal Requirements;
 - o. Borrower shall have delivered a metes and bounds description of the Parking Parcel and a survey of the Parking Parcel and the remainder of the Property which would be standard in commercial lending transactions;
 - p. Borrower shall have delivered to Lender on the date of the release an endorsement to the policy or policies of title insurance insuring the Mortgage reflecting the release and (i) insuring Lender's interest in any easements created in connection with the release, (ii) extending the effective date of the policy or policies to the effective date of the release,

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and (iii) confirming no change in the priority of the Mortgage on the remainder of the Property or in the amount of the insurance or the coverage under the policy or policies;

- q. If required by Lender, Borrower shall deliver to Lender a Rating Agency Confirmation as to the Partial Release and the anticipated improvements to be placed on the Parking Parcel and Lender agrees, upon request, to use commercially reasonable efforts to cooperate with Borrower and to facilitate Borrower's efforts to obtain any such rating confirmation as required hereunder, which cooperation shall include supplying the Rating Agencies with copies of reports, documents and other information and materials provided to Lender by Borrower, provided however, that in no event shall (1) Lender be required to incur any costs or expenses (other than de minimus costs or expenses) in connection with such cooperation and (2) Lender's agreement hereunder to cooperate with Borrower in obtaining a rating confirmation obligate Lender to institute (or threaten to institute) or participate in (or threaten to participate in) any litigation, suits, or proceedings at law or in equity against any Rating Agency in connection with Borrower's efforts to obtain such rating confirmation; and
- s. If the Loan is part of a Securitization, Borrower shall provide an opinion of counsel acceptable to the Rating Agencies that the release does not constitute a "significant modification" under Section 1001 of the Internal Revenue Code of 1986 or otherwise cause a tax to be imposed on a "prohibited transaction" by any REMIC Trust.

EXHIBIT A
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Loan No. 31-0901388

EXHIBIT B TO PROMISSORY NOTE
LOAN DOCUMENTS AND OTHER RELATED DOCUMENTS

This Exhibit B is attached to and forms a part of that Promissory Note ("Note") executed by STONEWATER DOX FUNDING LLC ("Borrower") in favor of WELLS FARGO BANK, NATIONAL ASSOCIATION ("Lender").

- 1. LOAN DOCUMENTS. The documents numbered 1.1 through 1.20 below of even date herewith (unless otherwise specified) and any amendments, modifications and supplements thereto which have received the prior written approval of Lender and any documents executed in the future that are approved by Lender and that recite that they are "Loan Documents" for purposes of this Note are collectively referred to as the "Loan Documents".
 - 1.1 This Note;
 - 1.2 Mortgage;
 - 1.3 State of Illinois Commercial Code - Financing Statements - Form UCC-1;
 - 1.4 State of Delaware Uniform Commercial Code - Financing Statements - Form UCC-1;
 - 1.5 Intentionally Deleted;
 - 1.6 Intentionally Deleted;
 - 1.7 Limited Liability Company Borrowing Certificate;
 - 1.8 Intentionally Deleted;
 - 1.9 Limited Liability Company Certificates Authorizing Limited Liability Company Activity;
 - 1.10 Limited Liability Company Certificate Authorizing LLC Activity;
 - 1.11 Corporate Resolutions Authorizing Corporate Activity;
 - 1.12 Partnership Certificate Authorizing Partnership Activity;
 - 1.13 Intentionally Deleted;
 - 1.14 One (1) Estoppel Certificate as of November 21, 2003;

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- 1.15 One (1) Subordination Agreements and Non-Disturbance and Attornment Agreements as of November 21, 2003;
 - 1.16 Assignment of Management Contracts;
 - 1.17 Intentionally Deleted;
 - 1.18 Cash Management Agreement;
 - 1.19 Agreement Regarding Required Insurance.
2. OTHER RELATED DOCUMENTS WHICH ARE NOT LOAN DOCUMENTS.
- 2.1 Flood Hazard Notice;
 - 2.2 Limited Guaranty by Stonewater Funding LLC;
 - 2.3 Limited Guaranty by Drawbridge Special Opportunities Fund LP;
 - 2.4 Limited Guaranty by Stonewater Partners Inc.

EXHIBIT B

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EXHIBIT C

LEGAL DESCRIPTION OF PARKING PARCEL

Lot 5 of Final Plat of Lots 5, 6 and 7 of Par 3 Development Subdivision, a Subdivision in the City of Champaign, Champaign County, Illinois, as per plat recorded July 10, 1996 in Plat Book "CC" at page 185 as Document 96R 17100.

GLADSTONE COMMERCIAL LIMITED PARTNERSHIP

PURCHASE AGREEMENT

2101, 2109, 2201, 2215 AND 2301 FOX DRIVE, CHAMPAIGN, ILLINOIS

DATED: NOVEMBER 23, 2005

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Exhibit 11.1(f)	Form of Assignment and Assumption Agreement

SUMMARY OF TERMS

OWNER: Stonewater Dox Funding LLC

OWNER'S ADDRESS: c/o Drawbridge Special Opportunities Fund LLP
1251 Avenue of the Americas
16th Floor
New York, New York 10021

PURCHASE PRICE: Fifteen Million and No/100 Dollars
(\$15,000,000.00)

TENANT: Amdocs Champaign, Inc.

PURCHASE AGREEMENT

PREAMBLE:

THIS PURCHASE AGREEMENT (this "AGREEMENT") is made as of the 23rd day of November, 2005 (the "EFFECTIVE DATE"), by and between Gladstone Commercial Limited Partnership, a Delaware limited partnership (the "COMPANY"), as purchaser and Stonewater Dox Funding LLC, a Delaware limited liability company (the "OWNER"), as seller, of all of the fee simple interest of the Property.

RECITALS:

A. Owner is the owner of the property (the "PROPERTY"), which term Property shall include the land described in Exhibit A attached hereto (the "LAND") and all of the Improvements (as hereinafter defined) thereon, together with all rights and appurtenances pertaining to the Land, including, without limitation, all of Owner's rights, title and interest in and to all: (i) minerals, oil, gas, and other hydrocarbon substances thereon; (ii) adjacent strips, streets, roads, avenues, alleys and rights-of-way, public or private, open or proposed, including any rights in vault space adjacent to or within the boundaries of the Land; (iii) easements, covenants, privileges, and hereditaments, whether or not of record, appurtenant to the Land; (iv) access, air, water, riparian, development, utility, and solar rights; (v) signs, appliances, security systems, fixtures, mechanical systems, landscaping and other property owned by Owner located at the Property, but excluding items of movable personal property attached to the Property that relate to the business conducted on such Property and that may be readily removed without damage; (vi) site plans, surveys, plans and specifications, and floor plans relating to the Property in Owner's possession or control; (vii) warranties, guarantees and bonds relating to the Property (to the extent assignable); and (viii) permits, licenses, certificates of occupancy (if any) and other governmental approvals which relate to the Property (to the extent assignable).

B. The Company desires to acquire, and Owner desires to sell, the Property, upon and subject to the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises hereinafter set forth and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

For purposes of this Agreement, unless the context otherwise requires, the following terms shall have the meanings hereinafter set forth (such meanings to be applicable to the singular and plural forms of such terms and the masculine and feminine forms of such terms):

Section 1.1 "BUSINESS DAY" shall mean any day excluding Saturday, Sunday and any day which on which banking institutions in the Commonwealth of Virginia are authorized by law or by other governmental actions to close.

Section 1.2 "ENVIRONMENTAL LAW" shall mean any present and future law and any amendments (whether common law, statute, rule, order, regulation or otherwise), permits and other requirements or guidelines of governmental authorities applicable to the Property and relating to the environment and environmental conditions or to any Hazardous Material (including, without limitation, CERCLA, 42 U.S.C. Section 9601 et seq., the Resource Conservation and Recovery Act of 1976, 42 U.S.C. Section 6901 et seq., the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801 et seq., the Federal Water Pollution Control Act, 33 U.S.C. Section 1251 et seq., the Clean Air Act, 33 U.S.C. Section 7401 et seq., the Toxic Substances Control Act, 15 U.S.C. Section 2601 et seq., the Safe Drinking Water Act, 42 U.S.C. Section 300f et seq., the Emergency Planning and Community Right-To-Know Act, 42 U.S.C. Section 1101 et seq., the Occupational Safety and Health Act, 29 U.S.C. Section 651 et seq., and

any so-called "Super Fund" or "Super Lien" law, any law requiring the filing of reports and notices relating to hazardous materials, environmental laws administered by the Environmental Protection Agency, and any similar state and local laws, all amendments thereto and all regulations, orders, decisions, and decrees now or hereafter promulgated thereunder concerning the environment, industrial hygiene or public health or safety).

Section 1.3 "EXISTING LENDER" shall mean the owner and holder of the Existing Loan.

Section 1.4 "EXISTING LOAN" shall mean a loan made by Wells Fargo Bank, National Association to Owner in the original principal amount of \$10,000,000.

Section 1.5 "EXISTING LOAN DOCUMENTS" shall mean each of the loan documents listed on Schedule 1.8 annexed hereto.

Section 1.6 "EXISTING MORTGAGE" shall mean that certain Mortgage and Absolute Assignment of Rents and Leases and Security Agreement made by Owner to Wells Fargo Bank, National Association dated as of November 21, 2003 in the amount of \$10,000,000, which Existing Mortgage encumbers the Land and the Improvements and secures the Existing Loan.

Section 1.7 "GOVERNMENTAL AUTHORITIES" shall mean any commission, department or body of any municipality, township, city, county, state or Federal governmental unit having jurisdiction over any of the Property or the ownership, management, operation, use or improvement thereof.

Section 1.8 "IMPROVEMENTS" shall mean all buildings, improvements, structures and fixtures located on the Land or within any easements appurtenant thereto and owned by Owner, including, without limitation, sidewalks, landscaping, parking lots and structures, roads, drainage and all above ground and underground utility structures and

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conduits, equipment systems and other so-called "infrastructure" improvements owned by Owner.

Section 1.9 "LEASES" shall mean, collectively the Leases described on Exhibit 1.9 attached hereto

Section 1.10 "OTHER CONTRACT" shall mean that certain Purchase Agreement of even date herewith between Stonewater UIS Funding LLC, as seller, and Gladstone Commercial Limited Partnership, as purchaser, with respect to the sale and purchase of the Other Property, as the same may be modified or amended from time to time.

Section 1.11 "OTHER PROPERTY" shall mean that certain property commonly known as 2470 Highcrest Road, Roseville, Minnesota.

Section 1.12 "OWNER'S KNOWLEDGE" means the actual knowledge of Jeffrey Toporek and David Stade following a reasonable review of Owner's files with respect to the Property, and other knowledge of Messrs. Toporek and Stade obtained through their usual and customary dealings with the Property Manager and the Property and its operation in the ordinary course (but without any special investigation or inquiry by either of them), which review and other knowledge did not disclose any information contrary to the accuracy or veracity of any such representation or warranty.

Section 1.13 "PURCHASE PRICE" means Fifteen Million and No/100 Dollars (\$15,000,000.00)

Section 1.14 "TAX YEAR" shall mean the year period commencing on January 1 of each calendar year and ending on December 31 of such calendar year, being the real estate tax year for the county in which the Property is located..

Section 1.15 "TENANT" means Amdocs Champaign, Inc. a Delaware corporation (formerly known as ITDS Intelicom Services, Inc.).

Section 1.16 "THE COMPANY'S DUE DILIGENCE AND CONTRACT COSTS" shall mean, collectively and in the aggregate, all reasonable costs and expenses (including, without limitation, reasonable attorneys' and accountants' fees and related expenses) incurred by the Company in connection with the transactions contemplated by this Agreement, including, without limitation, costs and expenses incurred by the Company in connection with the assumption by the Company of the Existing Loan.

ARTICLE II PURCHASE PRICE AND DEPOSIT

Section 2.1 Purchase Price. On the terms and subject to the conditions of this Agreement, at the Closing (as hereinafter defined), Owner shall sell, transfer, convey, assign,

and deliver to the Company, and the Company shall purchase and accept from Owner all the right, title, and interest of Owner in and to the Property for the Purchase Price.

Section 2.2 Deposit and Escrow Agreement. Simultaneously with its execution of this Agreement, the Company shall place in escrow (by wire transfer of immediately available federal funds) with First American Title Insurance Company (the "TITLE COMPANY") the sum of Two Hundred Thousand and No/100 Dollars (\$200,000.00), representing an initial deposit (the "INITIAL DEPOSIT"), to be held in accordance with an Escrow Agreement (the "ESCROW AGREEMENT") in the form attached hereto as Exhibit 2.2. Concurrently with the execution of this Agreement, Owner, the Company and the Title Company shall enter into the Escrow Agreement. Provided that this Agreement has not been terminated by the Company on or before the expiration of the Study Period, then within two (2) Business Days after the expiration of the Study Period the Company shall place in escrow (by wire transfer of immediately available federal funds) the sum of One Hundred Seventy-Five Thousand and No/100 Dollars (\$175,000.00), representing an additional deposit (the "ADDITIONAL DEPOSIT"; the Initial Deposit and the Additional Deposit, together with accrued interest thereon, are herein referred to as the "DEPOSIT"). The Deposit shall be disbursed by the Title Company in accordance with the terms and conditions of this Agreement and the Escrow Agreement

Section 2.3 Payment of the Purchase Price. At the Closing, the Purchase Price shall be paid by the Company to Owner as follows:

(a) Three Hundred Seventy-five Thousand and No/100 Dollars (\$375,000) by release of the Deposit by the Title Company to the Owner;

(b) Nine Million Seven Hundred Sixty-One Thousand Six Hundred Fourteen and 72/100 Dollars (\$9,761,614.72) by the Company's assumption of the Existing Mortgage pursuant to the provisions of Article VII hereof; and

(c) Four Million Eight Hundred Sixty-Three Thousand Three Hundred Eighty-Five and 28/100 Dollars (\$4,863,385.28) by wire transfer of immediately available federal funds to a bank account designated by Owner, subject to adjustment pursuant to the terms hereof, and as reduced by any interest that has accrued on the Deposit and that is released to the Owner at the Closing (said amount, as adjusted, being herein called the "CASH BALANCE").

If, as of the Closing, the outstanding principal balance of the Existing Mortgage is less than the amount set forth in Section 2.3(b), then the difference shall be both deducted from the amount set forth in Section 2.3(b) above and added to the Cash Balance payable at Closing pursuant to Section 2.3(c) above. If, as of the Closing, the outstanding principal balance of the Existing Mortgage is more than the amount set forth in Section 2.3(b), then the difference shall be both added to the amount set forth in Section 2.3(b) above and deducted from the Cash Balance payable at Closing pursuant to Section 2.3(c) above.

ARTICLE III STUDY PERIOD; CONFIDENTIALITY; AS-IS

Section 3.1 Term of Study Period. The term "STUDY PERIOD" shall mean the period commencing on the Effective Date and ending at 5:00 p.m. (Eastern Standard Time) on the date that is thirty (30) days from the Effective Date (the "STUDY PERIOD EXPIRATION DATE"). During the Study Period, and subject to the provisions of this Article III, the Company may conduct such reasonable due diligence activities, inspections and studies of the Property as it deems necessary or appropriate, and may examine and investigate all facts, circumstances and matters relating to the Property relevant to its purchase thereof, including, without limitation, the condition of the Land and Improvements, title, survey matters and any other matters it deems necessary or appropriate for purposes of consummating the transaction contemplated by this Agreement. All such due diligence activities are sometimes referred to herein as the "DUE DILIGENCE". If, prior to the Study Period Expiration Date, the Company has not received all of the third party reports that the Company determines are necessary in connection with its due diligence ("THIRD PARTY REPORTS"), including but not limited to the Commitment, Survey (as such terms are hereinafter defined), phase I environmental assessment, appraisal, property condition assessment/engineering report and zoning report, then the Company shall have a one time right to extend the Study Period Expiration Date for an additional fifteen (15) days by written notice delivered by the Company to Owner and the Title Company on or prior to the then current Study Period Expiration Date, provided that such notice sets forth a description of the Third Party Reports that have not yet been received by the Company. In no event, however, shall the Study Period Expiration Date be later than forty-five (45) days from (and including) the Effective Date. The Company's right, during any period for which the Study Period is so extended, to terminate this Agreement as hereinafter provided in this Section 3.2 may only be exercised as a result of the Company's dissatisfaction (in its sole discretion) with the Third Party

Report(s) that gave rise to the need for the extension of the Study Period Expiration Date. If on or before the Study Period Expiration Date, the Company, in its sole and absolute discretion, shall elect not to proceed to the Closing for any reason or for no reason, then the Company shall have the right to terminate this Agreement by giving written notice of termination to Owner and the Title Company on or before the Study Period Expiration Date, as the same may have been extended, (time being of the essence with respect to the giving of such notice), whereupon this Agreement shall automatically terminate, the Deposit shall be returned to the Company, and neither party shall have any further rights or obligations under this Agreement (other than any rights and obligations which expressly are to survive a termination of this Agreement).

Section 3.2 Due Diligence. (a) During the Study Period, Owner shall afford the Company and its authorized representatives access to the Property at agreed-upon times for reasonable and customary due diligence purposes, subject in all respects to the rights of the Tenant under the Lease. The Company shall provide Owner or its authorized representatives with not less than one (1) Business Days' prior written notice that the Company desires access to the Property. Owner may have one or more representatives of Owner and/or the Tenant accompany the Company during any such entry. The Company shall conduct the Due Diligence in a manner which is not disruptive to the business operations currently being

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conducted at the Property. Owner has delivered to the Company legible, true, correct and complete copies of the documents and instruments listed in Exhibit 3.2.1 attached hereto, and Owner agrees to deliver to the Company within seven (7) days of the Effective Date legible, true, correct and complete copies of the documents and instruments listed in Exhibit 3.2.2 attached hereto, to the extent the same (i) have not heretofore been delivered by Owner to the Company and (ii) are in the possession of Owner or are within the reasonable control of Owner and can be obtained by Owner without additional cost to Owner. In addition, Owner agrees to make available to the Company any other documents and information relating to the Property, Owner and/or the Existing Loan reasonably requested by the Company, provided that such documents and information are in the possession of Owner or are within the reasonable control of Owner and can be obtained by Owner without additional cost to Owner. During the Study Period, Owner shall also afford the Company and its authorized representatives access to the property manager retained by Owner to manage the Property (the "PROPERTY MANAGER") and all records and files relating to the Property (financial and otherwise) in the possession and/or control of the Property Manager. The Company shall provide Owner or its authorized representatives with not less than one (1) Business Days' prior written notice that the Company desires access to the Property Manager. At the request of the Company, Owner agrees to use commercially reasonable efforts to convene a face-to-face meeting between senior representatives of the Company and the Tenant. One or more representatives of Owner may attend all such meetings.

(b) The Company shall not conduct (or cause to be conducted) any physically intrusive due diligence, such as sampling of soils, water or building materials without the prior written consent of Owner, which consent shall not be unreasonably withheld, conditioned and/or delayed. If the Company desires to conduct (or to have conducted) any such physically intrusive due diligence, the Company shall identify in writing with reasonable certainty what procedures the Company desires to perform and request Owner's prior written consent with respect thereto, which consent shall not be unreasonably withheld, conditioned and/or delayed. Upon receipt of Owner's written consent, the Company shall, in performing such due diligence, comply in all material respects (and shall cause its consultants and representatives to comply in all material respects) with the agreed-upon procedures and with any and all laws, ordinances, rules and regulations applicable to the Property, and the rights of the Tenant under the Lease, and shall not engage in any activities which would violate any permits or Environmental Laws. Upon completion of any inspection or test, the Company shall immediately restore the Property to the condition existing immediately prior to such inspection or test. If the Company elects to terminate this Agreement pursuant to Section 3.1 above, then upon request of Owner, the Company shall provide Owner with a copy of each Third Party Report requested by Owner, provided that Owner reimburses the Company for the reasonable costs incurred by the Company to obtain such Third Party Reports so requested by Owner.

Section 3.3 Liability Insurance. As a condition to Owner's consenting to the performance of the Due Diligence, in particular but without limitation to entering upon the Property for the purpose of performing any physical inspections and/or tests, the Company shall carry and maintain comprehensive general liability insurance covering Owner, the

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Property Manager and Tenant against claims for bodily injury or death or property damage occurring in, upon or about the Property, in the amount of not less than Two Million (\$2,000,000) Dollars. Such insurance shall include blanket contractual liability coverage insuring contractual liability under the indemnification set forth in Section 3.4 below (but such coverage or the amount thereof shall in no way limit such indemnification). Prior to entering the

Property to conduct the Due Diligence, the Company shall provide Owner with a certificate of insurance evidencing that such comprehensive general liability insurance is in effect. Owner, the Property Manager and Tenant shall each be named as an additional named insured with respect to such comprehensive general liability insurance. The Company shall keep such insurance in full force and effect until the earlier of the Closing or the termination of this Agreement.

Section 3.4 Indemnification. The Company shall indemnify Owner, the Property Manager and Tenant, and hold Owner, the Property Manager and Tenant, and their respective agents, representatives and employees, and the Property harmless from and against all losses, costs, damages, claims and liabilities (whether arising out of injury or death to persons or damage to the Property or otherwise), including, but not limited to, mechanic's and materialmen's liens and attorneys' fees, arising out of or relating to the Due Diligence and/or entry upon the Property under this Article III, except to the extent any such loss, cost, damage, claim and/or liability is caused by the negligence or willful misconduct of Owner, the Property Manager or Tenant or their respective employees, agents and/or representatives. This Section 3.4 shall survive the Closing or earlier termination of this Agreement.

Section 3.5 Confidentiality. (a) All documents, materials, leases, instruments, reports and written information heretofore or hereafter delivered by Owner or the Property Manager to the Company with respect to the Property (collectively, the "DUE DILIGENCE MATERIALS") shall be kept confidential and shall not, without Owner's prior written consent, be disclosed by the Company, or by its employees, agents, representatives or consultants, and shall not be used by the Company, its employees, agents, representatives or consultants, other than in connection with the proposed acquisition of the Property.

(b) All copies of the Due Diligence Materials will be returned to Owner immediately upon any termination or expiration of this Agreement for any reason. All analyses, compilations, forecasts, studies, reports or other documents prepared by the Company, its employees, agents, representatives or consultants (including all Third Party Reports), will be held by the Company and kept confidential (or at the option of the Company destroyed) if for any reason (including the Company's election to terminate this Agreement in accordance with Section 3.1 above) the Company does not acquire the Property.

(c) If the Company violates any of the terms of this Section 3.5, Owner shall have the right (in addition to any other rights or remedies available to Owner at law), to seek injunctive relief to restrain any breach or threatened breach by the Company of the terms of this Section 3.5. If the Company, for any reason (including the Company's election to terminate this

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Agreement in accordance with Section 3.1 above) does not acquire the Property, then the provisions of this Section 3.5 shall survive the termination of this Agreement.

Section 3.6 As Is Condition of the Property. Other than the representations and warranties of Owner specifically set forth herein, the Company has not relied upon any oral or written information from Owner or its employees, affiliates, agents, consultants, advisors or representatives, including, without limitation, any appraisals, projections or evaluations of credit quality prepared by Owner or any of its employees, affiliates, agents, consultants, advisors or representatives. Without limiting the generality of the foregoing, the Company acknowledges and agrees that, except as expressly set forth herein, the Company is purchasing the Property "as is" and "where is" on the Closing Date, and, except as expressly set forth herein, Owner is making no representation or warranty, express or implied, and the Company has not relied on any representation or warranty, express or implied, regarding the Property, including, without limitation, any representation or warranty with respect to (a) the business or financial condition of any tenant of the Property, (b) the physical condition of any Improvement or personal property comprising all or a part of any Property, or its fitness, merchantability or suitability for any use or purpose, (c) the leases, rents, income or expenses of the Property, (d) the compliance or non-compliance with any laws, codes, ordinances, rules or regulations of any governmental authority (including, without limitation, Environmental Laws), or (e) the current or future use of the Property, including, but not limited to, any Property's use for commercial, retail, industrial or other purposes. Owner is not liable or bound in any manner by any verbal or written statements, representations, real estate brokers' "set-ups", offering memorandum or information pertaining to any Property furnished by any real estate broker, advisor, consultant, agent, employee, representative or other person. The foregoing shall not be deemed to limit any of the Due Diligence rights of the Company set forth in this Article III.

ARTICLE IV TITLE

Section 4.1 State of Title. At the Closing, Owner shall sell the Property to the Company, and the Company shall purchase the Property from the Owner, subject only to (a) those matters set forth on Exhibit 4.1 annexed hereto, (b) any exceptions and matters that are approved, waived or deemed to

have been approved or waived by the Company, (c) such title exceptions as the Title Company shall be willing to, at its regular rates, omit as exceptions to coverage, and (d) the standard exceptions and provisions contained in the form of insuring agreement employed by Title Company (the liens, claims, encumbrances, exceptions and matters set forth in subclauses (a) through (d) above being collectively referred to as the "PERMITTED EXCEPTIONS").

Section 4.2 Title Commitment; Survey. Promptly after the Effective Date the Company shall obtain at its expense: (i) a title commitment from the Title Company, together with legible copies of documents referred to in such commitment (a "COMMITMENT"), for an owner's policy of title insurance covering the Property which shall in all material respects satisfy the requirements, and include the endorsements, set forth in Exhibit 4.2.1 attached

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hereto, and (ii) a current plat of survey of the Property, including the Improvements (a "SURVEY") prepared by a licensed surveyor, which shall be certified to the Company, the Company's assignee (if any), and the Title Company by means of a certificate substantially in the form of Exhibit 4.2.2 attached hereto. The Company shall (i) instruct the Title Company to deliver copies of the Commitment (and all title continuations thereof) to Owner and its attorneys concurrently with the delivery of the Commitment to the Company, and (ii) instruct the surveyor preparing the Survey to deliver a copy of the Survey to each of Owner and its attorneys concurrently with its delivery thereof to the Company.

Section 4.3 Permitted Exceptions. The Company shall have the right to object, in its sole and absolute discretion, to any exceptions to title, or to any matter shown on the Survey, which is not a Permitted Exception, by giving written notice to Owner on or before the date that is five (5) Business Days after the Company receives the Commitment and Survey (but in no event prior to the expiration of the initial 30-day Study Period). In addition, the Company shall have the right to object to any exception to title contained in any title continuations which is not a Permitted Exception and is not otherwise set forth in the Commitment, within five (5) Business Days after the Company receives such title continuation (any such notice given pursuant to this Section 4.3 is herein called a "TITLE OBJECTION NOTICE"). Any title exception set forth in the Commitment, on the Survey or in a title continuation notice, which is not timely objected to by delivery of a Title Objection Notice shall be deemed to be a Permitted Exception, provided, however, that in no event shall any title defect required to be discharged by Owner pursuant to Section 4.6 below or any Violation required to be cured by Owner pursuant to Section 4.8 below, be for any purpose considered a "Permitted Exception", nor shall the Company have any obligation to object to any title defect required to be discharged by Owner pursuant to Section 4.6 below or any Violation required to be cured by Owner pursuant to Section 4.8 below.

Section 4.4 Owner's Rights. (a) Owner shall have the right, in its sole discretion, upon written notice to the Company and the Title Company (the "TITLE RESPONSE NOTICE") given within ten (10) days after Owner's receipt of any Title Objection Notice, to elect to either (i) take such action as Owner deems advisable to discharge those title exceptions which are not Permitted Exceptions and are set forth in the Title Objection Notice (the "TITLE DEFECTS") or (ii) terminate this Agreement, whereupon the Deposit (and any interest thereon) shall be promptly refunded to the Company and thereafter neither party hereto shall have any further obligation to the other party hereto, with the exception of those obligations which expressly survive those obligations which expressly survive the termination of this Agreement. If Owner fails timely to deliver the Title Response Notice, then Owner shall be deemed to have elected to terminate this Agreement pursuant to clause (ii) above. If Owner, in its Title Response Notice, elects to take action to remove, remedy or comply with the Title Defects, Owner shall be entitled to one or more adjournment(s) of the Closing for up to thirty (30) days in the aggregate, to discharge the Title Defects. If Owner is unable to remove, remedy or comply with such Title Defects at the expiration of such adjournment, then this Agreement shall be deemed to be terminated as of the adjourned date of Closing. Upon such termination, the Deposit (and any interest thereon) shall be promptly refunded to the Company and neither party hereto shall have any further obligation to the other

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party hereto, with the exception of those obligations which expressly survive the termination of this Agreement. Except as set forth in Section 4.6 hereof, nothing in this Agreement shall be deemed to require Owner to take or bring any action or proceeding or any other steps to remove any defect in or objection to title or to expend any moneys therefor, nor shall the Company have any right of action against Owner, at law or in equity, therefor.

(b) If, at the Closing, there are any title exceptions which are not Permitted Exceptions and which Owner is obligated by this Agreement or elects to pay and discharge, Owner may use any portion of the Purchase Price or any other sum to satisfy the same, provided that Owner shall have delivered to the Title Company at the Closing instruments in recordable form sufficient to satisfy such title exceptions of record, together with the cost of any applicable recording

or filing fees. The existence of any such liens or encumbrances shall not be deemed objections to title if Owner shall comply with the foregoing requirements, and so advises the Company in writing of its intent to do so.

Section 4.5 The Company's Right to Accept Title. The Company may, upon written notice to Owner at any time on or before the Closing Date (as the same may have been adjourned by Owner in accordance with the provisions of Section 4.4 hereof), elect to accept such title as Owner can convey, notwithstanding the existence of any Title Defects. In such event, (i) this Agreement shall remain in force and effect, (ii) the parties shall proceed to Closing and (iii) unless otherwise agreed by the Company and Owner, the Company shall not be entitled to any abatement of the Purchase Price, any credit or allowance of any kind or any claim or right of action against Owner for damages or otherwise by reason of the Title Defects.

Section 4.6 Owner's Obligations. Notwithstanding anything contained in this Article IV to the contrary, Owner shall at or prior to Closing discharge any Title Defects which are (i) knowingly and intentionally created by Owner subsequent to the date hereof and (ii) liquidated in amount and may be discharged solely by the payment of a sum of money, provided that in no event shall Owner be required to expend in excess of One Hundred Thousand and No/100 Dollars (\$100,000.00) in the aggregate to discharge any such liquidated Title Defects and to cure Violations pursuant to Section 4.8 below.

Section 4.7 Title Affidavits, Etc. (a) If requested by the Title Company, Owner shall deliver (i) one or more reasonable and customary title affidavits executed by Owner, certifying to factual matters concerning Owner or the Property which are within the knowledge of Owner, (including, without limitation, any reasonable and customary affidavit which may be required in order to omit from title insurance coverage any exceptions for judgments, bankruptcies or other returns against persons or entities, other than Owner, whose names are the same as or similar to Owner's name), (ii) documents evidencing Owner's payment of franchise or unincorporated business taxes, as applicable, and (iii) any other documents reasonably requested by the Title Company to issue the title insurance required pursuant to this Agreement.

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(b) If requested by the Title Company, the Company shall deliver (i) one or more reasonable and customary title affidavits executed by the Company, certifying to factual matters concerning the Company which are within the knowledge of the Company (including without limitation any reasonable and customary affidavit which may be required in order to omit from title insurance coverage any exceptions for judgments, bankruptcies or other returns against persons or entities, other than the Company, whose names are the same as or similar to Company's name), (ii) documents evidencing Company's payment of franchise or unincorporated business taxes, as applicable, and (iii) any other documents reasonably requested by the Title Company to issue the title insurance required pursuant to this Agreement.

Section 4.8 Violations. Owner shall cure, or cause to be cured, any Violations, whether the same have been noted or issued as of the date hereof or are first noted or issued after the date hereof, provided that in no event shall Owner be required to expend in excess of One Hundred Thousand and No/100 Dollars (\$100,000.00) in the aggregate to cure Violations and remove Title Defects pursuant to Section 4.6 above. As used herein, the term "VIOLATION(S)" shall mean any violation of any law or municipal ordinance, order or requirement noted or issued against the Property by any federal, state or municipal department having jurisdiction over the Property, other than any such violation that is the responsibility of the Tenant to cure, comply with, remove or otherwise discharge pursuant to the terms of the Lease or applicable law.

Section 4.9 No Limitation on Due Diligence Termination Rights. Nothing set forth in this Article IV shall limit the Company's right to terminate this Agreement as set forth in Article III.

ARTICLE V REPRESENTATIONS AND WARRANTIES

Section 5.1. Representations and Warranties of Owner. Owner represents and warrants to the Company that the representations and warranties set forth below are true and correct on and as of the Effective Date:

(a) Due Execution; Authority. (i) Owner is duly formed, validly existing and in good standing as a limited liability company under the laws of the State of Delaware; (ii) this Agreement is, and all the documents to be executed and delivered by Owner pursuant to this Agreement (the "OWNER CLOSING DOCUMENTS") will be, when executed by Owner, binding on and enforceable against Owner in accordance with their respective terms; (iii) except for the Existing Lender, there are no consents required from any third party to authorize Owner's entry into and performance of this Agreement, the Owner Closing Documents and/or the transactions contemplated hereby or thereby which have not been obtained; (iv) this Agreement, the Owner Closing Documents and the transactions contemplated hereby and thereby have been, or will have been prior to the Closing, approved by all necessary action of Owner; and (v) the execution and

or default under any agreement by which Owner is bound, or by which any of Owner's property is encumbered.

(b) Contracts. There are no contracts (other than the Leases) entered into by Owner or its agents relating to the ownership, management, leasing, parking, operation, maintenance or repair of the Property that (i) have a monetary obligation of more than Twenty-five Thousand and No/100 Dollars (\$25,000) per year and (ii) are not cancelable without penalty by Owner upon notice of ninety (90) days or less (any contracts affecting the Property, together with all contracts entered into after the date hereof pursuant to Section 6.1, are hereinafter collectively referred to as the "CONTRACTS"). To Owner's Knowledge, Owner has performed all material obligations required to be performed by Owner under the Contracts, and Owner has not received any written notice of default under any of the Contracts which remains uncured. There are no contracts for the sale, exchange or transfer of the Property or any portion thereof other than this Agreement.

(c) The Leases. (i) No one other than Tenant has any right to occupy any part of the Property. The Leases are the only leases or other right or grant of occupancy of all or any part of the Property and Tenant has no right of first refusal, option or other right to purchase all or any portion of the Property.

(ii) Owner has performed or paid all material obligations required to be performed or paid by it under the Leases and Owner has not received any written notice of default of any of its obligations under any of the Leases which remains uncured.

(iii) Tenant has no obligation to post a security deposit pursuant to the Leases, and there are no escrow or similar accounts maintained by Owner pursuant to the Leases.

(d) Leasing Commissions. There are no unpaid leasing commissions outstanding with respect to the Leases.

(e) Condemnation. There are no pending or, to Owner's Knowledge, threatened, condemnation proceedings affecting all or any part of the Land or the Improvements.

(f) Permitted Exceptions. To Owner's Knowledge, Owner has performed all material obligations under the terms and provisions of any of the covenants, conditions, restrictions, rights-of-way and easements constituting one or more of the Permitted Exceptions for the Property, and Owner has not received any written notice of default with respect to the foregoing matters which remains uncured.

(g) Litigation. No dispute, proceeding, suit or litigation relating to the Leases, the Property or any part thereof is pending or, to Owner's Knowledge, threatened in any tribunal.

(h) FIRPTA. Owner is not a "foreign person" within the meaning of Section 1445 of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

(i) Existing Loan. (i) The proceeds of the Existing Loan have been fully advanced.

(ii) Owner has not received any written notice of any default, breach, violation or event of acceleration existing under or pursuant to any of the Existing Loan Documents, and to Owner's Knowledge no event (other than payments due but not yet delinquent) exists which, with the passage of time or with notice and the expiration of any grace or cure period, would constitute a default or event of acceleration of any of the Existing Loan Documents.

(iii) Except as expressly set forth in the Existing Loan Documents, no material term, covenant or condition of the Existing Loan Documents has been waived, modified, altered, satisfied, canceled or subordinated in any respect or rescinded.

(iv) As of the Effective Date, the outstanding principal balance, accrued interest and any late fees or collection costs due and owing to Existing Lender and the balance of any escrow and other accounts maintained by or for the benefit of Existing Lender with respect to the Existing Loan are set forth in Exhibit 5.1(iv).

(v) The Existing Loan is the only indebtedness of Owner secured by the Property, and the only documents and instruments executed by Owner in connection with the Existing Loan that encumber the Property are the Existing Mortgage, a related assignment of leases and rents made by Owner in favor of Lender and uniform commercial code financing statements naming Owner as

debtor and Lender as secured party.

(vi) Each of the Existing Loan Documents is the legal, valid and binding obligation of Owner, enforceable in accordance with its terms, except as such enforcement may be limited in the future by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally, and by general principles of equity (regardless of whether such enforcement is considered in a proceeding in equity or at law).

(j) Material Change. Owner has not received written notice from any Governmental Authority of any pending or contemplated change in any regulation, code, ordinance or law, or private restriction applicable to the Property, or any natural or artificial condition upon or affecting the Property, or any part thereof, which would result in any material change in the condition of the Property or any part thereof, or would in any way limit or impede the operation or development of the Property.

(k) Accuracy of Documents. Owner has previously delivered to the Company the documents and records listed on Exhibit 3.2.1 hereto, and shall to the extent the

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same are within the possession and/or reasonable control of Owner and have not heretofore been delivered to Owner, deliver to the Company within seven (7) days of the Effective Date, the documents and information listed in Exhibit 3.2.2. To the extent prepared by Owner or its employees, such documents are true, correct and complete, and accurately reflect the matters contained therein in every material respect. To the extent such documents have not been prepared by Owner, to Owner's Knowledge there are no facts or circumstances that would make any of such documents or records and the matters contained therein, inaccurate in any material respect.

(l) Tax Matters. Owner has relied solely on its own counsel for advice on any and all federal, state and local tax matters relating to this Agreement and the transactions contemplated herein and has not relied on any advice or representations of the Company, or its counsel with respect to any federal, state and local tax matters relating to this Agreement or the transactions contemplated herein.

(m) Warranties. Owner has not released or modified any warranties of builders, contractors, manufacturers or other trades persons that have been given to Owner and to Owner's Knowledge all such warranties are in full force and effect.

(n) Bankruptcy. Owner has not: (i) made a general assignment for the benefit of creditors; (ii) filed any voluntary petition in bankruptcy or suffered the filing of an involuntary petition by Owner's creditors; (iii) suffered the appointment of a receiver to take possession of all or substantially all of Owner's assets; (iv) suffered the attachment, or other judicial seizure of all, or substantially all, of Owner's assets; (v) admitted in writing its inability to pay its debts as they come due; or (vi) made an offer of settlement, extension or compromise to its creditors generally.

(o) Permits, Etc. To Owner's Knowledge, all permits, licenses, authorizations and certificates of occupancy required by Governmental Authorities for the management, occupancy, leasing and operation of the Property are in full force and effect.

(p) Compliance with Law Under the Lease. To Owner's Knowledge, there does not currently exist any obligation to be taken or performed by the Tenant pursuant to the Lease that if not taken or performed, would cause the Property to be in non-compliance with any federal, state, municipal and other governmental laws, ordinances, requirements, rules, regulations, notices, codes and orders, or any agreements, covenants, conditions, easements and restrictions currently in effect and relating to the Property.

(q) Zoning; Governmental Rules and Regulations Under the Lease and Existing Loan Documents. To Owner's Knowledge as of the date hereof, there is no requirement of applicable law, the Lease or Existing Loan Document that would require Owner to sell, mortgage, pledge, hypothecate or otherwise transfer or dispose of all or any part of the Property or any interest therein, or initiate, consent to, approve or otherwise take any action

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with respect to zoning or any other governmental rules or regulations presently applicable to all or any part of the Property.

(r) Not Misleading. Without limiting any of the representations and warranties of Owner set forth in this Agreement, such representations and warranties do not make any untrue statement of a material fact, or to Owner's Knowledge, omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

The Company agrees that, if (i) during the Study Period, the Company shall discover any state of facts that differs from any of the representations set forth in Section 5.1 above or that would make such representations untrue, or (ii) if any of the documents listed in Exhibit 3.2.1 contains any facts or statements that differ from any of the representations set forth in Section 5.1 above or that would make such representations untrue, then the Company shall promptly advise the Owner in writing of such different state of facts.

Section 5.2 Representations and Warranties of The Company. The Company represents and warrants to Owner that the representations and warranties set forth below are true and correct on and as of the Effective Date:

(a) Due Execution; Authority. (i) The Company is duly formed, validly existing and in good standing as a limited partnership under the laws of the State of Delaware; (ii) this Agreement is, and all the documents to be delivered by the Company pursuant to the express terms of this Agreement (the "COMPANY CLOSING DOCUMENTS") will be, when executed by the Company, binding on and enforceable against the Company in accordance with their respective terms; (iii) there are no consents required from any third party to authorize the Company's entry into and performance of this Agreement, the Company Closing Documents and/or the transactions contemplated hereby or thereby; (iv) this Agreement has been, the Company Closing Documents and the transactions contemplated hereby and thereby have been, or will have been prior to the Closing, approved by all necessary action of the Company; and (v) the execution and delivery of the Company Closing Documents do not and will not constitute a breach or default under any agreement by which the Company is bound or by which any of the Company's property is encumbered.

(b) Bankruptcy. The Company has not: (i) made a general assignment for the benefit of creditors; (ii) filed any voluntary petition in bankruptcy or suffered the filing of an involuntary petition by the Company's creditors; (iii) suffered the appointment of a receiver to take possession of all or substantially all of the Company's assets; (iv) suffered the attachment, or other judicial seizure of all, or substantially all, of the Company's assets; (v) admitted in writing its inability to pay its debts as they come due; or (vi) made an offer of settlement, extension or compromise to its creditors generally

(c) Prohibited Person. The Company is not a Prohibited Person. For purposes hereof, a "Prohibited Person" shall mean any of the following: (i) a person or entity

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that is listed in the Annex to, or is otherwise subject to the provisions of, Executive Order No. 13224 on Terrorist Financing (effective September 24, 2001) (the "EXECUTIVE ORDER"); (ii) a person or entity owned or controlled by, or acting for or on behalf of any person or entity that is listed in the Annex to, or is otherwise subject to the provisions of, the Executive Order; (iii) a person or entity that is named as a "specially designated national" or "blocked person" on the most current list published by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") at its official website, <http://www.treas.gov/offices/enforcement/ofac>; (iv) a person or entity that is otherwise the target of any economic sanctions program currently administered by OFAC; or (v) a person or entity that is affiliated with any person or entity identified in any of clause(i), (ii), (iii) and/or (iv) above.

Section 5.3 Closing Certificates of The Company and Owner. (a) The Company, on the Closing Date, shall execute and deliver to Owner an instrument by which the Company shall remake the representations made pursuant to Section 5.2 above as of the Closing, provided that the Company, in such instrument, shall (i) update such representations to reflect events occurring between the date hereof and the Closing and (ii) correct such representations and warranties to reflect any discovered inaccuracy therein; such instrument being herein called the "COMPANY'S REPRESENTATION CERTIFICATE".

(b) Owner, on the Closing Date, shall execute and deliver to the Company an instrument in which Owner shall remake the representations and warranties made pursuant to Section 5.1 above as of the Closing, provided that Owner, in such instrument, shall (i) update such remake representations to reflect events occurring between the date hereof and the Closing and (ii) correct such remake representations to reflect any discovered inaccuracy therein; such instrument being herein called "OWNER'S REPRESENTATION CERTIFICATE".

ARTICLE VI COVENANTS AND ADDITIONAL OBLIGATIONS OF OWNER

Section 6.1 Covenants of Owner. Owner agrees that from the date of this Agreement to the Closing, it will:

(a) Insurance. Subject to the terms and conditions of the Leases (and to the extent Owner is able to do so pursuant to the Leases), cause Tenant to maintain in full force and effect all insurance required to be maintained pursuant to the Leases.

(b) Contracts and Business Practice. Not become a party to any new licenses, equipment leases, contracts or agreements of any kind relating to the Property, except for such contracts or agreements as will be terminated at or prior to the Closing without cost or expense to the Company or contracts which the Company agrees in its sole discretion to assume at the Closing, without having obtained in each case the prior written consent of the Company, which consent shall not be unreasonably withheld or delayed. The Company agrees that any requests for consent shall be responded to within five (5) Business Days of receipt of request therefor. Except as otherwise provided in this Article VI, Owner shall continue, and shall cause Tenant to

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continue (to the extent Owner is able to do so pursuant to the Leases), to manage, maintain and operate the Property in the same manner that Owner (or Tenant, as applicable) has been managing, maintaining and operating the Property immediately prior to the Effective Date; provided, however, that Owner shall not have any obligation to make repairs or expenditures that are capital in nature.

(c) Compliance With Laws. Not knowingly take or fail to take any action that will cause the Property to fail to comply with any federal, state, municipal and other governmental laws, ordinances, requirements, rules, regulations, notices, codes and orders, or any agreements, covenants, conditions, easements and restrictions currently in effect relating to the Property; provided that Owner shall not be required to take any such action, or perform any such obligation, if and to the extent that such action is required to be taken by the Tenant under the Leases or is otherwise the obligation of the Tenant under the Leases.

(d) Notices. Promptly upon receipt, provide the Company with copies of all written notices delivered to, or received by, the Tenant in connection with the Property or the Leases, any insurance company which carries insurance on the Property, or from any Governmental Authorities with respect to the Property or any portion thereof.

(e) Conditions To The Closing. Use good faith efforts prior to the Closing to satisfy all conditions to the Closing which are within Owner's reasonable power to satisfy.

(f) No Sale or Encumbrance. Owner shall not sell, mortgage, pledge, hypothecate or otherwise transfer or dispose of all or any part of the Property or any interest therein, or initiate, consent to, approve or otherwise take any action with respect to zoning or any other governmental rules or regulations presently applicable to all or any part of the Property, except if and to the extent required by law, the terms of the Leases or the terms of the Existing Loan Documents.

(g) Lease. Owner shall not nor cause or permit Tenant to terminate, modify, extend, amend or renew the Leases or enter into any new lease or other letting arrangement without the prior written consent of the Company, which the Company may withhold in its sole discretion.

(h) Existing Loan. Pay and perform all of its obligations pursuant to the Existing Loan Documents, and use good faith efforts to cause Existing Lender to consent to the assignment to, and assumption by the Company of, the Existing Loan.

(i) Fulfillment of Obligation. To the extent Owner is obligated, pursuant to any contract, agreement, covenant, lease, or other understanding entered into prior to the Effective Date with any tenant, governmental subdivision or any other third party, to effect any construction, make any improvements or take any action, Owner shall cause any such construction, improvements and/or action to be taken, completed and fully paid for by Owner, at its expense, prior to the Closing. No such obligation shall be unfulfilled, and no liability for or payment in respect of any obligation shall be unsatisfied as of the Closing.

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ARTICLE VII
ASSUMPTION OF THE EXISTING LOAN BY THE COMPANY

Section 7.1 Assumption of Existing Loan. The Company recognizes and agrees that, in connection with the Existing Loan, the Property presently is encumbered by the Existing Mortgage. The Loan is evidenced by that certain promissory note dated as of November 21, 2003 in the stated principal amount of \$10,000,000 (the "EXISTING NOTE") executed by Owner and payable to the order of Wells Fargo Bank, National Association. Owner has heretofore delivered a true, correct and complete copy of the Existing Note and the other Existing Loan Documents to the Company for its review. The Company agrees that, at the Closing, the Company shall assume Owner's obligations under the Existing Note and all of the other Existing Loan Documents and accept title to the Property subject to the Existing Mortgage. It shall be a condition to the Owner's and the Company's obligations hereunder that at Closing the Existing Lender shall

release Owner, as well as any guarantors and other obligated parties under the Existing Loan Documents from all obligations under the Existing Loan Documents (and any related guarantees or letters of credit), including, without limitation, any obligation to make payments of principal and interest under the Existing Note (the foregoing assumption of the Existing Loan and the release of Owner and all guarantors thereunder being herein called the "LOAN ASSUMPTION AND RELEASE"). The Company shall, within three (3) Business Days of the Effective Date, submit to the Lender a completed application for the Loan Assumption and Release (the "APPLICATION"). The Company and Owner each agree to use commercially reasonable diligent efforts to cause the Loan Assumption and Release to be consummated in the most timely and efficient manner. The Company shall pay all fees and expenses imposed or charged by the Lender and its counsel in connection with the Loan Assumption and Release, including, without limitation, all servicing fees and charges, transfer fees, assumption fees, title fees and endorsement fees and this obligation to pay fees and expenses shall survive the Closing or any earlier termination of this Agreement. The Company and Owner shall each pay their own legal fees and costs and expenses in connection with the Loan Assumption and Release. In connection with the Loan Assumption and Release, the Company shall form a subsidiary entity to take title to the Property, which subsidiary entity shall be a bankruptcy remote single purpose entity which satisfies the requirements of the Existing Loan Documents and of the Existing Lender.

ARTICLE VIII
[INTENTIONALLY OMITTED]

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ARTICLE IX
CONDITIONS PRECEDENT

Section 9.1 The Company's Conditions Precedent. The Company's obligation to accept the conveyance of the fee simple title to the Property hereunder shall be subject to the full and timely satisfaction of the following conditions (all or any of which may be waived, in whole or in part, by the Company in writing in its sole discretion) at or prior to the Closing:

(a) Title. The Company shall have received confirmation from the Title Company that it is issuing to the Company at the Closing an owner's title policy (bringing the title current to the date of the Closing) without exceptions other than the Permitted Exceptions.

(b) Representations and Warranties. Owner's Representation Certificate shall reflect that the representations and warranties made by Owner in this Agreement (as the same may be deemed modified by the provisions of the last paragraph of Section 5.1) are true and correct in all material respects as of the Closing (with such modifications as may be necessary to reflect any changes contemplated or permitted by this Agreement, such as a change to subsection 5.1(i)(iv) to reflect any payments on the Existing Loan made after the Effective Date).

(c) Performance of Obligations, etc. Owner shall have performed in all material respects all covenants and obligations and complied with all conditions, obligations and agreements required by this Agreement to be performed or complied with by it at or before the Closing.

(d) Existing Loan. All right, title and interest of Owner under and pursuant to the Existing Loan Documents shall be assigned to and assumed by the Company, Existing Lender shall have consented to such assignment and assumption, and all conditions to such assignment and assumption imposed by Existing Lender shall have been satisfied or waived by Existing Lender.

(e) Tenant Estoppel Certificate. The Company shall have received an executed estoppel certificate from the Tenant in the form prescribed by the Leases.

(f) Closing Under the Other Contract. The Closing under this Agreement and the closing of the transactions contemplated by the Other Contract occur simultaneously.

(g) Construction/Improvement Work at the Property. The Company shall have received confirmation reasonably satisfactory to it that with regard to any construction/improvement work at the Property (the "Improvement Work"): (i) all licenses, permits and similar authorizations required by all Governmental Authorities relating to ongoing Improvement Work are in full force and effect; and (ii) all applicable certificates (including, without limitation, certificates of inspection), permits and/or licenses relating to the

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inspection and completion of Improvement Work during or after the expiration of the Study Period required by all Governmental Authorities.

(h) Violations. All Violations shall have been cured to the satisfaction of the applicable Governmental Authorities.

Section 9.2 The Owner's Conditions Precedent Owner's obligation to close on the Closing Date is subject to the satisfaction of the following conditions precedent, any or all of which may be waived in writing by Owner:

(a) Representations and Warranties. The Company's Representation Certificate shall reflect that the representations and warranties made by the Company in this Agreement are true and correct in all material respects as of the Closing.

(b) Performance of Obligations, etc. The Company shall have satisfied and complied with (or at the Closing shall satisfy and comply with) all of its obligations hereunder (including, without limitation, its obligations to pay the Cash Balance and to execute and/or deliver each and all of the documents to be executed and/or delivered by the Company pursuant to this Agreement);

(c) Existing Loan. All right, title and interest of Owner under and pursuant to the Existing Loan Documents shall be assigned to and assumed by the Company, Existing Lender shall have consented to such assignment and assumption, the Company and the Existing Lender have entered into the Loan Assumption and Release, all conditions to such assignment and assumption imposed by Existing Lender shall have been satisfied or waived by Existing Lender, and the Existing Lender shall have released Owner, as well as any guarantors and other obligated parties under the Existing Loan Documents from all obligations under the Existing Loan Documents (and any related guarantees or letters of credit), including, without limitation, any obligation to make payments of principal and interest under the Existing Note; and

(d) The Closing under this Agreement and the closing of the transactions contemplated by the Other Contract occur simultaneously.

Section 9.3 Failure of Conditions. (a) If any condition described in Section 9.1 is not satisfied as of the Closing Date, then Company may, at its sole option and as its sole and exclusive remedy: (i) extend the Closing Date for up to an additional thirty (30) days to allow for the satisfaction of such conditions, by written notice thereof to Owner and the Title Company; (ii) proceed to Closing without any abatement or reduction in the Purchase Price; or (iii) terminate this Agreement by written notice thereof to Owner and the Title Company at any time on or before the Closing. If the Company so extends the Closing Date and any such conditions remain unsatisfied at the end of such extended period, then the Company shall have the option, in its sole discretion, to either: (i) terminate this Agreement by written notice thereof to Owner and the Title Company; or (ii) proceed to the Closing without abatement or reduction in the Purchase Price. Upon termination of this Agreement pursuant to this Section 9.3, the

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Deposit shall be returned to the Company, and neither party shall have any further rights, obligations or liabilities under this Agreement, except for the obligations set forth in this Agreement that expressly survive termination of this Agreement. The conditions set forth in this Section 9.3 are for the Company's sole benefit, and the Company may, in its sole discretion, waive (conditionally or absolutely) the fulfillment of any one or more of the conditions, or any part thereof. Owner shall not take or authorize, directly or indirectly, any action that modifies or changes the circumstances upon which the conditions set forth in Section 9.1 were deemed satisfied or waived by the Company without the Company's prior written consent.

(b) If any condition described in Section 9.2 is not satisfied as of the Closing Date, then Owner may, as its sole and exclusive remedy, (i) extend the Closing Date for up to an additional thirty (30) days to allow for the satisfaction of such conditions, by written notice thereof to the Company; (ii) terminate this Agreement by written notice thereof to the Company at any time on or before the Closing; or (iii) proceed to the Closing without any abatement or reduction in the Purchase Price. If the Owner so extends the Closing Date and any such conditions remain unsatisfied at the end of such extended period, then the Owner shall have the option, in its sole discretion, to either: (i) terminate this Agreement by written notice thereof to Owner and the Title Company; or (ii) proceed to the Closing without abatement or reduction in the Purchase Price. Upon termination of this Agreement under this Section 9.3(b), the Deposit shall be returned to the Owner, and thereafter neither party shall have any further rights, obligations or liabilities under this Agreement, other than with respect to those rights and obligations that are expressly to survive a termination of this Agreement. The conditions set forth in this Section 9.3(b) are for Owner's sole benefit, and Owner may, in its sole discretion, waive the fulfillment of any one or more of the conditions, or any part thereof. Company shall not take or authorize, directly or indirectly, any action that modifies or changes the circumstances upon which the conditions set forth in Section 9.2 were deemed satisfied or waived by the Owner without the Owner's prior written consent.

(c) In addition to and without limiting the provisions of Section 9.3(a) and (b) above, Owner and the Company agree that each shall have the

unilateral right upon written notice to the other and the Title Company, to extend the Closing Date for such period of time as may be necessary for the Existing Lender to finally approve or disapprove the Application.

ARTICLE X
CLOSING

Section 10.1 Closing. Closing of the transactions contemplated hereby (the "CLOSING") shall be consummated by mail through the offices of First American Title Insurance Company, 1801 K Street, N.W., Suite 200-K, Washington, D.C. 20006, on the date that is twenty (20) days after the expiration of the Study Period (such date, as the same may be extended pursuant to the terms of this Agreement, being herein called the "CLOSING DATE"; if the then scheduled Closing Date is not a Business Day, then the Closing Date shall be the next succeeding Business Day). Time shall be of the essence with respect to the obligations of Owner and the Company to be performed on the Closing Date.

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ARTICLE XI
CLOSING MATTERS

Section 11.1 Owner's Obligations. At the Closing, Owner shall:

- (a) Affidavits. Execute and deliver to the Title Company such affidavits and indemnity agreements as required by Section 4.7(a) above.
- (b) Deed. Execute and deliver to the Company a Deed in the form attached hereto as Exhibit 11.1(b).
- (c) FIRPTA Certificate. Execute and deliver to the Company a FIRPTA Certificate substantially in the form attached hereto as Exhibit 11.1(c).
- (d) Owner's Representation Certificate. Execute and deliver to the Company the Owner's Representation Certificate as required by Section 5.3 above.
- (e) Further Assurances. Execute (as applicable) and deliver (or cause to be delivered) to the Company the Owner Closing Documents.
- (f) Assignment and Assumption of Lease. Execute and deliver to the Company an Assignment and Assumption of Lease in the form attached hereto as Exhibit 11.1(f).
- (g) Assignment of Existing Loan. Execute and deliver to the Company, Existing Lender and the Title Company the documents and instruments necessary to effect the assignment to the Company of the Existing Loan and Existing Loan Documents, the assumption of the Owner's obligations under the Existing Loan Documents, and the release of Owner, as well as any guarantors and other obligated parties, under the Existing Loan Documents from all obligations under the Existing Loan Documents and any related guarantees.
- (h) Possession. Give full possession of the Property to the Company (subject to the rights of the Tenant under the Leases), and in connection therewith, turn over to the Company all keys, access codes and other equipment and information necessary for the Company to have full and complete access to the Property, subject only to the rights of Tenant under the Leases.
- (i) Notice Letter to Tenant. Execute and deliver a letter to the Tenant notifying the Tenant of the sale of the Property and indicating the new address for notices under the Leases.
- (j) Transfer Tax Forms. Execute and deliver all requisite transfer tax forms and other documents required by law in order to consummate the conveyance of the Property from Owner to the Company pursuant to this Agreement.

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Section 11.2 The Company's Obligations. At the Closing, the Company shall:

- (a) Cash Balance. Deliver the Cash Balance to the Owner (as provided in Section 2.3 above);
- (b) Affidavits Execute and deliver to the Title Company such affidavits and indemnity agreements as required by Section 4.7(b) above .
- (c) The Company's Representation Certificate. Execute and deliver to Owner the Company's Representation Certificate as required by Section 5.3 above.
- (d) Further Assurances. Execute (as applicable) and deliver (or cause to be delivered) to the Owner the Company's Closing Documents.
- (e) Assignment and Assumption of Leases. Execute and deliver to the Owner an Assignment and Assumption of Lease in the form attached hereto as

(f) Assumption of Existing Loan. Execute and deliver to the Owner, Existing Lender and the Title Company the documents and instruments reasonably necessary to effect the assumption by the Company of the Owner's obligations under the Existing Loan and Existing Loan Documents and the release of Owner, as well as any guarantors and other obligated parties, under the Existing Loan Documents from all obligations under the Existing Loan Documents and any related guarantees, and pay to the Existing Lender all assumption fees, costs and expenses required by the Existing Loan Documents to effect such assumption by the Company and requisite consent by the Existing Lender.

(g) Transfer Tax Forms. Execute and deliver all requisite transfer tax forms and other documents required by law in order to consummate the conveyance of the Property from Owner to the Company pursuant to this Agreement.

ARTICLE XII
PRORATIONS AND ADJUSTMENTS

Section 12.1 Prorations and Adjustments. (a) Rents. All rents payable by the Tenant to Owner under the Lease shall, at the Closing, be apportioned between Owner and the Company as of 11:59 p.m. of the day immediately prior to the Closing Date.

(b) Existing Loan Payments. Any current payments of principal and interest, and any reserve amounts, due pursuant to the Existing Loan for the month in which the Closing occurs shall at the Closing, be apportioned between Owner and the Company as of 11:59 p.m. of the day immediately prior to the Closing Date. All other payment items with respect to the Existing Loan shall be brought current at the Closing by Owner.

(c) Reserves, etc. The Company shall reimburse Owner for all reserves, impounds and other sums assigned to the Company that are then on deposit with the Lender

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and required to be maintained by the borrower under the Existing Loan Documents in connection with the Existing Loan

(d) Real Estate Taxes. The Company and Owner shall only prorate real estate for the Property that are actually due and payable during the Tax Year in which the Closing Date occurs (the "CLOSING TAX YEAR"), regardless of the year for which such taxes are assessed. As a result, if real estate taxes for the Property are paid in arrears (i.e., taxes paid during any Tax Year are assessed for or otherwise attributable to the previous Tax Year), there shall be no proration of real estate taxes assessed for or attributable to the Property for the Closing Tax Year (which would be due and payable during the following Tax Year). There shall be no proration of real estate taxes other than as set forth hereinabove and, as between the Company and Owner, the Company agrees that it shall be solely responsible for all such real estate and personal property taxes due and payable after the Closing. The proration of the real estate taxes actually due and payable during the Closing Tax Year shall be calculated as follows:

(i) Owner shall be responsible for that portion of such taxes equal to (i) the total such taxes due and payable during the Closing Tax Year, multiplied by (ii) a fraction, the numerator of which shall be the number of days in the Closing Tax Year prior to the Closing Date, and the denominator of which shall be 365; and

(ii) The Company shall be responsible for that portion of such taxes equal to (i) the total such taxes due and payable during the Closing Tax Year, multiplied by (ii) a fraction, the numerator of which shall be the number of days in the Closing Tax Year subsequent to and including the Closing Date, and the denominator of which shall be 365.

(e) Other Items. All other items which are customarily apportioned in connection with the purchase and sale of real property similar to the Property in the jurisdiction in which the Property is located shall, at the Closing, be apportioned between the Owner and the Company as of 11:59 p.m. of day immediately prior to the Closing; provided, however, that in no event shall any item of expense be apportioned hereunder if, and to the extent that, such expense item is the obligation of the Tenant under the Lease (it being agreed that each of Owner and the Company shall look solely to the Tenant for the payment of such expense during their respective periods of ownership).

(f) Tax Refunds. Notwithstanding the foregoing, any refunds of real property taxes for tax years beginning prior to the Closing Date shall belong to Tenant, and if paid to the Company shall be promptly refunded by the Company to Tenant in accordance with the provisions of the Lease.

(g) Overage Rent.

(i) All reimbursements or payments in respect of operating

expenses, real estate taxes, and other charges (collectively, "OVERAGE RENT") paid pursuant to the Lease for the accounting period in which the Closing occurs shall when received be apportioned between Owner and the Company as of 11:59 P.M. of the day preceding the Closing Date. Owner shall

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be entitled to receive the proportion of such Overage Rent (less any reasonable costs and expenses incurred in the collection of such Overage Rent), that the portion of such accounting period prior to the Closing Date bears to the entire such accounting period. The Company shall be entitled to receive the proportion of such Overage Rent (less any reasonable costs and expenses incurred in the collection of such Overage Rent) that the portion of such accounting period from and after the Closing Date bears to the entire such accounting period. If, prior to the Closing, Owner shall receive any installments of Overage Rent attributable to Overage Rent for periods from and after the Closing Date, such sum shall be credited against the Cash Balance payable by the Company at the Closing. As to Overage Rent in respect of an accounting period that shall have expired prior to the Closing, but which shall be paid after the Closing, the Company agrees that it will pay the entire amount over to Owner upon receipt thereof, less the Company's reasonable costs of collection reasonably allocable thereto. The Company agrees that it shall promptly render bills for any Overage Rent in respect of an accounting period that shall have expired prior to Closing but which shall be payable after the Closing, and use commercially reasonable efforts in the collection of Overage Rent, provided, however, that the Company shall have no obligation to commence any legal actions or proceedings to collect any such Overage Rent. Owner shall furnish to the Company all information relating to the period prior to the Closing that is reasonably necessary for the billing of such Overage Rent. The Company shall deliver to Owner, concurrently with the delivery to Tenant, copies of all statements relating to Overage Rent for periods prior to the Closing.

(ii) To the extent that any portion of the Overage Rent is required to be paid monthly or on another periodic basis, by Tenant on account of estimated amounts for the current period, and at the end of each calendar year (or, if applicable, at the end of each lease year or tax year, as the case may be), such estimated amounts are to be recalculated based upon the actual expenses, taxes and other relevant factors for that calendar (lease or tax) year, with the appropriate adjustments being made with Tenant, then such portion of the Overage Rent paid shall be prorated between Owner and the Company at the Closing, based on such estimated payments (i.e., with Owner entitled to retain all monthly and other periodic installments of such amounts paid with respect to periods prior to the calendar month or other relevant period in which the Closing Date occurs, Owner to pay to the Company at the Closing all monthly or other relevant period installments of such amounts paid with respect to periods following the calendar month or other relevant period in which the Closing occurs and Owner and the Company shall apportion all monthly installments of such amounts with respect to the calendar month in which the Closing occurs) and at the time(s) of final calculation and collection from (or refund to) Tenant of the amounts in reconciliation of actual Overage Rent for a period for which estimated amounts have been prorated, there shall be a reparation between Owner and the Company, with the net credit resulting from such reparation being payable to the appropriate party (i.e., to Owner if the recalculated amounts exceed the estimated amounts and to the Company if the recalculated amounts are less than the estimated amounts).

Section 12.2 Costs and Expenses. Except as otherwise provided in this Agreement, the Company shall be solely responsible for the following: (a) all costs of preparation of the Survey for the Property; (b) all costs of conducting all environmental tests

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and other Due Diligence of and with respect to the Property; and (c) all costs and fees in connection with the assumption of the Existing Loan. Owner shall pay all costs associated with: (i) any costs of state, county, city, local, municipal and township recording, transfer and similar taxes and impositions with respect to the conveyance of the Property; (ii) repaying any indebtedness secured by the Property (other than the Existing Loan); (iii) any gains taxes, income taxes or similar taxes owing as a result of the transactions contemplated hereby; and (iv) all costs associated with the issuance to the Company of the new owner's policy of title insurance, including the premium for such policy and the cost for a zoning endorsement (ALTA 3.1) and a comprehensive endorsement (ALTA 9). All other endorsements shall be paid for by the Company. The Company and Owner shall share equally escrow fees and other closing costs. The Company and Owner shall each pay their respective legal fees and expenses incurred in connection with the negotiation of this Agreement and all related documents, and in addressing each such party's tax and securities issues.

ARTICLE XIII DEFAULT

Section 13.1 Default By The Company. If (i) any of the representations and warranties made by the Company in this Agreement (as updated by the Company's Representation Certificate) are inaccurate or incorrect in any

material respect on the date made or deemed made, or (ii) if the Company fails to perform its covenants, obligations or agreements under this Agreement and such failure is not cured on or before the earlier of ten (10) days after written notice by Owner to Company or the Closing Date, or (iii) the purchaser under the Other Contract (the "OTHER PURCHASER") fails to perform its covenants, obligations or agreements under the Other Contract and the seller under the Other Contract (the "OTHER SELLER") terminates the Other Contract as a result of such failure, then in any of such events, Owner's sole and exclusive remedy shall be the right to cancel and terminate this Agreement and receive and retain the Deposit (provided, however, that if the Company is then obligated to post the Additional Deposit but has not done so, then Owner shall have a right to receive the Initial Deposit and shall have a post termination damage claim against the Company for the Additional Deposit and all expenses incurred by owner in collecting same, including reasonable attorneys' fees). Upon such termination, each party shall be released from all duties or obligations contained herein except as may otherwise be expressly set forth in this Agreement as surviving a termination of this Agreement, and the Title Company shall immediately pay the Deposit to Owner as liquidated damages as the sole and exclusive remedy of Owner, it being understood and agreed that Owner is hereby releasing and/or waiving any right it might have to either specifically enforce this Agreement or to sue for damages (other than to collect the Additional Deposit, as aforesaid, if the same had not been delivered to the Title Company when due). Owner has agreed to this liquidated damage provision because of the difficulty of ascertaining Owner's actual damages given the uncertainties of the real estate market, fluctuating property values and differences of opinion with respect to such matters.

Section 13.2 Default By Owner. If (i) any of the representations and warranties made by Owner in this Agreement (as updated by Owner's Representation Certificate) are

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inaccurate or incorrect in any material respect on the date made or deemed made, or (ii) if Owner fails to perform its covenants, obligations or agreements under this Agreement and such failure is not cured on or before the earlier of ten (10) days after written notice by the Company to Owner or the Closing Date, or (iii) the Other Seller fails to perform its covenants, obligations or agreements under the Other Contract and the Other Purchaser terminates the Other Contract as a result of such failure, then the Company shall have the right, at its sole option, to: (a) terminate this Agreement, whereupon the Deposit shall be returned to the Company and neither party shall have any further right or liability to the other under this Agreement except as may be otherwise expressly set forth in this Agreement; (b) waive the default, misrepresentation or failure to perform and proceed with the Closing without any adjustment or reduction in the Purchase Price; or (c) receive the Deposit from the Title Company and pursue an action for specific performance.

ARTICLE XIV COORDINATION BETWEEN AGREEMENT AND OTHER CONTRACT

Section 14.1 Coordination of the Sale of the Property and the Other Property. Owner and the Company acknowledge and agree that (i) the Property and the Other Property are intended to be sold together as part of a single integrated transaction, (ii) as a matter of convenience only, the parties have agreed sell the Property and the Other Property pursuant to the terms of two separate agreements (consisting of this Agreement and the Other Contract), rather than pursuant to a single agreement, and (iii) cross defaulting this Agreement and the Other Contract pursuant to Sections 13.1 and 13.2 is intended to further the intent of the parties to consummate the sale of the Property and the Other Property as a single integrated transaction. If the Other Contract is terminated by the Other Seller or Other Purchaser thereunder for any reason pursuant to the terms of the Other Contract (including, without limitation, if the Other Purchaser terminates the Other Contract prior to the end of the due diligence period under the Other Contract pursuant to Article III of the Other Contract), then (i) this Agreement shall automatically terminate on the date on which such Other Contract is so terminated, (ii) if, as a result of such termination of such Other Contract, the deposit thereunder is payable to the Other Seller, then the Deposit (and all interest accrued thereon) shall be paid to Owner, (iii) if, as a result of such termination of the Other Contract, the deposit thereunder is payable to the Other Purchaser, then the Deposit (and all interest accrued thereon) shall be paid to the Company and (iv) thereafter neither Owner nor the Company shall any further rights or obligations hereunder, other than those which expressly survive the termination of this Agreement.

Section 14.2 Coordination of Closing Dates for the Sale of the Property and the Other Property. Owner and the Company acknowledge that the intent of the parties is that the Closing under this Agreement, and the closing under the Other Contract, are all to occur simultaneously. If, as of any date, the then current scheduled closing date under the Other Contract is, for any reason, later than the then current scheduled Closing Date under this Agreement, then and in such event, the scheduled Closing Date under this Agreement shall automatically be adjourned to (and shall be) the then current scheduled closing date under the

Other Contract. In furtherance of the foregoing, if the Other Seller or the Other Purchaser has any right to adjourn the closing date under the Other Contract and exercises such right, then the scheduled Closing Date under this Agreement shall automatically be extended to the scheduled closing date under the Other Contract.

ARTICLE XV
DAMAGE, DESTRUCTION OR CONDEMNATION

Section 15.1 Casualty. (a) If, between the date hereof and the Closing, there shall occur a fire or other casualty affecting the Improvements which is not a Major Casualty, then the Company shall have no right to terminate this Agreement and shall purchase the Property in its damaged condition without reduction of or offset against the Purchase Price or any other claim against Owner. Owner shall assign to the Company the right to receive any insurance proceeds payable to Owner as a result of such fire or other casualty (inclusive of any rental interruption proceeds payable with respect to any period from and after the Closing); provided, however, that Owner shall be entitled to retain (to the extent theretofore paid to Owner), and shall not be obligated to assign the right to receive (to the extent not theretofore paid to Owner), an amount of such insurance proceeds equal to Owner's reasonable expenses, if any, incurred in collecting such proceeds and repairing the damage caused by fire or other casualty. For purposes hereof, a "MAJOR CASUALTY" means a fire in or other casualty to the Improvements which causes damage or injury that the repair or replacement cost of which would exceed Two Hundred Fifty Thousand and No/100 Dollars (\$250,000.00), as determined by the professional retained by the Company to perform a structural and/or physical inspection of the Property in connection with the Company's acquisition of the Property pursuant to this Agreement.

(b) If, between the date hereof and the Closing, there shall occur a fire or other casualty affecting the Improvements which is a Major Casualty, then the Company shall have the option, to be exercised by notice given to Owner within ten (10) days after the Company has notice of such fire or other casualty, to terminate this Agreement. If the Company shall so elect to terminate this Agreement, then (i) the Company shall be entitled to the return of the Deposit (and any interest thereon) and (ii) neither party hereto shall have any further obligations or liabilities to the other with respect to the Property (or under this Agreement), except for those which expressly survive the termination of this Agreement. If the Company shall not elect to terminate this Agreement as provided in this subsection (b), then this Agreement shall remain in full force and effect with respect and the provisions of Section 15.1(a) above shall apply to such damage and any insurance proceeds payable in connection therewith.

(c) Subject to the provisions of Section 15.1(a) and the applicable provisions of the Lease, Owner shall not have any obligation to repair any damage or destruction to the Improvements

Section 15.2 Condemnation or Taking. If, prior to the Closing, the Property or any part thereof shall be condemned or taken and such condemnation or taking materially

interferes with the existing business use of the Property, the Company may (a) terminate this Agreement, or (b) complete the transactions contemplated by this Agreement notwithstanding such condemnation. If the Company elects to complete the transactions contemplated hereby, the Company shall be entitled to receive the condemnation proceeds and Owner shall, at the Closing and thereafter, execute and deliver to the Company all required assignments of claims and other similar items. If the Company elects to terminate this Agreement, then upon written notice to Owner and without further action of the parties, this Agreement shall become null and void and no party shall have any rights or obligations under this Agreement.

ARTICLE XVI
BROKERS

Section 16.1 Brokers. Owner, on the one hand, and the Company, on the other, hereby represent and warrant each to the other that it has not authorized any broker, agent or finder to act on its behalf in connection with the transaction contemplated by this Agreement except CB Richard Ellis and Transwestern Commercial Services (the "BROKERS"), who have been engaged by Owner pursuant to separate written agreements, and shall be paid by Owner, it being agreed that the Company shall have no liability for any commissions, fees payments or other sums payable to the Brokers or either of them. Each party agrees that it shall indemnify, defend and save the other harmless from and against any cost, expense, claim, loss, liability or damages, including reasonable attorneys' fees and court costs, resulting from a breach of the foregoing representation and warranty. The terms and provisions of this Section 16.1 shall survive the Closing or any earlier termination of this Agreement.

ARTICLE XVII
MISCELLANEOUS

Section 17.1 Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given/received: (a) on the date delivered if delivered personally; (b) on the date sent if sent by facsimile, with a copy sent by one of the other methods of delivery described in this Section; (c) the next Business Day after deposit with a recognized overnight courier service when marked for delivery on the next Business Day; or (d) five (5) days after mailing if sent by registered or certified United States mail, properly addressed and postage pre-paid, and addressed to the party for whom it is intended at the address hereinafter set forth:

If to Owner : Stonewater Dox Funding LLC
 c/o Drawbridge Special Opportunities Fund LLP
 1251 Avenue of the Americas LLC
 16th Floor
 New York, New York 10020
 Attn: Dean Dakolias
 Fax: (212) 202-3685

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with a copy to each of : Stonewater Partners
 237 Mamaroneck Avenue
 Suite 406
 White Plains, New York 10605
 Attn: Jeff Toporek
 Fax: (914)-470-4011

And

Bryan Cave LLP
1290 Avenue of the Americas
New York, New York 10104
Attn: Sandor A. Green
Fax: (212) 541-1449

If to the Company: Gladstone Commercial Limited Partnership
 c/o Gladstone Commercial Corporation
 1521 Westbranch Drive
 Second Floor
 McLean, VA 22102
 Attn: Mr. Christopher Massey
 Fax: (703) 287-5801

with a copy to: Dickstein Shapiro Morin & Oshinsky LLP
 2101 L Street, N.W.
 Washington, D.C. 20037
 Attn: James D. Kelly, Esq.
 Fax: 202-887-0689

Either party may designate a change of address by written notice to the other in accordance with the provisions set forth above, which notice shall be given at least ten (10) days before such change of address is to become effective. The attorney for either party may send notices on that party's behalf.

Section 17.2 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the respective personal representatives, heirs, successors and assigns of the parties. Owner shall not have any right to assign its rights or obligations under this Agreement without the prior written consent of the Company. The Company shall have no right to assign its rights or obligations under this Agreement without the prior written consent of Owner. Notwithstanding the foregoing; Company may assign its rights and obligations under this Agreement to any person or entity that is an affiliate of the Company, without the consent of Owner, provided that (i) the Company is not released from its liability hereunder, (ii) such assignee assumes all of the obligations of the Company under this Agreement, (iii) the Company delivers a copy of the assignment and assumption agreement to the Owner at or prior

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to Closing, (iv) the assignee is a single purpose bankruptcy remote entity that meets the requirements set forth in the Existing Loan Documents for the borrower thereunder, and (v) such assignee has been approved by the holder of the Existing Loan as the new borrower under the Existing Loan. As used herein, an affiliate is a person or entity controlled by, under common with, or controlling, another person or entity. Any assignment or attempted assignment of this Agreement or the rights and obligations hereunder other than strictly in accordance with the provisions of this Section 17.2 shall be null and void and of no force or effect.

Section 17.3 1031 Exchange. Owner hereby advises the Company that the sale of the Property may be part of a tax-free exchange under Section 1031 of the Internal Revenue Code for Owner. The Company hereby agrees to take all reasonable steps on or before the Closing Date to facilitate such exchange if

requested by Owner, provided that (a) the Company shall not be required to acquire any substitute property, (b) such exchange shall not affect the representations, warranties, liabilities and obligations of the parties to each other under this Agreement, (c) the Company shall not incur any additional cost, expense or liability in connection with such exchange, and (d) no dates in this Agreement will be extended as a result thereof. Notwithstanding anything to the contrary contained in the foregoing, if Owner so elects to close the transfer of the Property as an exchange, then (i) Owner, at its sole option, may delegate its obligations to transfer the Property under this Agreement, and may assign its rights to receive the Purchase Price from the Company, to a deferred exchange intermediary (an "INTERMEDIARY") or to an exchange accommodation titleholder, as the case may be; (ii) such delegation and assignment shall in no way reduce, modify or otherwise affect the obligations of Owner pursuant to this Agreement; (iii) Owner shall remain fully liable for its obligations under this Agreement as if such delegation and assignment shall not have taken place; (iv) Intermediary or exchange accommodation titleholder, as the case may be, shall have no liability to the Company; and (v) the closing of the transfer of the Property to the Company shall be undertaken by direct deed from Owner to the Company or to exchange accommodation titleholder, as the case may be.

Section 17.4 Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the state in which the Property is located, excluding conflicts of laws principles.

Section 17.5 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument; provided, however, in no event shall this Agreement be effective unless and until signed by all parties hereto.

Section 17.6 Further Assurances. In addition to the obligations required to be performed hereunder by Owner and the Company at or prior to the Closing, each party, from and after the Closing, shall execute, acknowledge and/or deliver such other instruments, as may reasonably be requested in order to effectuate the purposes of this Agreement; provided, however, that the foregoing provisions of this Section 17.6 shall not obligate either party to

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execute, acknowledge or deliver any instrument which would or might impose upon such party any additional liability or obligations (beyond that imposed upon on it under the documents delivered by such party at the Closing and the other provisions of this Agreement which survive the Closing).

Section 17.7 Recitals; Exhibits. Each and all of the recitals set forth above and the exhibits attached hereto are hereby incorporated into this Agreement by reference.

Section 17.8 Rules of Construction. Section captions used in this Agreement are for convenience only and shall not affect the construction of the Agreement. All references to "Articles" and "Sections," without reference to a document other than this Agreement are intended to designate articles and sections of this Agreement, and the words "herein," "hereof," "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Section, unless specifically designated otherwise. The use of the term "including" shall mean in all cases "including but not limited to," unless specifically designated otherwise. No rules of construction against the drafter of this Agreement shall apply in any interpretation or enforcement of this Agreement, any documents or certificates executed pursuant hereto, or any provisions of any of the foregoing.

Section 17.9 Time of Essence; Force Majeure. Time is important to all parties in the performance of this Agreement, and the parties have agreed that strict compliance is required as to any date set out in this Agreement. Notwithstanding the foregoing, in the event that Owner or the Company shall be delayed, hindered in or prevented from the performance of any act or obligation required under this Agreement by reason of acts of God, strikes, lockouts, labor troubles or disputes, inability to procure or shortage of materials or labor, failure of power or utilities (that are not due to the negligence or willful misconduct of Owner, the Company or their respective agents), delay in transportation, fire, vandalism, accident, flood, severe weather, other casualty, requirements imposed by Governmental Authorities, riot, insurrection, civil commotion, sabotage, explosion, war, natural or local emergency, acts or omissions of others, including the other party, or other reasons of a similar or dissimilar nature not solely the fault of, or under the exclusive control of such party, then performance of such act or obligation shall be excused for the period of the delay and the period for the performance of any such act or obligation shall be extended for the period equivalent to the period of such delay. Provided, however, none of the Company's monetary obligations under this Agreement shall be so excused or abated as a result of the provisions of this Section 17.9.

Section 17.10 Entire Agreement. This Agreement and the exhibits attached hereto and thereto contain the entire agreement between the parties relating to the Property, all prior negotiations between the parties, including,

without limitation, any letter of intent, access agreement and confidentiality agreement (including all amendments or modifications thereof), are merged in this Agreement, and there are no promises, agreements, conditions, undertakings, warranties or representations, oral or written, express or implied, between them other than as herein set forth. No change or modification of this Agreement shall be valid unless the same is in writing and signed by the parties hereto. No waiver of any of the

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provisions of this Agreement and other agreements referred to herein shall be valid unless in writing and signed by the party against whom it is sought to be enforced.

Section 17.11 No Third Party Beneficiary. This Agreement and each of the provisions hereof are solely for the benefit of Owner and the Company and their permitted assigns. No provisions of this Agreement, or of any of the documents and instruments executed in connection herewith shall be construed as creating in any person or entity other than Owner and the Company and their permitted assigns any rights of any nature whatsoever

Section 17.12 Severability. If any provision in this Agreement is found by a court of competent jurisdiction to be in violation of any applicable law, and if such court should declare such provision of this Agreement to be unlawful, void, illegal or unenforceable in any respect, the remainder of this Agreement shall be construed as if such unlawful, void, illegal or unenforceable provision were not contained therein, and the rights, obligations and interests of the parties hereto under the remainder of this Agreement shall continue in full force and effect undisturbed and unmodified in any way.

Section 17.13 Waiver of Trial by Jury. EACH PARTY HEREBY WAIVES, IRREVOCABLY AND UNCONDITIONALLY, TRIAL BY JURY IN ANY ACTION BROUGHT ON, UNDER OR BY VIRTUE OF OR RELATING IN ANY WAY TO THIS AGREEMENT OR ANY OF THE DOCUMENTS OR CERTIFICATES EXECUTED IN CONNECTION HERewith, THE PROPERTIES, OR ANY CLAIMS, DEFENSES, RIGHTS OF SET-OFF OR OTHER ACTIONS PERTAINING HERETO OR TO ANY OF THE FOREGOING.

Section 17.14 Attorneys' Fees. In the event that there shall be a dispute under this Agreement resulting in the institution of any action or proceeding by Owner or the Company against the other, the prevailing party shall be entitle to receive from the other party reasonable attorneys' fees and disbursements and all court costs and expenses incurred in connection with such action or proceeding.

Section 17.15 No Recording. Neither this Agreement nor any memorandum hereof shall be recorded. Each party hereby agrees to indemnify and hold harmless the others for all liabilities, losses, damages, liens, suits, claims, costs and expenses (including reasonable attorneys' fees) incurred by the others by reason of a breach of the foregoing covenant.

Section 17.16 Survival. All representations, warranties, covenants, agreements and indemnities set forth in or made pursuant to this Agreement and any indemnification related thereto shall remain operative, and shall survive the Closing under this Agreement, only with respect to claims made in writing not later than twelve (12) months after the Closing.

ARTICLE XVIII CONFIDENTIALITY

Section 18.1 Public Announcements. Except as provided otherwise in this Section 18.1, Owner and the Company hereby agree that they will not, and shall direct their

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respective employees, officers, agents and representatives not to, directly or indirectly, release or cause or permit to be released to the public prior to the Closing any press notices, publicity (oral or written) or advertising promotion relating to, or otherwise publicly announce or disclose or cause or permit to be publicly announced or disclosed, in any manner whatsoever, the terms, conditions or substance of this Agreement or the transactions contemplated herein, without first obtaining the consent of the Company and the Owner, which consent shall not be unreasonably withheld. It is understood that the foregoing shall not (i) preclude any party from discussing the substance or any relevant details of the transactions contemplated in this Agreement on a confidential basis with any of its partners, attorneys, officers, directors, employees, accountants, professional consultants, financial advisors, rating agencies, or potential lenders, as the case may be (the "REPRESENTATIVES") provided that such Representatives have been informed of the parties' obligations hereunder and the obligations of the parties under securities laws with respect to disclosure of information and trading in the stock of Company or its Affiliates or (ii) prevent it from complying with applicable laws, including, without limitation, governmental regulatory, disclosure, tax and reporting requirements. Owner and the Company shall each have the right to seek and obtain equitable relief to enforce the provisions of this Article XVIII.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the day and year first above written.

WITNESS:

OWNER:

STONEWATER DOX FUNDING LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: Authorized Signatory

THE COMPANY:

GLADSTONE COMMERCIAL LIMITED PARTNERSHIP, a Delaware limited partnership

By: Gladstone Commercial Partners, LLC

By: Gladstone Commercial Corporation

By: _____
Name: _____
Title: _____

By: _____
Name: Robert J. Corry
Title: Principal and Managing Director

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EXHIBIT A

LEGAL DESCRIPTION OF THE LAND

The land referred to in this policy is described as follows:

TRACT 1:

Lot 4 in Final Plat of Lot 4 of Par 3 Development Subdivision, as per Plat recorded as Document 98R 28668, situated in Champaign County, Illinois.

TRACT 2:

Lots 5 and 6 of Final Plat of Lots 5, 6 and 7 of Par 3 Development Subdivision, a subdivision in the City of Champaign, Champaign County, Illinois, as per plat recorded July 10, 1996 in Plat Book "CC" at page 185 as Document 96R 17100.

TRACT 3:

Lot 7 of Final Plat of Lots 5, 6 and 7 of Par 3 Development Subdivision, a subdivision in the City of Champaign, Champaign County, Illinois, as per plat recorded July 10, 1996 in Plat Book "CC" at page 185 as Document 96R 17100.

TRACT 4:

Lot 3 of Final Plat of Lot 3 Par 3 Development Subdivision recorded as Document 98R 14068, situated in Champaign County, Illinois.

EXHIBIT 1.4

EXISTING LOAN DOCUMENTS

1. Agreement regarding required insurance between Owner and Wells Fargo Bank, National Association
2. Assignment of Management Contracts
3. Cash Management Agreement
4. Guarantor Release Agreement
5. Lender's Instructions to Escrow Agent
6. Letter for Guarantor Release
7. Limited Guaranty by Drawbridge Special Opportunity Funds LP
8. Limited Guaranty by Drawbridge Special Opportunity Funds LP, Stonewater Funding LLC, and Stonewater Partners, Inc.
9. Limited Guaranty by Stonewater Funding LLC
10. Limited Guaranty by Stonewater Partners Inc.
11. Letter re: Loan Securitization and Sale

12. Mortgage and Absolute Assignment of Rents and Leases and Security Agreement
13. Payment direction letter to Tenant
14. Payment method agreement made by Owner
15. Promissory Note Secured by Mortgage
16. Subordination Agreement and Non-Disturbance and Attornment Agreement
17. UCC Financing Statement with respect to mortgage
18. Estoppel Certificate
19. Wells Fargo Letter re: Satisfaction of Contingent Terms Pursuant to Approved Property Expansion

EXHIBIT 1.8

DESCRIPTION OF LEASES

Lease, dated September 19, 1996, between Stonewater Dox Funding LLC (successor-in-interest to Par 3 Development, L.L.C.) and Amdocs Champaign, Inc. (f/k/a ITDS Intelicom Services, Inc.) for property located at 2101 Fox Drive, Champaign, Illinois, as amended by that certain First Addendum to Lease, dated February 25, 1999, and as further amended by that certain Addendum Number Two to Lease, dated December 22, 2000.

Lease, dated January 29, 1996, between Stonewater Dox Funding LLC (successor-in-interest to Par 3 Development, L.L.C.) and Amdocs Champaign, Inc. (f/k/a ITDS Intelicom Services, Inc.) for property located at 2109 Fox Drive, Champaign, Illinois, as amended by that certain First Addendum to Lease, dated February 25, 1999, and as further amended by that certain Addendum Number Two to Lease, dated December 22, 2000.

Lease, dated September 19, 1996, between Stonewater Dox Funding LLC (successor-in-interest to Par 3 Development, L.L.C.) and Amdocs Champaign, Inc. (f/k/a ITDS Intelicom Services, Inc.) for property located at 2201 Fox Drive, Champaign, Illinois, as amended by that certain First Addendum to Lease, dated February 25, 1999, and as further amended by that certain Addendum Number Two to Lease, dated December 22, 2000.

Lease, dated February 25, 1999, between Stonewater Dox Funding LLC (successor-in-interest to Par 3 Development, L.L.C.) and Amdocs Champaign, Inc. (f/k/a ITDS Intelicom Services, Inc.) for property located at 2215 Fox Drive, Champaign, Illinois, as amended by that certain Addendum Number One to Lease, dated December 22, 2000.

Lease, dated December 22, 2000, between Stonewater Dox Funding LLC (successor-in-interest) to Par 3 Development, L.L.C.) and Amdocs Champaign, Inc. (f/k/a ITDS Intelicom Services, Inc.) for property located at 2301 Fox Drive, Champaign, Illinois, as amended by that certain Addendum No. 1 to Lease, dated September 18, 2001, as further amended by that certain Amendment to Lease, dated September 14, 2004, and as further amended by that certain Addendum No. 2 to Lease, dated February 25, 2005.

EXHIBIT 2.2

FORM OF ESCROW AGREEMENT

This Escrow Agreement (this "AGREEMENT") is made and entered into this ___ day of November, 2005, among STONEWATER DOX FUNDING LLC, a Delaware limited liability company ("OWNER"), and GLADSTONE COMMERCIAL LIMITED PARTNERSHIP, a Delaware limited partnership (the "COMPANY"), and FIRST AMERICAN TITLE INSURANCE COMPANY ("ESCROW AGENT"). Reference is made to that certain Purchase Agreement dated as of November __, 2005 (the "CONTRACT"), between Owner and the Company. The defined terms used in this Agreement shall have the meanings set forth in the Contract.

The Company and Owner have agreed to select Escrow Agent to serve as escrow agent with respect to the Deposit to be made by the Company pursuant to the Contract. The purpose of this Agreement is to prescribe instructions governing the services of Escrow Agent with respect to the Deposit and the Closing.

1. Owner and the Company hereby engage Escrow Agent to serve as escrow agent with respect to the Deposit made by the Company pursuant to the terms of the Contract, a copy of which has been delivered to and received by Escrow Agent. Escrow Agent hereby accepts such engagement.

2. Escrow Agent acknowledges receipt of the Deposit and agrees to place the Deposit into an interest-bearing escrow account and to notify the Company

and Owner of the location and number of such interest-bearing account. Interest shall be maintained in the escrow account as a part of the Deposit and credited to the Company for tax purposes. The Company's Federal Taxpayer Identification Number is 91-2198700.

3. Escrow Agent shall disburse the Deposit and any interest earned thereon in accordance with the terms and conditions of the Contract, provided that Escrow Agent shall first give each party ten (10) days written notice in accordance with Section 17.1 of the Contract of Escrow Agent's intent to disburse, and upon receipt of written objection to such disbursement by either party, Escrow Agent shall act in accordance with Section 4 herein. At the time of the Closing, if any, if the Deposit has not been disbursed previously in accordance with the Contract, then Escrow Agent shall disburse the Deposit and interest thereon to Owner to be credited against the Purchase Price.

4. In the event that there is a dispute regarding the disbursement or disposition of the Deposit or the interest earned thereon, or in the event Escrow Agent shall receive conflicting written demands or instructions with respect thereto, then Escrow Agent shall withhold such disbursement or disposition until notified by both parties that such dispute is resolved or Escrow Agent may file a suit of interpleader at the cost and expense of Owner and the Company.

5. Escrow Agent shall not be liable for any damage, liability or loss arising out of or in connection with the services rendered by Escrow Agent pursuant to this Agreement unless the same results from the negligence, gross negligence, or willful misconduct of Escrow Agent.

6. Copies of all notices given by any party hereunder shall be delivered in person or mailed, postage prepaid, to all other parties hereto, to the following addresses:

(1) If to the Company Gladstone Commercial Limited Partnership
 c/o Gladstone Commercial Corporation
 1521 Westbranch Drive
 Second Floor
 McLean, VA 22102
 Attn: Mr. Christopher Massey
 Fax: (703) (703) 287-5801

with a copy to: Dickstein Shapiro Morin & Oshinsky LLP
 2101 L Street, N.W.
 Washington, D.C. 20037
 Attn: James D. Kelly, Esq.
 Fax: (202) 887-0689

(2) If to the Owner: Stonewater Dox Funding LLC
 c/o Drawbridge Special Opportunities Fund
 LLP
 1251 Avenue of the Americas LLC
 16th Floor
 New York, New York 10020
 Attn: Dean Dakolias
 Fax: (212) 202-3685

with a copy to each of: Stonewater Partners
 237 Mamaroneck Avenue
 Suite 406
 White Plains, New York 10605
 Attn: Jeff Toporek
 Fax: (914)-470-4011

and

Bryan Cave LLP
1290 Avenue of the Americas
New York, New York 10104
Attn: Sandor A. Green
Fax: 212-541-1449

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7. The instructions contained herein may not be modified, amended or altered in any way except by a writing (which may be in counterpart copies) signed by Owner, the Company and Escrow Agent. Notices for Owner and the Company may be given by the respective attorneys for each such party.

8. The Company and Owner reserve the right, at any time and from time to time, to jointly substitute a new escrow agent in place of Escrow Agent.

9. This Agreement is intended solely to supplement and implement the provisions of the Contract and is not intended to modify, amend or vary any of the rights or obligations of the Company or Owner under the Contract.

10. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument; provided, however, in no event shall this Agreement be effective unless and until signed by all parties hereto.

[BALANCE OF PAGE INTENTIONALLY LEFT BLANK]
[SIGNATURES FOLLOW ON THE NEXT PAGE]

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

WITNESS: OWNER:

STONEWATER DOX FUNDING LLC,
a Delaware limited liability company

By: _____ By: _____
Name: _____ Name: _____
Title: _____ Title: Authorized Signatory

THE COMPANY:

GLADSTONE COMMERCIAL LIMITED
PARTNERSHIP, a Delaware limited partnership

By: Gladstone Commercial Partners, LLC

By: Gladstone Commercial Corporation

By: _____ By: _____
Name: _____ Name: Robert J. Corry
Title: _____ Title: Principal and Managing Director

ESCROW AGENT:

FIRST AMERICAN TITLE INSURANCE COMPANY

By: _____
Name: Michael Hillman
Title: Vice President

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EXHIBIT 3.2.1

DOCUMENTS PREVIOUSLY DELIVERED BY OWNER

<TABLE>
<CAPTION>

	Date Sent	Format
	-----	-----
<S>	<C>	<C>
Loan Documents:		
Agreement regarding required insurance between Owner and Wells Fargo Bank, National Association	10/17	PDF
Assignment of Management Contracts	10/17	PDF
Cash Management Agreement	10/17	PDF
Guarantor Release Agreement	10/17	PDF
Lender's Instructions to Escrow Agent	10/17	PDF
Letter for Guarantor Release	10/17	PDF
Limited Guaranty by Drawbridge Special Opportunity Funds LP	10/17	PDF
Limited Guaranty by Drawbridge Special Opportunity Funds LP, Stonewater Funding LLC, and Stonewater Partners Inc.	10/17	PDF
Limited Guaranty by Stonewater Funding LLC	10/17	PDF
Limited Guaranty by Stonewater Partners Inc.	10/17	PDF
Letter re: Loan Securitization and Sale	10/17	PDF
Mortgage and Absolute Assignment of Rents and Leases and Security Agreement	10/17	PDF
Payment direction letter to Tenant	10/17	PDF
Payment method agreement made by Owner	10/17	PDF
Promissory Note Secured by Mortgage	10/17	PDF
Subordination Agreement and Non-Disturbance and Attornment Agreement	10/17	PDF
UCC Financing Statement with respect to mortgage	10/17	PDF
Estoppel Certificate	10/17	PDF
Wells Fargo Letter re: Satisfaction of Contingent Terms Pursuant to Approved Property Expansion	10/17	PDF
Leases:		
2101 Fox Drive Lease	10/17	PDF
First Addendum to Lease (2101 Fox Drive)	10/17	PDF
Addendum Number Two to Lease (2101 Fox Drive)	10/17	PDF
2109 Fox Drive Lease	10/17	PDF
First Addendum to Lease (2109 Fox Drive)	10/17	PDF
Addendum Number Two to Lease (2109 Fox Drive)	10/17	PDF

2201 Fox Drive Lease	10/17	PDF
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First Addendum to Lease (2201 Fox Drive)	10/17	PDF
Addendum Number Two to Lease (2201 Fox Drive)	10/17	PDF
2215 Fox Drive Lease	10/17	PDF
Addendum Number One to Lease (2215 Fox Drive)	10/17	PDF
2301 Fox Drive Lease	10/17	PDF
Addendum No. 1 to Lease (2301 Fox Drive)	10/17	PDF
Addendum to Lease (2301 Fox Drive)		
Addendum No. 2 to Lease (2301 Fox Drive)	10/17	PDF
Property:		
Survey	10/17	PDF
Final Plat	10/17	PDF
Owner's Certificate of Dedication-Addendum 1a	10/17	PDF
Owner's Certificate of Dedication-Addendum 1b	10/17	PDF
Owner's Certificate of Dedication-Addendum 1c	10/17	PDF
Certificates of Occupancy	10/17	PDF
Insurance Certificates	10/17	PDF
Third Party Reports:		
PZR Zoning Report	10/17	PDF
Phase I Environmental Site Assessment	10/17	PDF
Property Condition Report	10/17	PDF
Mold Checklist	10/17	PDF
Title:		
UCC Financing Statement with respect to mortgage	10/17	PDF
Creditors' Rights Affidavit	10/17	PDF
Partial Release and Termination Documents	10/17	PDF
Owner's Policy of Title Insurance	10/17	PDF
Unanimous Writing in Lieu of Meeting of the Members of Par 3 Development, L.L.C.	10/17	PDF
Owner's Authorization Certificate for Acquisition and Loan	10/17	PDF
Budget:		
2005 Monthly Budget	10/17	XLS
2004 Monthly Budget	10/17	XLS
Amdocs 2004 Budget Reconciliation	10/17	XLS
</TABLE>		

EXHIBIT 3.2.2

SCHEDULE OF DOCUMENTS TO BE DELIVERED TO THE COMPANY

- (1) The Lease, including without limitation, amendments, side letters, option exercise letters and other documents, certificates or instruments applicable to the Lease, subleases or similar instruments pursuant to which a person occupies the Property; and copies of all pending lease proposals.
- (2) A current rent roll, certified as accurate by Owner's chief financial officer or an equivalent officer or official, together with all correspondence between Owner and Tenant with regard to the Lease and Tenant's occupancy of the Property.
- (3) Existing studies, reports and appraisals, if any, relating to the Property and in the possession and/or control of Owner.
- (4) Financial information for Tenant.
- (5) Full year 2004-2006 operating budget for and with respect to the Property, together with financial information and records for the Property (including, without limitation, financial statements, containing, at a minimum, statements of profit and losses and balance sheets) for the last three (3) calendar years, together with the books and records for the Property, including historical property and operating statements, tax bills, capital expenditure records, renovation budget(s) and maintenance records of the Property. Such statements shall properly reflect the profit and loss from the management, leasing, maintenance, repair and operation of the Property for three (3) years.
- (6) Zoning reports.
- (7) As-built plans and specifications for the Improvements on the Property, to the extent reasonably available.
- (8) Copies of all contracts, agreements, equipment leases, service and maintenance agreements, and vendor contracts related to the Property.
- (9) Copies of Owner's existing title policy for the Property, together with a complete legal description and legible copies of all documents referred to in

the title reports or policies.

(10) Copies of existing "as-built" surveys of the Property, any readily available topographical information and traffic studies in Owner's or its property manager's possession.

(11) All environmental reports and studies in Owner's possession (including, without limitation, all analytical data, remediation design, modeling, boring logs, correspondence, directives, submissions and responses to or from Governmental Authorities and environmental consultants) and notices and asbestos reports and all reports, proposals and/or notices relating

to the physical condition of the Property, including, without limitation, any soils reports, engineering, architectural or other structural reports or studies and similar data relating to the Property in Owner's possession.

(12) Existing fire and casualty insurance policies (or summaries thereof) and current certificates evidencing such coverage.

(13) All information concerning any pending real estate tax assessment appeals, protests and proceedings.

(14) All agreements relating to leasing commissions affecting the Property, and a list of leasing commissions to be discharged by Owner.

(15) Copies of all of the Existing Loan Documents.

(16) Copies of all construction contracts or other agreements to which Owner or its agent is a party relating to ongoing construction work, repairs or renovations being done to any Improvements at the Property.

(17) Copies of all agreements, proffers, if any, and other non-public documents relating to land use restrictions or other conditions limiting or otherwise affecting development of the Property.

(18) Copies of all unexpired warranties and guaranties covering the personal property and the roof, elevators, heating and air conditioning systems and any other components of the Improvements, and a list and description of any material third party bonds, warranties and guaranties which will be in effect after the Closing with respect to the Property, including, without limitation, the Improvements.

(19) Copies of all certificates of occupancy, approvals, licenses and permits.

(20) Copies of any and all written claims, demands or notices from any third party which concern or otherwise affect the Property received by Owner during the prior three (3) years, or earlier if unresolved, including, without limitation, written notice of potential litigation, written notices from any Governmental Authority, copies of any reports issued by the local Fire Marshal regarding inspection of the Improvements during Owner's ownership of the Property and a list of major repairs (excluding tenant improvements) and major casualties occurring during Owner's ownership of the Property, together with any internal lists of claims or anticipated litigation related to the Property prepared by or on behalf of Owner.

(21) True and complete copies of Owner's organizational documents, as well as any fictitious name or similar filings, including all amendments to the foregoing, certified as true and complete.

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(22) All of the records of the architects, engineers and consultants related to the Property in Owner's possession or in the possession of such architects, engineers and consultants.

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EXHIBIT 4.1

PERMITTED EXCEPTIONS

1. The state of facts shown on survey dated October 31, 2003, as last revised November 14, 2003, made by HDC Engineering, Project #03344.

2. Taxes for the year 2005, which are a lien although not yet due & payable.

City of Champaign Township, 45-20-24-326-020, Tax Code 60. (Tract 1).
City of Champaign Township, 45-20-24-326-011, Tax Code 2. (part of Tract 2).
City of Champaign Township, 45-20-24-326-012, Tax Code 2. (part of Tract 2).
City of Champaign Township, 45-20-24-326-013, Tax Code 2. (Tract 3).
City of Champaign Township, 45-20-24-326-016, Tax Code 60. (Tract 4).

3. The land lies within the boundaries of Phinney Branch Mutual Drainage

District. (Tracts 1-4).

4. Easement in favor of Illinois Power Company, and its successors and assigns, and the provisions relating thereto contained in the grant recorded December 23, 1992 in book 1876 at page 506 as document no. 92R 36921, affecting the North 10 feet of Lot 7 and other land. (Tract 3).
5. Easement in favor of the City of Champaign, and its successors and assigns, and the provisions relating thereto contained in the grant recorded July 10, 1996 in book 2424 at page 500 as document no. 96R 17099. (Tract 1).
6. Covenants, restrictions, easements and building setback lines contained in the Owner's Certificate attached to and as shown on the Final Plat of Lots 5, 6 and 7 of Par 3 Development Subdivision recorded July 10, 1996 in book "CC" at page 185 as document no. 96R 17100, as amended by First Addendum dated November 1, 2003 and recorded November 25, 2003 as document 2003 R 52074 which does not contain a reversionary or forfeiture clause. (Tracts 2 and 3).
7. Terms and provisions of an Annexation Agreement as disclosed by instrument recorded July 23, 1996 in book 2428 at page 782 as document no. 96R 18251. (Tracts 1-4).

Amendment No. 1 recorded February 14, 1997 as document no. 97R 3279.
Amendment No. 2 recorded January 14, 1998 as document no. 98R 1024.
Amendment No. 3 recorded June 15, 2000 as document no. 2000R 12962.
8. Easement in favor of Illinois Power Company, and its successors and assigns, and the provisions relating thereto contained in the grant recorded September 3, 1996 in book

2443 at page 169 as document no. 96R 22014, affecting a strip of land 10 feet in width over Lot 5. (Tract 2, Lot 5).
9. Covenants, restrictions, easements and building setback lines contained in the Owner's Certificate attached to and as shown on the Final Plat of Lot 3 of Par 3 Development Subdivision recorded May 18, 1998 as document no. 98R 14068, as amended by First Addendum dated November 1, 2003 and recorded on November 25, 2003 as document 2003 R 52075, which does not contain a reversionary or forfeiture clause. (Tract 4).
10. The right of tenants, as tenants only with no right or option to purchase or right of first refusal.
11. Mortgage, Absolute Assignment of Rents and Leases and Security Agreement (and Fixture Filing) dated November 21, 2003 and recorded November 25, 2003 as document 2003 R 52081 made by Stonewater DOX Funding LLC to Wells Fargo Bank, National Association, to secure a note for \$10,000,000.
12. UCC-1 Financing Statement filed by Wells Fargo Bank N.A., as secured party, against Stonewater Dox Funding L.L.C., as debtor on December 30, 2003 under filing number 200312305627857.

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EXHIBIT 4.2.1

TITLE INSURANCE REQUIREMENTS AND ENDORSEMENTS

This Memorandum will provide you with a checklist of standard title insurance requirements for projects being acquired by Gladstone Commercial Corporation, or an affiliated company ("GCC"). Additional or different requirements may be specified for your particular transaction.

1. GENERAL:

(a) The maximum single risk assumed by any single title insurer may not exceed 25% of that company's capital, surplus and statutory reserves. Excess amounts may be covered by appropriate reinsurance arrangements with other acceptable title insurance companies.

(b) The title insurance policy must be written by an insurer that has an acceptable rating from at least one of the following independent rating agencies:

- a "Financial Stability Rating" of "S" (Substantial) or better or a "Statutory Accounting Rating" of "C" (Average) or better from Demotech, Inc.;

- a "BBB" or better rating from Duff and Phelps Credit Rating Company;

- a "C" or better rating from LACE Financial Corporation;

- a "Baa" or better rating from Moody's Investors Service; or

- a "BBB" or better rating from Standard and Poor's, Inc.

(c) Each title insurance policy must be written by an insurer authorized to do business in the jurisdiction where the property is located.

(d) Subject to the satisfaction of other requirements set forth herein, GCC will accept the standard 1992 ALTA form of loan title insurance policy or the 1990, 1987 or 1970 (amended October 17, 1970, and October 17, 1984) form of owner's policies. GCC must receive and approve a commitment and a pro forma owner's title insurance policy. Copies of all documents and/or surveys referred to in the legal description or in the exceptions in Schedule B-I must be submitted with the commitment. The title insurance company must remove (by endorsement or written waiver) any creditors' rights exception or exclusion.

(e) If the 1990 or 1987 ALTA form of policy or a policy containing similar arbitration provisions is used, the title insurance company must agree that the compulsory arbitration provisions of the policy do not apply for any claims by or on behalf of the insured.

(f) The policy must include an Environmental Protection Lien Endorsement (ALTA Form 8.1). Subparagraph (b) of ALTA Form 8.1 may take exception for an entire state statute that provides for environmental protection liens that could take priority, only if specific sections or subsections are referenced. A reference solely to a general statute is acceptable only

if approved in writing by GCC prior to closing. If no such statutes exist, "None" should be entered in the space below subparagraph (b).

(g) The policy must include a Comprehensive Endorsement (ALTA Form 9).

2. SCHEDULE A - DESCRIPTION:

(a) The amount of the title insurance policy must equal at least the original purchase price of the property.

(b) The effective date of the title policy must be as of the date (and time, where available) of the recordation of the Deed.

(c) The policy must name as the insured the entity designated by GCC as the owner.

(d) Schedule A must include a description of the Deed, with the complete name of the instrument, the date of execution, recordation date and recordation information.

(e) The legal description of the property in the title insurance policy must precisely conform to that shown on the survey of the property. Alternatively, the title insurance policy may be endorsed to provide that the legal description is the same as shown on the survey.

(f) Any appurtenant easements (such as access or utility easements) must be set forth in the legal description and affirmatively insured under Schedule A as a separate insured interest in land.

(g) The title insurance policy must include, as an informational note, in Schedule A (i) the recorded plat number (and recording information), if any, and (ii) the property parcel number(s) or tax identifying number(s), as applicable, for the property, if such numbers are available in the jurisdiction in which the property is located.

3. SCHEDULE B-I - TITLE EXCEPTIONS:

(a) Standard exceptions (such as for parties in possession, other matters not shown on public records and for filed and unfiled mechanics' and materialmen's liens) must be deleted.

(b) The title insurance company must remove (by endorsement or written waiver) any creditor's rights exception to or exclusion from the title insurance policy.

(c) If the title insurance policy includes any exception for taxes, assessments or other lienable items, it must expressly insure that such taxes, assessments or items are not yet due and payable.

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(d) The title insurance policy must contain no exception for any filed or unfiled mechanics' or materialmen's liens.

(e) The standard survey exception to the title policy, if any, must be deleted. Exceptions to specific matters shown in a recorded plat must be

specifically described and affirmative coverage must be obtained for any matters listed.

(f) Any lien, encumbrance, condition, restriction or easement must be included in the policy and must be described in sufficient detail so that its nature, width and location, as applicable is readily discernible in the written description. All exceptions which regard easement rights of others to the property must be listed as an "Easement ...". The policy must affirmatively insure that improvements do not encroach upon the listed easements or affirmatively insure against loss or damage due to such encroachment.

(g) All easements listed in Schedule B-I must appear on the survey noted by deed book and page number. If Schedule B-I indicates the presence of any easements that are not specifically located, the title policy must provide affirmative insurance against any loss resulting from the exercise by the holder of such easement of its right to use or maintain that easement.

4. SCHEDULE B-II - SUBORDINATE MATTERS:

Tenants in possession under unrecorded leases must be listed as such on Schedule B, Part II or included as an exception in Schedule B, Part I as "rights of tenants in possession as of the date hereof, as tenant's only, under unrecorded leases."

5. REQUIRED ENDORSEMENTS:

(a) ALTA 9 Comprehensive Endorsement

(b) Survey Endorsement

(c) ALTA 3.1 Zoning Endorsement (with additional coverage for number and type of parking spaces)

(d) Doing Business Endorsement (as applicable)

(e) Access Endorsement

(f) Separate Tax Lot Endorsement

(g) Environmental Protection Lien Endorsement

(h) Subdivision Endorsement

(i) Contiguity Endorsement

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(j) Creditor's Rights Endorsement (as applicable)

(k) Tax Deed Endorsement (as applicable)

(l) Mechanics' Lien Endorsements (as applicable)

(m) Non-Imputation Endorsement (as applicable)

(n) Fairways Endorsement (as applicable)

(o) Condominium Endorsement (as applicable)

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EXHIBIT 4.2.2

[FORM OF SURVEYOR CERTIFICATION]

[NAME], a registered land surveyor, License No. [NUMBER], in and for the State of _____ and legally doing business in _____ County, does hereby certify to Gladstone Commercial Corporation, a Delaware corporation, its successors and assigns] and [TITLE COMPANY] and [LENDER]:

1. The accompanying survey ("SURVEY") represents a true and correct survey made by me on _____, 200_ of the land therein particularly described.

2. The Survey and the information, courses and distances shown thereon are correct.

3. The title lines and lines of actual possession are the same.

4. The land described in the Survey is the same as described in the title insurance commitment described below.

5. The area of the subject property and the size, location and type of buildings and improvements and any other matters situated on the subject property are as shown and all buildings and improvements are within the boundary lines and applicable set-back lines of the property.

6. There are no violations of zoning ordinances, restrictions or other rules and regulations with reference to the location of said buildings and improvements.
7. There are no easements or uses affecting this property appearing from a careful physical inspection of the same, other than those shown and depicted on the Survey.
8. There are no encroachments on the adjoining properties, streets, or alleys by any of said buildings, structures and improvements, other than as shown on the Survey.
9. There are no party walls or visible encroachments on said described property by streets, alleys or buildings, structures or other improvements situated on adjoining property, except as shown on the Survey.
10. All utility services required for the operation of the premises either enter the premises through adjoining public streets, or the Survey shows the point of entry and location of any utilities that pass through or are located on adjoining land.
11. The Survey shows the location and direction of all visible storm drainage systems for the collection and disposal of all roof and surface drainage.
12. Any discharge into streams, rivers or other conveyance system is shown on the Survey.
13. The subject property [INSERT "DOES" OR "DOES NOT"] lie within a Special Flood Hazard Area ("SFHA") as defined by the Federal Emergency Management Agency; the property lies within Zone(s) _____ [ONLY ZONES WITH PREFIXES OF "A" OR "V" ARE IN SFHAS] of the Flood Insurance Rate Map identified as Community Panel No. _____, bearing an effective date of _____.
14. The subject property has access to and from a duly dedicated and accepted public street or highway [IF NOT, SO STATE].
15. [EXCEPT AS SHOWN ON THE SURVEY,] the subject property does not serve any adjoining property for drainage, utilities or ingress or egress.
16. The record description of the subject property forms a mathematically closed figure [IF NOT, SO STATE].
17. The undersigned has received and examined a copy of [COMPANY] Title Company's Commitment No. [NUMBER]; and the location of any matter shown thereon, to the extent it can be located, has been shown on this Survey with the appropriate recording reference.
18. The parties listed above are entitled to rely on the survey and this certificate as being true and accurate.
19. This Survey is made in accordance with the 1999 "Minimum Standard Detail Requirements for Land Title Surveys" jointly established and adopted by American Land Title Association ("ALTA") and American Congress on Surveying and Mapping ("ACSM") and meets the requirements of an Urban Survey, as defined in the current accuracy standards jointly adopted by ALTA and ACSM and includes items 1, 2, 3, 4, 6, 7(a,b,&c), 8, 9, 10, 11(a), 13 (including uses), 14, 15, and 16 of Table A thereof.
20. [IF THE CERTIFICATE IS ATTACHED TO RATHER THAN TYPED OR OTHERWISE REPRODUCED ON THE FACE OF THE SURVEY, ADD A PARAGRAPH SPECIFICALLY IDENTIFYING THE SURVEY (SUCH AS BY DATE, PROPERTY DESCRIPTION AND SURVEY NUMBER) TO WHICH THE CERTIFICATE RELATES.]

[SIGNATURE]

[TYPE NAME OF SURVEYOR BELOW SIGNATURE LINE]

Registration No. _____

Date: _____
[SEAL]

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EXHIBIT 5.1 (IV)

EXISTING LOAN BALANCES

<TABLE>	
<S>	<C>
Loan Balance	\$ 9,772,861.03
Tax Reserve	\$ 58,724.72

EXHIBIT 11.1(b)

FORM OF DEED

SPECIAL WARRANTY DEED

THE GRANTOR, STONEWATER DOX FUNDING LLC., a Delaware limited liability company, for and in consideration of TEN DOLLARS (\$10,00), and other good and valuable consideration in hand paid, GRANTS, BARGAINS and SELLS to the GRANTEE, _____, a _____ the following described real estate situated in the County of Champaign, in the State of Illinois:

See Exhibit A, attached hereto and incorporated herein by reference.

Subject to the items listed on Exhibit B attached hereto and incorporated herein by reference.

The property described herein and conveyed hereby is not homestead property pursuant to the laws of the State of Illinois.

To have and to hold, the above granted premises unto the said Grantee forever.

And Grantor hereby covenants, promises and agrees to and invites Grantee, and its successors and assigns, that (a) Grantor has not done or suffered to be done anything whereby the property herein granted is, or may be, in any manner encumbered to changed, except as herein recited, and (b) Grantor will warrant and forever defend the described property against all persons lawfully claiming, or to claim the same of acts done to encumber the property by, through and under the Grantor.

WITNESS:	GRANTOR:
	STONEWATER DOX FUNDING LLC, a Delaware limited liability company
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: Authorized Signatory

STATE OF _____)
) ss.:
COUNTY OF _____)

On the ____ day of _____, 2005 before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

EXHIBIT A

Legal Description

The land referred to in this policy is described as follows:

- TRACT 1:
Lot 4 in Final Plat of Lot 4 of Par 3 Development Subdivision, as per Plat recorded as Document 98R 28668, situated in Champaign County, Illinois.
- TRACT 2:
Lots 5 and 6 of Final Plat of Lots 5, 6 and 7 of Par 3 Development Subdivision, a subdivision in the City of Champaign, Champaign County, Illinois, as per plat recorded July 10, 1996 in Plat Book "CC" at page 185 as Document 96R 17100.
- TRACT 3:
Lot 7 of Final Plat of Lots 5, 6 and 7 of Par 3 Development Subdivision, a subdivision in the City of Champaign, Champaign County, Illinois, as per plat recorded July 10, 1996 in Plat Book "CC" at page 185 as Document 96R 17100.

TRACT 4:

Lot 3 of Final Plat of Lot 3 Par 3 Development Subdivision recorded as Document 98R 14068, situated in Champaign County, Illinois.

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EXHIBIT B

Permitted Exceptions

1. The state of facts shown on survey dated October 31, 2003, as last revised November 14, 2003, made by HDC Engineering, Project #03344.
2. Taxes for the year 2005, which are a lien although not yet due & payable.
City of Champaign Township, 45-20-24-326-020, Tax Code 60. (Tract 1).
City of Champaign Township, 45-20-24-326-011, Tax Code 2. (part of Tract 2).
City of Champaign Township, 45-20-24-326-012, Tax Code 2. (part of Tract 2).
City of Champaign Township, 45-20-24-326-013, Tax Code 2. (Tract 3).
City of Champaign Township, 45-20-24-326-016, Tax Code 60. (Tract 4).
3. The land lies within the boundaries of Phinney Branch Mutual Drainage District. (Tracts 1-4).
4. Easement in favor of Illinois Power Company, and its successors and assigns, and the provisions relating thereto contained in the grant recorded December 23, 1992 in book 1876 at page 506 as document no. 92R 36921, affecting the North 10 feet of Lot 7 and other land. (Tract 3).
5. Easement in favor of the City of Champaign, and its successors and assigns, and the provisions relating thereto contained in the grant recorded July 10, 1996 in book 2424 at page 500 as document no. 96R 17099. (Tract 1).
6. Covenants, restrictions, easements and building setback lines contained in the Owner's Certificate attached to and as shown on the Final Plat of Lots 5, 6 and 7 of Par 3 Development Subdivision recorded July 10, 1996 in book "CC" at page 185 as document no. 96R 17100, as amended by First Addendum dated November 1, 2003 and recorded November 25, 2003 as document 2003 R 52074 which does not contain a reversionary or forfeiture clause. (Tracts 2 and 3).
7. Terms and provisions of an Annexation Agreement as disclosed by instrument recorded July 23, 1996 in book 2428 at page 782 as document no. 96R 18251. (Tracts 1-4).

Amendment No. 1 recorded February 14, 1997 as document no. 97R 3279.
Amendment No. 2 recorded January 14, 1998 as document no. 98R 1024.
Amendment No. 3 recorded June 15, 2000 as document no. 2000R 12962.
8. Easement in favor of Illinois Power Company, and its successors and assigns, and the provisions relating thereto contained in the grant recorded September 3, 1996 in book

2443 at page 169 as document no. 96R 22014, affecting a strip of land 10 feet in width over Lot 5. (Tract 2, Lot 5).
9. Covenants, restrictions, easements and building setback lines contained in the Owner's Certificate attached to and as shown on the Final Plat of Lot 3 of Par 3 Development Subdivision recorded May 18, 1998 as document no. 98R 14068, as amended by First Addendum dated November 1, 2003 and recorded on November 25, 2003 as document 2003 R 52075, which does not contain a reversionary or forfeiture clause. (Tract 4).
10. The right of tenants, as tenants only with no right or option to purchase or right of first refusal.
11. Mortgage, Absolute Assignment of Rents and Leases and Security Agreement (and Fixture Filing) dated November 21, 2003 and recorded November 25, 2003 as document 2003 R 52081 made by Stonewater DOX Funding LLC to Wells Fargo Bank, National Association, to secure a note for \$10,000,000.
12. UCC-1 Financing Statement filed by Wells Fargo Bank N.A., as secured party, against Stonewater Dox Funding L.L.C., as debtor on December 30, 2003 under filing number 200312305627857.

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EXHIBIT 11.1(C)

Section 1445 of the Internal Revenue Code of 1986, as amended (the "CODE"), provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person or entity. To inform the transferee that withholding of tax is not required upon the disposition of a U.S. real property interest by _____, _____ (the "COMPANY"), the undersigned hereby certifies the following on behalf of the Company:

1. The Company is not a foreign person, foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Code and the Income Tax Regulations promulgated thereunder);

2. Transferor is not a disregarded entity as defined in Sections 1.1445-2(b)(2)(iii);

3. The Company's U.S. Employer identification number is _____; and

4. The Company's office address is:

The undersigned, as _____ of the Company, understands that this certification may be disclosed to the Internal Revenue Service by the transferee and that any false statement contained herein could be punished by fine, imprisonment or both.

Under penalties of perjury, the undersigned, as _____ of the Company, declares that the undersigned has examined this certification and that, to the best of the undersigned's knowledge and belief, it is true, correct and complete, and the undersigned further declares that the undersigned has authority to sign this document on behalf of the Company.

a

By: _____
Name: _____
Title: _____

EXHIBIT 11.1(f)

Form of Assignment and Assumption Agreement

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (the "ASSIGNMENT") is made as of the ___ day of _____, 200_ by STONEWATER DOX FUNDING LLC, a Delaware limited liability company, having an address at c/o Drawbridge Special Opportunities Fund, LLC, 1251 Avenue of the Americas, New York, New York 10021 ("ASSIGNOR"), in consideration of Ten (\$10.00) Dollars and for other good and valuable consideration paid by _____, a _____, having an office at _____ ("ASSIGNEE").

Assignor hereby assigns to Assignee all of Assignor's right, title and interest in and to the following documents (collectively, the "LEASE"):

Lease dated September 19, 1996, between Stonewater Dox Funding LLC (successor-in-interest to Par 3 Development, L.L.C.) and Amdocs Champaign, Inc. (f/k/a ITDS Intelicom Services, Inc.) for property located at 2101 Fox Drive, Champaign, Illinois, as amended by that certain First Addendum to Lease, dated February 25, 1999, and as further amended by that certain Addendum Number Two to Lease, dated December 22, 2000.

Lease, dated January 29, 1996, between Stonewater Dox Funding LLC (successor-in-interest to Par 3 Development, L.L.C.) and Amdocs Champaign, Inc. (f/k/a ITDS Intelicom Services, Inc.) for property located at 2109 Fox Drive, Champaign, Illinois, as amended by that certain First Addendum to Lease, dated February 25, 1999, and as further amended by that certain Addendum Number Two to Lease, dated December 22, 2000.

Lease, dated September 19, 1996, between Stonewater Dox Funding LLC (successor-in-interest to Par 3 Development, L.L.C.) and Amdocs Champaign, Inc. (f/k/a ITDS Intelicom Services, Inc.) for property located at 2201 Fox Drive, Champaign, Illinois, as amended by that certain First Addendum to Lease, dated February 25, 1999, and as further amended by that certain Addendum Number Two to Lease, dated December 22, 2000.

Lease, dated February 25, 1999, between Stonewater Dox Funding LLC (successor-in-interest to Par 3 Development, L.L.C.) and Amdocs Champaign, Inc. (f/k/a ITDS Intelicom Services, Inc.) for property located at 2215 Fox Drive, Champaign, Illinois, as amended by that certain Addendum Number One to Lease, dated December 22, 2000.

Lease, dated December 22, 2000, between Stonewater Dox Funding LLC (successor-in-interest) to Par 3 Development, L.L.C.) and Amdocs Champaign, Inc. (f/k/a ITDS Intelicom Services, Inc.) for property located at 2301 Fox Drive, Champaign, Illinois, as amended by that certain Addendum No. 1 to Lease, dated September 18, 2001, as further amended by that certain Amendment to Lease, dated September 14, 2004, and as further amended by that certain Addendum No. 2 to Lease, dated February 25, 2005.

TO HAVE AND TO HOLD, unto Assignee and its successors and/or assigns. This assignment is made without any recourse and without representation or warranty of any kind, express or implied.

And Assignee hereby assumes all of the obligations of Assignor under the Lease and assumes due performance of all of the terms and provisions of the Lease on Assignor's part to be performed and observed thereunder.

This Assignment may be signed in multiple counterparts which, when taken together and signed by all parties and delivered to any other party hereto, shall constitute a binding instrument between the parties.

This instrument shall be governed by and construed in accordance with the laws of the State of Illinois.

IN WITNESS WHEREOF, Assignor and Assignee have duly executed this agreement as of the date above written.

WITNESS: ASSIGNOR:
STONEWATER DOX FUNDING LLC, a Delaware limited liability company
By: Name: Title: Authorized Signatory

ASSIGNEE:
By: Name: Title: Authorized Signatory

AMENDMENT TO PURCHASE AGREEMENT

THIS AMENDMENT TO PURCHASE AGREEMENT (this "Amendment") is made as of December 22, 2005, and is by and between Stonewater UIS Funding LLC, a Delaware limited liability company ("Seller") and Gladstone Commercial Limited Partnership, a Delaware limited partnership ("Purchaser").

RECITAL

Seller and Purchaser are parties to that certain Purchase Agreement dated November 23, 2005 (the "Agreement"). Seller and Purchaser desire to amend the Agreement upon and subject to the terms and conditions of this Amendment. Therefore, in consideration of the premises and of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Seller and Purchaser, intending to be legally bound, agree to amend the Agreement as follows:

THE FIRST SENTENCE OF SECTION 3.1 IS HEREBY DELETED AND THE FOLLOWING IS INSERTED IN LIEU THEREOF: "THE TERM "Study Period" SHALL MEAN THE PERIOD COMMENCING ON THE EFFECTIVE DATE AND ENDING AT 5:00 P.M. (EASTERN STANDARD TIME) ON DECEMBER 30, 2005 ("STUDY PERIOD EXPIRATION DATE)." NOTWITHSTANDING ANYTHING CONTAINED IN THE AGREEMENT TO THE CONTRARY, PURCHASER SHALL NOT HAVE ANY RIGHT TO EXTEND THE STUDY PERIOD EXPIRATION DATE.

EXCEPT AS EXPRESSLY MODIFIED BY THIS AMENDMENT, THE AGREEMENT SHALL BE AND REMAIN UNCHANGED AND IN FULL FORCE AND EFFECT, AND AS MODIFIED BY THIS AMENDMENT, THE AGREEMENT IS HEREBY RATIFIED AND CONFIRMED BY SELLER AND PURCHASER. THIS AMENDMENT MAY BE ENTERED INTO IN COUNTERPARTS, AND ALL SUCH COUNTERPARTS WHEN TAKEN TOGETHER SHALL CONSTITUTE A SINGLE INSTRUMENT.

GLADSTONE COMMERCIAL LIMITED PARTNERSHIP
BY: GLADSTONE COMMERCIAL PARTNERS, LLC
BY: GLADSTONE COMMERCIAL CORPORATION
BY: NAME: ROBERT J. CORRY
TITLE: PRINCIPAL AND MANAGING DIRECTOR

By: _____
Name: _____
Title: Authorized Signatory

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AMENDMENT TO PURCHASE AGREEMENT

THIS AMENDMENT TO PURCHASE AGREEMENT (this "Amendment") is made as of December 30, 2005, and is by and between Stonewater UIS Funding LLC, a Delaware limited liability company ("Seller") and Gladstone Commercial Limited Partnership, a Delaware limited partnership ("Purchaser").

RECITAL

Seller and Purchaser are parties to that certain Purchase Agreement dated November 23, 2005, as the same has been modified by that certain Amendment to Purchase Agreement dated December 22, 2005 (as so modified, the "Agreement"). Seller and Purchaser desire to further amend the Agreement upon and subject to the terms and conditions of this Amendment. Therefore, in consideration of the premises and of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Seller and Purchaser, intending to be legally bound, agree to amend the Agreement as follows:

THE FIRST SENTENCE OF SECTION 3.1 IS HEREBY DELETED AND THE FOLLOWING IS INSERTED IN LIEU THEREOF: "THE TERM "Study Period" SHALL MEAN THE PERIOD COMMENCING ON THE EFFECTIVE DATE AND ENDING AT 5:00 P.M. (EASTERN STANDARD TIME) ON JANUARY 6, 2006 ("STUDY PERIOD EXPIRATION DATE")." NOTWITHSTANDING ANYTHING CONTAINED IN THE AGREEMENT TO THE CONTRARY, PURCHASER SHALL NOT HAVE ANY RIGHT TO EXTEND THE STUDY PERIOD EXPIRATION DATE.

EXCEPT AS EXPRESSLY MODIFIED BY THIS AMENDMENT, THE AGREEMENT SHALL BE AND REMAIN UNCHANGED AND IN FULL FORCE AND EFFECT, AND AS MODIFIED BY THIS AMENDMENT, THE AGREEMENT IS HEREBY RATIFIED AND CONFIRMED BY SELLER AND PURCHASER. THIS AMENDMENT MAY BE ENTERED INTO IN COUNTERPARTS, AND ALL SUCH COUNTERPARTS WHEN TAKEN TOGETHER SHALL CONSTITUTE A SINGLE INSTRUMENT.

GLADSTONE COMMERCIAL LIMITED PARTNERSHIP

BY: GLADSTONE COMMERCIAL PARTNERS, LLC

BY: GLADSTONE COMMERCIAL CORPORATION

BY: _____

NAME: ROBERT J. CORRY

TITLE: PRINCIPAL AND MANAGING DIRECTOR

Stonewater UIS Funding LLC

By: _____
Name: _____
Title: Authorized Signatory

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AMENDMENT TO PURCHASE AGREEMENT

THIS AMENDMENT TO PURCHASE AGREEMENT (this "Amendment") is made as of January 6, 2006, and is by and between Stonewater UIS Funding LLC, a Delaware limited liability company ("Seller") and Gladstone Commercial Limited Partnership, a Delaware limited partnership ("Purchaser").

RECITAL

Seller and Purchaser are parties to that certain Purchase Agreement dated November 23, 2005 (as the same has been modified by that certain Amendment to Purchase Agreement dated December 22, 2005 and that certain Amendment to Purchase Agreement dated December 30, 2005, the "Agreement"). Seller and Purchaser desire to further amend the Agreement upon and subject to the terms and conditions of this Amendment. Therefore, in consideration of the premises and of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Seller and Purchaser, intending to be legally bound, agree to amend the Agreement as follows:

THE FIRST SENTENCE OF SECTION 3.1 IS HEREBY DELETED AND THE FOLLOWING IS INSERTED IN LIEU THEREOF: "THE TERM "Study Period" SHALL MEAN THE PERIOD COMMENCING ON THE EFFECTIVE DATE AND ENDING AT 5:00 P.M. (EASTERN STANDARD TIME) ON JANUARY 13, 2006 ("STUDY PERIOD EXPIRATION DATE")." NOTWITHSTANDING ANYTHING CONTAINED IN THE AGREEMENT TO THE CONTRARY, PURCHASER SHALL NOT HAVE ANY RIGHT TO EXTEND THE STUDY PERIOD EXPIRATION DATE.

ARTICLE XIX NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN SECTION 3.1 OF THE AGREEMENT, PURCHASER HEREBY WAIVES ANY RIGHT TO TERMINATE THE AGREEMENT BASED ON THE INFORMATION DISCLOSED BY (I) THE STRUCTURAL/ENGINEERING/PROPERTY CONDITION REPORT, ENVIRONMENTAL REPORT, APPRAISAL REPORT, TITLE REPORT/COMMITMENT AND SURVEY RECEIVED WITH RESPECT TO THE PROPERTY (AS SUCH TERM IS DEFINED IN THE AGREEMENT); AND (II) CREDIT UNDERWRITING OF UNISYS CORPORATION. PURCHASER HEREBY ACCEPTS THE LEASE MORE PARTICULARLY DESCRIBED IN EXHIBIT A.

EXCEPT AS EXPRESSLY MODIFIED BY THIS AMENDMENT, THE AGREEMENT SHALL BE AND REMAIN UNCHANGED AND IN FULL FORCE AND EFFECT, AND AS MODIFIED BY THIS AMENDMENT, THE AGREEMENT IS HEREBY RATIFIED AND CONFIRMED BY SELLER AND PURCHASER. THIS AMENDMENT MAY BE ENTERED INTO IN COUNTERPARTS, AND ALL SUCH COUNTERPARTS WHEN TAKEN TOGETHER SHALL CONSTITUTE A SINGLE INSTRUMENT.

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GLADSTONE COMMERCIAL LIMITED PARTNERSHIP

Stonewater UIS Funding LLC

BY: GLADSTONE COMMERCIAL PARTNERS, LLC

BY: _____
NAME: _____
TITLE: AUTHORIZED SIGNATORY

BY: GLADSTONE COMMERCIAL CORPORATION

BY: _____

NAME: ROBERT J. CORRY

TITLE: PRINCIPAL/MANAGING DIRECTOR

EXHIBIT A

[Description of Lease]

Lease - Building 3 dated August 14, 1998 and effective as of June 1, 1998 between Stonewater UIS Funding, LLC (as successor to Meritex Enterprises, Inc., the successor-in-interest to Space Center Enterprises, Inc.) and Unisys Corporation, as amended by (i) that certain First Amendment to Lease effective as of November 30, 1999, (ii) that certain Second Amendment to Lease effective as of March 26, 2003, (iii) that certain Third Amendment to Lease effective as of May 7, 2004, and (iv) that certain Fourth Amendment to Lease effective as of August 10, 2004

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AMENDMENT TO PURCHASE AGREEMENT

THIS AMENDMENT TO PURCHASE AGREEMENT (this "Amendment") is made as of January 13, 2006, and is by and between Stonewater UIS Funding LLC, a Delaware limited liability company ("Seller") and Gladstone Commercial Limited Partnership, a Delaware limited partnership ("Purchaser").

RECITAL

Seller and Purchaser are parties to that certain Purchase Agreement dated November 23, 2005 (as the same has been modified by that certain Amendment to Purchase Agreement dated December 22, 2005, that certain Amendment to Purchase Agreement dated December 30, 2005 and that certain Amendment to Purchase Agreement dated January 6, 2006, the "Agreement"). Seller and Purchaser desire to further amend the Agreement upon and subject to the terms and conditions of this Amendment. Therefore, in consideration of the premises and of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Seller and Purchaser, intending to be legally bound, agree to amend the Agreement as follows:

THE FIRST SENTENCE OF SECTION 3.1 IS HEREBY DELETED AND THE FOLLOWING IS INSERTED IN LIEU THEREOF: "THE TERM "Study Period" SHALL MEAN THE PERIOD COMMENCING ON THE EFFECTIVE DATE AND ENDING AT 7:00 P.M. (EASTERN STANDARD TIME) ON JANUARY 17, 2006 ("STUDY PERIOD EXPIRATION DATE")." NOTWITHSTANDING ANYTHING CONTAINED IN THE AGREEMENT TO THE CONTRARY, PURCHASER SHALL NOT HAVE ANY RIGHT TO EXTEND THE STUDY PERIOD EXPIRATION DATE.

EXCEPT AS EXPRESSLY MODIFIED BY THIS AMENDMENT, THE AGREEMENT SHALL BE AND REMAIN UNCHANGED AND IN FULL FORCE AND EFFECT, AND AS MODIFIED BY THIS AMENDMENT, THE AGREEMENT IS HEREBY RATIFIED AND CONFIRMED BY SELLER AND PURCHASER. THIS AMENDMENT MAY BE ENTERED INTO IN COUNTERPARTS, AND ALL SUCH COUNTERPARTS WHEN TAKEN TOGETHER SHALL CONSTITUTE A SINGLE INSTRUMENT.

GLADSTONE COMMERCIAL LIMITED PARTNERSHIP

Stonewater UIS Funding LLC

BY: GLADSTONE COMMERCIAL PARTNERS, LLC

BY: _____
NAME: _____

BY: GLADSTONE COMMERCIAL CORPORATION

TITLE: AUTHORIZED SIGNATORY

BY: _____

NAME: ROBERT J. CORRY

TITLE: PRINCIPAL/MANAGING DIRECTOR

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AMENDMENT TO PURCHASE AGREEMENT

THIS AMENDMENT TO PURCHASE AGREEMENT (this "Amendment") is made as of January 17, 2006, and is by and between Stonewater UIS Funding LLC, a Delaware limited liability company ("Seller") and Gladstone Commercial Limited Partnership, a Delaware limited partnership ("Purchaser").

RECITAL

Seller and Purchaser are parties to that certain Purchase Agreement dated November 23, 2005 (as the same has been modified by that certain Amendment to Purchase Agreement dated December 22, 2005, that certain Amendment to Purchase Agreement dated December 30, 2005, that certain Amendment to Purchase Agreement dated January 6, 2006 and that certain Amendment to Purchase Agreement dated January 13, 2006, the "Agreement"). Seller and Purchaser desire to further amend the Agreement upon and subject to the terms and conditions of this Amendment. Therefore, in consideration of the premises and of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Seller and Purchaser, intending to be legally bound, agree to amend the Agreement as follows:

THE FIRST SENTENCE OF SECTION 3.1 IS HEREBY DELETED AND THE FOLLOWING IS INSERTED IN LIEU THEREOF: "THE TERM "Study Period" SHALL MEAN THE PERIOD COMMENCING ON THE EFFECTIVE DATE AND ENDING AT 7:00 P.M. (EASTERN STANDARD TIME) ON JANUARY 20, 2006 ("STUDY PERIOD EXPIRATION DATE")." NOTWITHSTANDING ANYTHING CONTAINED IN THE AGREEMENT TO THE CONTRARY, PURCHASER SHALL NOT HAVE ANY RIGHT TO EXTEND THE STUDY PERIOD EXPIRATION DATE.

EXCEPT AS EXPRESSLY MODIFIED BY THIS AMENDMENT, THE AGREEMENT SHALL BE AND REMAIN UNCHANGED AND IN FULL FORCE AND EFFECT, AND AS MODIFIED BY THIS AMENDMENT, THE AGREEMENT IS HEREBY RATIFIED AND CONFIRMED BY SELLER AND PURCHASER. THIS AMENDMENT MAY BE ENTERED INTO IN COUNTERPARTS, AND ALL SUCH COUNTERPARTS WHEN TAKEN TOGETHER SHALL CONSTITUTE A SINGLE INSTRUMENT.

Stonewater UIS Funding LLC
GLADSTONE COMMERCIAL LIMITED PARTNERSHIP

BY: _____
NAME: _____
TITLE: AUTHORIZED SIGNATORY

BY: GLADSTONE COMMERCIAL PARTNERS, LLC
BY: GLADSTONE COMMERCIAL CORPORATION

BY: _____

NAME: CHRISTOPHER MASSEY

TITLE: PRINCIPAL/MANAGING DIRECTOR

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AMENDMENT TO PURCHASE AGREEMENT

THIS AMENDMENT TO PURCHASE AGREEMENT (this "Amendment") is made as of January 20, 2006 by and between Stonewater UIS Funding LLC, a Delaware limited liability company ("Seller") and Gladstone Commercial Limited Partnership, a Delaware limited partnership ("Purchaser").

RECITAL

Seller and Purchaser are parties to that certain Purchase Agreement dated November 23, 2005 (as the same has been modified by that certain Amendment to Purchase Agreement dated December 22, 2005, that certain Amendment to Purchase Agreement dated December 30, 2005, that certain Amendment to Purchase Agreement dated January 6, 2006, that certain Amendment to Purchase Agreement dated January 13, 2006 and that certain Amendment to Purchase Agreement dated January 17, 2006 (collectively the "Agreement"). Seller and Purchaser desire to further amend the Agreement upon and subject to the terms and conditions of this Amendment. All capitalized terms used herein and not otherwise defined herein shall have the meaning ascribed thereto in the Agreement.

Now, therefore, in consideration of the premises and of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficient of which is hereby acknowledged, Seller and Purchaser intending to be legally bound, agree to further amend the Agreement as follows:

1. Purchaser hereby acknowledges and agrees that the Study Period has expired and that Purchaser has no further right to terminate the Agreement pursuant to Section 3.1 thereof.

2. The following is hereby added to Article II of the Agreement:

Section 2.4 Amendment to Lease. Notwithstanding anything contained herein to the contrary, unless on or prior to the Closing Date the Seller, as landlord, and the Tenant, shall have executed and delivered an amendment to the Lease which has been approved by the Existing Lender and (i) modifies section 12.5 of the Lease to provide that the Landlord shall provide all of the insurance (including, without limitation the specified coverage limits and specified deductibles) required by Section 5 of the Existing Mortgage, (ii) provides that Tenant shall reimburse Landlord, as additional rent, for all of the insurance premiums payable by Landlord from time to time to obtain such insurance, (iii) modifies section 10.1 of the Lease to reinstate in its entirety the provisions of section 10.1 of the original lease dated August 14, 1998 (effective as of June 1, 1998) between Space Center Enterprises, Inc., as Landlord, and Tenant, with respect to the Property (without giving any further effect to Section 2 and Section 3 of the Forth Amendment to Lease dated as of August 10, 2004 between Seller, as landlord, and Tenant), (iv) reduces the annual minimum rent by \$10,000, and (v) otherwise is in a form reasonably satisfactory to Purchaser, then at the Closing the Purchase Price shall be reduced by two hundred thirty-five thousand (\$235,000) dollars (and accordingly, the Cash Balance payable by the Company shall be reduced by \$235,000).

3. Subsection 9.1(e) of the Agreement is hereby deleted and the following is hereby substituted in lieu thereof:

(e) Tenant Estoppel Certificate. The Company shall have received an executed estoppel certificate from the Tenant in substantially the form annexed hereto as Exhibit 9.1(e), with no material changes.

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4. Except as expressly modified by this Amendment, the Agreement shall be and remain unchanged and in full force and effect, and as modified by this Amendment, the Agreement is hereby ratified and confirmed by Seller and Purchaser. This Amendment may be entered into in counterparts, and all such counterparts when taken together shall constitute a single instrument.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Amendment as of the day and year first above written.

SELLER: STONEWATER UIS FUNDING LLC

By: _____
Name:
Title

PURCHASER: GLADSTONE COMMERCIAL LIMITED PARTNERSHIP

By: Gladstone Commercial Partners, LLC

By: Gladstone Commercial Corporation

By: _____
Christopher Massey
Principal/Managing Director

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AMENDMENT TO PURCHASE AGREEMENT

THIS AMENDMENT TO PURCHASE AGREEMENT (this "Amendment") is made as of February __, 2006 by and between Stonewater UIS Funding LLC, a Delaware limited liability company ("Seller") and Gladstone Commercial Limited Partnership, a Delaware limited partnership ("Purchaser").

RECITAL

Seller and Purchaser are parties to that certain Purchase Agreement dated November 23, 2005, as the same has been modified by that certain Amendment to Purchase Agreement dated December 22, 2005, that certain Amendment to Purchase Agreement dated December 30, 2005, that certain Amendment to Purchase Agreement dated January 6, 2006, that certain Amendment to Purchase Agreement dated January 13, 2006, that certain Amendment to Purchase Agreement dated January 17, 2006 and that certain Amendment to Purchase Agreement dated January 20, 2006 (collectively the "Agreement"). Capitalized terms used herein and not defined shall have the meanings ascribed to them in the Agreement.

AGREEMENT

Now, therefore, in consideration of the promises and of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Seller and Purchaser agree that the Closing Date, as set forth in Section 10.1 of the Agreement, shall be February 17, 2006. Nothing contained herein shall be deemed to modify or limit the rights of Seller or Purchaser to extend the Closing Date pursuant to the express terms of the Agreement.

This Amendment may be executed in any number of counterparts, each of which shall constitute an original but all of which, taken together, shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Amendment as of the day and year first above written.

SELLER: STONEWATER UIS FUNDING LLC

By: _____
Name:
Title

PURCHASER: GLADSTONE COMMERCIAL LIMITED PARTNERSHIP

By: Gladstone Commercial Partners, LLC
By: Gladstone Commercial Corporation

By: _____
Robert J. Corry
Principal/Managing Director

SPACE ABOVE THIS LINE FOR RECORDER'S USE

THE MAXIMUM INDEBTEDNESS SECURED BY THIS MORTGAGE IS \$20,860,000.00.

THIS DOCUMENT DRAFTED BY
AND WHEN RECORDED MAIL TO:

Katten Muchin Zavis Rosenman
525 West Monroe Street, Suite 1600
Chicago, Illinois 60661
Joseph A. Venzon, Esq.

MORTGAGE, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT
This instrument constitutes a Fixture Filing

THIS MORTGAGE, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT (this "Instrument") is made as of May 12, 2004, and is given by the Mortgagor, STONE WATER UIS FUNDING LLC, a Delaware limited liability company whose address is c/o Drawbridge Special Opportunity Fund LLP, 1251 Avenue of the Americas, 16th Floor, New York, New York 10020 (herein "Borrower"), to the Mortgagee, GREENWICH CAPITAL FINANCIAL PRODUCTS, INC, a corporation organized and existing under the laws of the state of Delaware, whose address is 600 Steamboat Road, Greenwich, Connecticut 06830 (collectively with its successors, assigns and transferees hereinafter referred to as "Lender").

BORROWER, in consideration of the indebtedness herein recited, irrevocably grants, conveys, mortgages, warrants and assigns to Lender, with power of sale, the following described property located in the County of Ramsey, State of Minnesota, and more particularly described on Exhibit "A" attached hereto and incorporated herein by reference for all purposes.

TOGETHER with all right, title and interest in and to all buildings, improvements and tenements now or hereafter erected on the property, and all heretofore or hereafter vacated alleys and streets abutting the property, and all easements, rights, appurtenances, rents (subject however to the assignment of rents to Lender herein), royalties, mineral, oil and gas rights and profits,

water, water rights, and water stock appurtenant to the property, and all fixtures, machinery, equipment, engines, boilers, incinerators, building materials, appliances and goods of every nature whatsoever now or hereafter located in, on, or used, or intended to be used in connection with the property, including, but not limited to, those for the purposes of supplying or distributing heating, cooling, electricity, gas, water, air and light; and all elevators, and related machinery and equipment, fire prevention and extinguishing apparatus, security and access control apparatus, plumbing, bath tubs, water heaters, water closets, sinks, ranges, stoves, refrigerators, dishwashers, disposals, washers, dryers, awnings, storm windows, storm doors, screens, blinds, shades, curtains and curtain rods, mirrors, cabinets, paneling, rugs, attached floor coverings, furniture, pictures, antennas, trees and plants, tax refunds, trade names, licenses, permits, Borrower's rights to insurance proceeds, unearned insurance premiums and choses in action; all of which, including any and all renewals, replacements and additions thereto and substitutions therefor, shall be deemed to be and remain a part of the real property covered by this Instrument; and all of the foregoing, together with said real property (or the leasehold estate in the event this Instrument is on a leasehold) are herein referred to as the "Property";

TOGETHER with all right, title and interest in, to and under any and all leases now or hereinafter in existence (as amended or supplemented from time to time) and covering space in or applicable to the Property (hereinafter referred to collectively as the "Leases" and singularly as a "Lease"), together with all rents, earnings, income, profits, deposits, reserves, benefits and advantages arising from the Property and from said Leases and all other sums due or to become due under and pursuant thereto, it being intended and agreed that whenever and however generated, whether now or hereafter, Lender shall have a continuing security interest in, and/or lien upon, pursuant to 11 U.S.C. Section 552(b), on all of the foregoing, including the immediate and continuing right to collect all rents, earnings, income, profits, deposits, reserves, fees, charges and accounts for the use and occupancy of the Property, and together with any and all guarantees of or under any of said Leases, and together with all rights, powers, privileges, options and other benefits of Borrower as lessor under the Leases, including, without limitation, the immediate and continuing right to receive and collect all rents, income, revenues, issues, profits, condemnation awards, insurance proceeds, moneys and security payable or receivable under the Leases or pursuant to any of the provisions thereof, whether as rent or otherwise, the right to accept or reject any offer made by any tenant pursuant to its Lease to purchase the Property and any other property subject to the Lease as therein provided and to perform all other necessary or appropriate acts with respect to such Leases as agent and attorney-in-fact for Borrower, and the right to make all waivers and agreements, to give and receive all notices, consents and releases, to take such action upon the happening of a default under any Lease, including the commencement, conduct and consummation of proceedings

at law or in equity as shall be permitted under any provision of any Lease or by any law, and to do any and all other things whatsoever which Borrower is or may become entitled to do under any such Lease together with all accounts receivable, contract rights, franchises, interests, estates or other claims, both at law and in equity, relating to the Property, to the extent not included in rent earnings and income under any of the Leases;

TOGETHER with all right, title and interest in, to and under any and all reserve, deposit or escrow accounts (the "Accounts") made pursuant to any Loan Document (as hereinafter defined) made between Borrower and Lender with respect to the Property, together with all income, profits, benefits and advantages arising therefrom, and together with all rights, powers,

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privileges, options and other benefits of Borrower under the Accounts, and together with the right to do any and all other things whatsoever which Borrower is or may become entitled to do under the Accounts;

TOGETHER with all agreements, contracts, certificates, guaranties, warranties, instruments, franchises, permits, licenses, plans, specifications and other documents, now or hereafter entered into, and all rights therein and thereto, pertaining to the use, occupancy, construction, management or operation of the Property and any part thereof and any improvements or respecting any business or activity conducted on the Property and any part thereof and all right, title and interest of Borrower therein, including the right to receive and collect any sums payable to Borrower thereunder and all deposits or other security or advance payments made by Borrower with respect to any of the services related to the Property or the operation thereof;

TOGETHER with all servicemarks, logos, copyrights, goodwill, books and records and all other general intangibles relating to or used in connection with the operation of the Property;

TOGETHER with all trademarks, tradenames, trade styles, assumed names, telephone numbers and listing rights, and all other rights and interests in and to the names and marks used by Borrower in connection with the Property, and all books and records, accounting systems and all other general intangibles relating to the operation of the Property; and

TOGETHER with any and all proceeds resulting or arising from any of the foregoing (the Property, the Leases, the Accounts, and all other property, whether real, personal, tangible, or intangible, described above, and all proceeds thereof, may be referred to collectively as the "Collateral").

THIS INSTRUMENT SECURES TO LENDER (a) the repayment of the indebtedness evidenced by Borrower's Promissory Note dated of even date herewith (together with any amendments, extensions, modifications, renewals, supplements or restatements thereof, and any substitutions or replacements therefor, the "Note") in the principal sum of Twenty Million Eight Hundred Sixty Thousand and No/100 Dollars (\$20,860,000.00), with interest thereon, with the balance of the indebtedness, if not sooner paid, due and payable on the Maturity Date (as defined in the Note); (b) the performance of the covenants and agreements of Borrower contained in an Environmental Indemnity Agreement (herein so-called) by Borrower and Stonewater Funding LLC, a Delaware limited liability company ("Indemnitor"), in favor of Lender dated of even date herewith; (c) the payment of all other sums, with interest thereon, advanced by Lender in accordance herewith to protect the security of this Instrument; and (d) the performance of the covenants and agreements of Borrower herein contained, or contained in any other Loan Document, INCLUDING BORROWER'S COVENANT TO REPAY ALL FUTURE ADVANCES (the Note, this Instrument, and all other documents or instruments given by Borrower or others and accepted by Lender for purposes of evidencing, securing, perfecting, or guaranteeing the indebtedness evidenced by the Note, together with any and all amendments, modifications, renewals, restatements and substitutions thereof from time to time may be referred to collectively as the "Loan Documents"). At no time shall the principal amount of the indebtedness, not including sums advanced in accord herewith to protect the security of this Instrument, exceed two hundred percent (200%) of the original amount of the Note. Without

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limitation of the foregoing, the following documents and instruments of even date herewith are Loan Documents: Assignment of Leases and Rents, Certificate of Borrower, Environmental Indemnity Agreement, Exceptions to Non-Recourse Guaranty, Completion/Repair and Security Agreement (if any), Replacement Reserve and Security Agreement (if any), Tenant Improvement and Leasing Commission Reserve and Security Agreement (if any), and Conditional Assignment of Management Agreement (if any).

Borrower covenants that Borrower is lawfully seized of the estate hereby

conveyed and has the right to mortgage, grant, convey and assign the Property (and, if this Instrument is on a leasehold, that the ground lease is in full force and effect without modification except as noted above and without default on the part of either lessor or lessee thereunder), that the Property is unencumbered, and that Borrower will warrant and defend generally the title to the Property against all claims and demands, subject to any easements and restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring Lender's interest in the Property.

Borrower represents, warrants, covenants and agrees in favor of Lender as follows:

SECTION 1. PAYMENT OF PRINCIPAL AND INTEREST. Borrower shall promptly pay when due the principal of and interest on the indebtedness evidenced by the Note, any prepayment and late charges provided in the Note and all other sums secured by this Instrument.

SECTION 2. FUNDS FOR TAXES, INSURANCE AND OTHER CHARGES. Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender on the day monthly installments of principal or interest are payable under the Note (or on another day designated in writing by Lender), until the Note is paid in full, a sum (herein "Funds") equal to one-twelfth of (a) the yearly taxes and assessments which may be levied on the Property, (b) the yearly premium installments for fire and other hazard insurance, rent loss insurance and such other insurance covering the Property as Lender may require pursuant to this Instrument, (c) the yearly premium installments for mortgage insurance, if any, and (d) if this Instrument is on a leasehold, the yearly fixed rents, if any, under the ground lease, all as reasonably estimated initially and from time to time by Lender on the basis of assessments and bills and reasonable estimates thereof. Notwithstanding anything in clause (b) of this Section 2 to the contrary, so long as the Unisys Lease is in full force and effect and the insurance required to be maintained by Unisys under the Unisys Lease is in full force and effect, Borrower shall only be required to pay to Lender with each monthly installment of principal or interest payable under the Note one-twelfth of the yearly premiums for the insurance maintained by Borrower pursuant to this Instrument (and Borrower shall not be required to pay installments of the premiums for the insurance maintained by Unisys). Any waiver by Lender of a requirement that Borrower pay such Funds may be revoked by Lender, in Lender's sole discretion, at any time upon notice in writing to Borrower. Lender may require Borrower to pay to Lender, in advance, such other Funds for other taxes, charges, premiums, assessments and impositions in connection with Borrower or the Property which Lender shall reasonably deem necessary to protect Lender's interests (herein "Other Impositions"). Unless otherwise provided by applicable law, Lender may require Funds for Other Impositions to be paid by Borrower in a lump sum or in periodic installments, at Lender's option. In addition, Borrower shall reimburse Lender for the reasonable actual costs of an annual search of the taxes and other liens affecting the Property or for a service which provides such information (to the extent performed), and the cost of the same shall be

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included in Other Impositions. Lender agrees that, to the extent the tenant under the Unisys Lease (as defined herein) delivers funds to Lender expressly indicated by such tenant as being a payment on account of taxes or insurance premiums, Lender shall credit such amounts against the applicable obligations of Borrower under this Section 2 (but in the event funds received from the tenant are insufficient to pay all of Borrower's obligations under this Section 2, Borrower shall remain liable for the payment in full of all such obligations). "Unisys Lease" shall mean that certain Lease Agreement entered into as of August 14, 1998 but effective as of June 1, 1998 between Space Center Enterprises, Inc. (n/k/a Meritex Enterprises Inc.), predecessor in interest to Borrower, as landlord, and UNISYS Corporation ("Unisys"), as tenant, as amended from time to time.

Lender shall apply the Funds to pay said rents, taxes, assessments, insurance premiums and Other Impositions so long as no Event of Default exists. The Funds shall be held in an interest bearing account, and any interest or earnings or profits on the Funds shall be added to and become part of the Funds. Borrower shall be responsible for payment of any federal, state or local income or other tax applicable to such interest, earnings or profits from investment of the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds in Lender's normal format showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for the sums secured by this Instrument.

If at any time the amount of the Funds held by Lender shall be less than the amount deemed necessary by Lender in its reasonable estimation to pay taxes, assessments, insurance premiums, rents and Other Impositions, as they fall due, Borrower shall pay to Lender any amount necessary to make up the deficiency within thirty days after notice from Lender to Borrower requesting payment thereof.

Upon the occurrence of an Event of Default and during the continuance

thereof, Lender may apply, in any amount and in any order as Lender shall determine in Lender's sole discretion, any Funds held by Lender at the time of application (i) to pay rents, taxes, assessments, insurance premiums and Other Impositions which are now or will hereafter become due, or (ii) as a credit against sums secured by this Instrument. Upon payment in full of all sums secured by this Instrument, Lender shall promptly refund to Borrower any Funds held by Lender. It is intended and agreed by Borrower that whenever and however generated, as to any and all Funds now or hereafter held by Lender, Lender shall have a continuing security interest in and/or lien thereon, pursuant to 11 U.S.C. Section 552(b) until application or disposition thereof pursuant to the terms and provisions of the Loan Documents.

At or prior to the closing of the loan secured by this Instrument, Borrower shall deposit with Lender a sum of money (the "Borrower Tax Deposit") sufficient to cover the amount by which the second installment of 2004 real estate taxes levied on the Property (the "Second Tax Installment") is estimated to exceed the aggregate monthly deposits of tax installments anticipated to be made pursuant to clause (a) of this Section 2 prior to the date such Second Tax Installment is due and payable. The Borrower Tax Deposit shall constitute "Funds" hereunder. At such time that Borrower delivers to Lender evidence satisfactory to Lender of the payment in full of the Second Tax Installment, Lender shall return to Borrower the Borrower Tax Deposit

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(or in the event all or any portion of the Borrower Tax Deposit is required to be utilized to pay the Second Tax Installment, such portion thereof not utilized to pay the Second Tax Installment).

SECTION 3. APPLICATION OF PAYMENTS. Upon the occurrence of an Event of Default and during the continuance thereof, Lender may apply any payments received from or on behalf of Borrower to any of the obligations of Borrower then due under the Loan Documents, in any order determined by Lender.

SECTION 4. CHARGES; LIENS. Borrower shall pay all rents, taxes, assessments, premiums, and Other Impositions attributable to the Property in the manner provided under Section 2 hereof or, if Lender elects not to collect such rents, taxes, assessments, premiums and Other Impositions as provided in Section 2, by Borrower making payment, when due, directly to the payee thereof, or in such other manner as Lender may designate in writing. Borrower shall promptly furnish to Lender all notices of amounts due under this Section, and in the event Borrower shall make payment directly, Borrower shall promptly furnish to Lender receipts evidencing such payments. Except only for the liens and security interests in favor of Lender under this Instrument and the other Loan Documents, which Borrower shall pay and discharge in accordance with the Loan Documents, Borrower shall discharge or bond over any lien encumbering all or any portion of or interest in the Property within sixty (60) days after Borrower receives notice of such lien, irrespective of the priority of the same. Borrower shall pay, when due, the claims of all persons supplying labor or materials to or in connection with the Property.

SECTION 5. HAZARD INSURANCE. Borrower shall at all times keep (or cause to be kept) the improvements now existing or hereafter erected on the Property insured against all losses, hazards, casualties, liabilities and contingencies as Lender (and, if this Instrument is on a leasehold, the ground lease) shall reasonably require and in such amounts and for such periods as Lender shall reasonably require. Borrower shall purchase and maintain (or cause to be purchased and maintained) policies of insurance with respect to the Property in such amounts and covering such risks as shall be reasonably satisfactory to Lender, including, but not limited to, the following:

(a) Property damage insurance covering loss or damage to the Property caused by fire, lightning, hail, windstorm, explosion, hurricane (to the extent available), vandalism, or malicious mischief, acts of terrorism, and such losses, hazards, casualties, liabilities and contingencies as are normally and usually covered by fire policies in effect where the Property is located endorsed to include all of the extended coverage perils and other broad form perils, including the standard "all risks" clauses. Such policy shall be in an amount not less than that necessary to comply with any coinsurance percentage stipulated in the policy, but not less than 100% of the full replacement cost of the improvements on the Property (without any deduction for depreciation), and shall contain a replacement cost endorsement. The deductible under such policy, if any, shall not exceed the lesser of ten percent (10%) of the amount of the loan secured hereby or \$10,000. Further, if any of the improvements or the use of the Property shall at any time constitute legal nonconforming structures or uses under current zoning ordinances, such policy shall contain an "Ordinance or Law Coverage" or "Enforcement" endorsement providing coverage for demolition, increased cost of construction and inability to rebuild.

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(b) Broad form boiler and machinery insurance in an amount equal to the lesser of 100% of the full replacement cost of the building (without any deduction for depreciation) in which the boiler or similar vessel is located, or \$2,000,000. In addition, Lender may require a rider to such policy to extend such coverage to electrical machinery and equipment, air conditioning, refrigeration, and mechanical objects.

(c) If the Property is in an area prone to geological phenomena, including, but not limited to, sinkholes, mine subsidence or earthquakes, insurance covering such risks in an amount equal to 100% of the full replacement cost of the improvements on the Property (without any deduction for depreciation), and with a maximum permissible deductible equal to the lesser of \$25,000 or 10% of the face value of the policy.

(d) Flood insurance if the Property is in an area now or hereafter designated by the Federal Emergency Management Agency as a Zone "A" & "V" Special Hazard Area, or such other Special Hazard Area if Lender so requires in its sole discretion. Such policy shall be in an amount equal to 100% of the full replacement cost of the improvements on the Property (without any deduction for depreciation), and shall have a maximum permissible deductible of \$3,000.

(e) Business interruption or rent loss insurance in an amount equal to the gross income or rentals from the Property for an indemnity period of eighteen months, such amount being adjusted annually.

(f) During any period of reconstruction, renovation or alteration of the Property in excess of 10% of the Note, a complete value, "All Risks" Builders Risk form or "Course of Construction" insurance policy in non-reporting form and in an amount satisfactory to Lender in Lender's reasonable discretion.

(g) Commercial General Liability insurance covering bodily injury and death in an amount not less than \$1,000,000 per occurrence, \$2,000,000 in the aggregate and umbrella coverage of \$25,000,000, with no deductible. If Lender permits such liability coverage to be written on a blanket basis, then such policy shall provide that the aggregate limit of insurance applies separately to the Property.

(h) If required by applicable state laws, worker's compensation or employer's liability insurance in accordance with such laws.

(i) Such other insurance and endorsements, if any, as Lender may reasonably require from time to time, or which are required by the Loan Documents

Each carrier providing any insurance, or portion thereof, required by this Section shall be licensed to do business in the jurisdiction or jurisdictions in which the Property is located, and shall have a claims paying ability rating of "A" by "S&P", or such equivalent rating by a major rating agency. Borrower shall cause all insurance (except general public liability insurance) carried in accordance with this Section to be payable to Lender as a mortgagee and loss payee and not as a coinsured, and, in the case of all policies of insurance carried by each lessee for the benefit of Borrower, if any, to cause all such policies to be payable to Lender as Lender's interest may appear. All premiums on insurance policies shall be paid, in the manner provided under Section 2 hereof, or in such other manner as Lender may reasonably designate in writing.

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All insurance policies and renewals thereof (i) shall be in a form reasonably acceptable to Lender, (ii) shall provide for a term of not less than one year, (iii) shall provide by way of endorsement, rider or otherwise that such insurance policy shall not be canceled, endorsed, altered, or reissued to effect a change in coverage unless such insurer shall have first given Lender 30 days prior written notice thereof, (iv) shall include a standard mortgagee clause in favor of Lender and its successors and assigns, and otherwise in form reasonably acceptable to Lender, (v) shall provide for claims to be made on an occurrence basis, except that boiler and machinery coverage may be made on an accident basis, and (vi) shall contain an agreed value clause updated annually (if the amount of coverage under such policy is based upon the replacement cost of the Property). All property damage insurance policies (except for flood and earthquake policies) must automatically reinstate after each loss.

Lender shall have the right to receive a certified copy of the policy and certificates of insurance, and Borrower shall promptly furnish to Lender all renewal notices and all receipts of paid premiums. At least 30 days prior to the expiration date of a policy, Borrower shall deliver to Lender a renewal policy in form satisfactory to Lender, together with evidence reasonably satisfactory to Lender of payment in full of the annual premium therefor (provided Borrower shall not be required to deliver evidence of payment if Lender has paid such premium directly pursuant to Section 2 hereof). If this Instrument is on a leasehold, Borrower shall furnish Lender a duplicate of all policies, renewal notices, renewal policies and receipts of paid premiums if, by virtue of the ground lease, the originals thereof may not be supplied by Borrower to Lender.

In the event of loss, Borrower shall give immediate written notice to the insurance carrier and to Lender. After the occurrence of an Event of Default, Borrower hereby authorizes and empowers Lender as attorney-in-fact for Borrower to make proof of loss, to adjust and compromise any claim under insurance policies, to appear in and prosecute any action arising from such insurance policies, to collect and receive insurance proceeds, and to deduct therefrom Lender's actual expenses incurred in the collection of such proceeds; provided however, that nothing contained in this Section shall require Lender to incur any expense or take any action hereunder. Borrower further authorizes Lender, at Lender's option, (a) to hold the balance of such proceeds to be used to reimburse Borrower for the cost of reconstruction or repair of the Property or (b) subject to the immediately following paragraph, to apply such proceeds to the payment of the sums secured by this Instrument whether or not then due, in any order (subject, however, to the rights of the lessor under the ground lease if this Instrument is on a leasehold).

Lender shall not exercise Lender's option to apply insurance proceeds to the payment of the sums secured by this Instrument if all of the following conditions are met: (i) Borrower is not in breach or default of any covenant or agreement of this Instrument, the Note or any other Loan Document (provided Lender will not apply insurance proceeds until all applicable cure periods, if any, have lapsed); (ii) Lender reasonably determines that there will be sufficient funds to restore and repair the Property to the Pre-existing Condition (as hereinafter defined); (iii) Lender agrees in writing that the rental income of the Property, after restoration and repair of the Property to the Pre-existing Condition, will be sufficient to meet all operating costs and other expenses, payments for reserves and loan repayment obligations (including any obligations under any permitted subordinate financing) relating to the Property and maintain a debt service coverage ratio of at least 1.3 to 1.0; (iv) Lender determines that restoration and repair of the Property to the Pre-existing Condition will be completed within one year of the date of the loss

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or casualty to the Property, but in no event later than six months prior to the Maturity Date; (v) less than 50 percent of the total floor area of the improvements has been damaged, destroyed or rendered unusable as a result of such condemnation or taking; (vi) tenant leases demising in the aggregate at least 50 percent of the total rentable space in the Property and in effect as of the date of the occurrence of such condemnation or taking remain in full force and effect during and after the completion of the restoration and repair of the Property and Borrower furnishes to Lender evidence satisfactory to Lender that Unisys shall continue to operate its business at the Property after completion of such restoration or repair, notwithstanding the occurrence of any such condemnation or taking; and (vii) Lender is reasonably satisfied that the Property can be restored and repaired as nearly as possible to the condition it was in immediately prior to such casualty and in compliance with all applicable zoning, building and other laws and codes (the "Pre-existing Condition"). If Lender elects to make the insurance proceeds available for the restoration and repair of the Property, Borrower agrees that, if at any time during the restoration and repair, the cost of completing such restoration and repair, as determined by Lender, exceeds the undisbursed insurance proceeds, Borrower shall, immediately upon demand by Lender, deposit the amount of such excess with Lender, and Lender shall first disburse such deposit to pay for the costs of such restoration and repair on the same terms and conditions as the insurance proceeds are disbursed.

If the insurance proceeds are held by Lender to reimburse Borrower for the cost of restoration and repair of the Property, then Borrower shall restore the Property to the equivalent of its original condition or such other condition as Lender may approve in writing (such approval not to be unreasonably withheld), and Borrower shall promptly begin such restoration and at all times thereafter diligently prosecute such restoration to completion. Lender may, at Lender's option, condition disbursement of said proceeds on Lender's approval of such plans and specifications (such approval not to be unreasonably withheld or delayed) of an architect satisfactory to Lender, contractor's cost estimates, architect's certificates, waivers of liens, sworn statements of mechanics and materialmen and such other evidence of costs, percentage completion of construction, application of payments; and satisfaction of liens as Lender may reasonably require. If the insurance proceeds are applied to the payment of the sums secured by this Instrument, any such application of proceeds to principal shall not extend or postpone the due dates of the monthly installments due under the Note, under Section 2 hereof, or otherwise under the Loan Documents, or change the amounts of such installments. If the Property is sold at foreclosure or pursuant to power of sale or if Lender acquires title to the Property, Lender shall have all of the right, title and interest of Borrower in and to any insurance policies and unearned premiums thereon and in and to the proceeds resulting from any damage to the Property prior to such sale or acquisition.

SECTION 6. PRESERVATION AND MAINTENANCE OF PROPERTY; LEASEHOLDS. Borrower (a) shall not intentionally commit waste or permit any material impairment or deterioration of the Property, (b) shall not abandon the Property, (c) shall restore or repair (or cause to be restored or repaired pursuant to and in

accordance with the terms of the Unisys Lease) promptly and in a good and workmanlike manner all or any part of the Property to the equivalent of its original condition, or such other condition as Lender may reasonably approve in writing, in the event of any damage, injury or loss thereto, whether or not insurance proceeds are available to cover in whole or in part the costs of such restoration or repair, (d) shall keep (or cause to be kept pursuant to and in accordance with the terms of the Unisys Lease) the Property,

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including improvements, fixtures, equipment, machinery and appliances thereon in good repair and shall replace fixtures, equipment, machinery and appliances on the Property when necessary to keep such items in good repair, (e) shall comply with all laws, ordinances, regulations and requirements of any governmental body applicable to the Property, (f) shall provide for management of the Property by a property manager approved by Lender, and (g) shall give notice in writing to Lender of and, unless otherwise directed in writing by Lender, appear in and defend any action or proceeding purporting to affect the Property, the security of this Instrument or the rights or powers of Lender. Neither Borrower nor any tenant or other person shall remove, demolish or alter any improvement now existing or hereafter erected on the Property or any fixture, equipment, machinery or appliance in or on the Property except when incident to the replacement of fixtures, equipment, machinery and appliances with items of like kind or unless permitted pursuant to the Unisys Lease or a lease approved by Lender.

SECTION 7. USE OF PROPERTY. Unless required by applicable law or unless Lender has otherwise agreed in writing, Borrower shall not allow changes in the use for which all or any part of the Property was intended at the time this Instrument was executed. Borrower shall not subdivide the Property or initiate or acquiesce in a change in the zoning classification of the Property without Lender's prior written consent.

SECTION 8. PROTECTION OF LENDER'S SECURITY. After the occurrence of an Event of Default, or if any action or proceeding is commenced which affects the Property or title thereto or the interest of Lender therein, including, but not limited to, eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, Lender at Lender's option may make such appearances, disburse such sums and take such action as Lender deems reasonably necessary to protect Lender's interest (subject to the terms of the Unisys Lease), including, but not limited to, (i) disbursement of reasonable attorney's fees, (ii) entry upon the Property to make material repairs, (iii) procurement of satisfactory insurance as provided herein, (iv) the payment of any taxes and/or assessments levied against the Property and then due and payable, and (v) payment of any other amounts contemplated in any of the Loan Documents. Any amounts disbursed by Lender pursuant to this Section, with interest thereon, shall become additional indebtedness of Borrower secured by this Instrument. Unless Borrower and Lender agree to other terms of payment, such amounts shall be immediately due and payable upon demand and shall bear interest from the date of disbursement at the rate then applicable to principal under the Note unless collection from Borrower of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate which may be collected from Borrower under applicable law. Nothing contained in this Section or elsewhere in any of the Loan Documents shall require Lender to incur any expense or take any action hereunder.

SECTION 9. INSPECTION. Upon notice to Borrower, Lender may make or cause to be made reasonable entries upon and inspections of the Property, including, but not limited to phase I and/or phase II environmental audits and inspections; provided Lender shall only conduct invasive testing, such as soil borings, if (x) Lender has been advised by a third-party consultant that the Property may not be in compliance with environmental laws or laws relating to hazardous material or (y) an environmental audit deems further testing necessary.

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SECTION 10. BOOKS AND RECORDS. Borrower shall keep and maintain at all times at Borrower's address stated herein, or such other place as Lender may reasonably approve in writing, complete and accurate books of accounts and records adequate to reflect correctly the results of the operation of the Property and copies of all written contracts, leases and other instruments which affect the Property. Such books, records, contracts, leases and other instruments shall be subject to examination and inspection at any reasonable time by Lender.

Upon request from Lender from time to time, Borrower shall promptly (and in any event within ten (10) business days of Lender's request) deliver to Lender financial statements as of the end of the then-prior month for (i) such then-prior month, (ii) the year to date, and (iii) the 12 month period ending with such then-prior month, provided Borrower's obligation to provide such reports shall cease on the later to occur of the date when Lender sells its entire interest in the Loan Documents, or the 13th full calendar month following

the date hereof. Thereafter, on or before the 30th day after the end of each three-month fiscal quarter of Borrower (which may include months for which reports shall have been submitted as required above), Borrower shall deliver to Lender financial statements for such quarter. Each set of such financial statements (i) shall consist of not less than a balance sheet for Borrower, a statement of income and expenses of the Property and a statement of changes in financial position, (ii) shall be in detail reasonably satisfactory to Lender and (iii) shall bear a certification in form and substance satisfactory to Lender to the effect that the applicable statements are true, complete, and accurate and do not omit to state any material information, and such certification shall be duly signed by a principal of Borrower. In addition, Borrower shall deliver to Lender audited Financial Statements for each year end, on or before the 90th day after the end of each year. All of such financial statements shall provide information for the applicable month or quarter and on a year-to-date basis (and at the end of the fourth quarter, for the year).

Borrower shall furnish, together with the foregoing financial statements and at any other time upon Lender's reasonable request, a rent schedule for the Property, certified by Borrower, showing the name of each tenant, and for each tenant, the space occupied, the lease expiration date, the rent payable and the rent paid.

Borrower shall prepare and submit to Lender, no later than forty-five (45) days prior to the end of each calendar year, a proposed pro forma budget for the Property for the succeeding calendar year (the "Annual Budget") for approval by Lender (such approval not to be unreasonably withheld or delayed), and, promptly after preparation thereof, any revisions to such Annual Budget. Lender shall approve such Annual Budget no later than fifteen (15) days prior to the commencement of the subject calendar year (each Annual Budget approved by Lender is referred to herein as the "Approved Annual Budget"). The Annual Budget shall consist of (i) an operating expense budget showing, on a month-by-month basis, in reasonable detail, each line item of Borrower's anticipated operating income and operating expenses (on an accrual basis), including amounts required to establish, maintain and/or increase any monthly payments required hereunder, and (ii) a capital expense budget showing, on a month-by-month basis, in reasonable detail, each line item of anticipated capital expenses. Until such time that any Annual Budget has been approved by Lender, the prior Approved Annual Budget shall apply for all purposes hereunder (with such adjustments as reasonably determined by Lender (including increases for any non-discretionary expenses)).

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In addition to the above delivery of financial statements and rent schedule, Borrower shall deliver to Lender updated versions of such financial statements at any other time upon Lender's request, including monthly balance sheets and monthly statements of income and expenses of the Property. Further, Borrower shall provide to Lender, as soon as the same are available to Borrower, all financial statements and sales reports received from any tenant at the Property.

SECTION 11. CONDEMNATION. Borrower shall promptly notify Lender of any action or proceeding relating to any condemnation or other taking, whether direct or indirect, of the Property, or part thereof, and Borrower shall appear in and prosecute any such action or proceeding unless otherwise directed by Lender in writing. Borrower authorizes Lender, at Lender's option, as attorney-in-fact for Borrower, to commence, appear in and prosecute, in Lender's or Borrower's name, any action or proceeding relating to any condemnation or other taking of the Property, whether direct or indirect, and to settle or compromise any claim in connection with such condemnation or other taking. The proceeds of any award, payment or claim for damages, direct or consequential, in connection with any condemnation or other taking, whether direct or indirect, of the Property, or part thereof, or for conveyances in lieu of condemnation, are hereby assigned to and shall be paid to Lender subject, if this Instrument is on a leasehold, to the rights of lessor under the ground lease.

Borrower authorizes Lender to apply such awards, payments, proceeds or damages, after the deduction of Lender's expenses incurred in the collection of such amounts, at Lender's option, to restoration or repair of the Property or to payment of the sums secured by this Instrument, whether or not then due, in the order determined by Lender, with the balance, if any, to Borrower. Unless Borrower and Lender otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly installments due hereunder or under any of the Loan Documents or change the amount of such installments. Borrower agrees to execute such further evidence of assignment of any awards, proceeds, damages or claims arising in connection with such condemnation or taking as Lender may require.

Lender shall not exercise Lender's option to apply condemnation proceeds to the payment of the sums secured by this Instrument if all of the following conditions are met: (i) the cost of restoration will not exceed fifteen percent (15%) of the amount of the Loan; (ii) Borrower is not in breach or default of any covenant or agreement of this Instrument, the Note or any other Loan Document; (iii) Lender reasonably determines that there will be sufficient funds

to restore and repair the Property to the Pre-existing Condition; (iv) Lender agrees in writing that the rental income of the Property, after restoration and repair of the Property to the Pre-existing Condition, will be sufficient to meet all operating costs and other expenses, payments for reserves and loan repayment obligations (including any obligations under any permitted subordinate financing actually in place) relating to the Property and maintain a debt service coverage ratio of at least 1.3 to 1.0; (v) Lender determines that restoration and repair of the Property to the Pre-existing Condition will be completed within one year of the date of the loss or casualty to the Property, but in no event later than six months prior to the Maturity Date; (vi) less than 50 percent of the total floor area of the improvements has been damaged, destroyed or rendered unusable as a result of such condemnation or taking; (vii) tenant leases demising in the aggregate at least 50 percent of the total rentable space in the Property and in effect as of the date of the occurrence of

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such condemnation or taking remain in full force and effect during and after the completion of the restoration and repair of the Property and Borrower furnishes to Lender evidence satisfactory to Lender that Unisys shall continue to operate its business at the Property after completion of such restoration or repair, notwithstanding the occurrence of any such condemnation or taking; and (viii) Lender is reasonably satisfied that the Property can be restored and repaired to the Pre-existing Condition. If Lender elects to make the condemnation proceeds available for the restoration and repair of the Property, Borrower agrees that, if at any time during the restoration and repair, the cost of completing such restoration and repair, as determined by Lender, exceeds the undisbursed condemnation proceeds, Borrower shall, immediately upon demand by Lender, deposit the amount of such excess with Lender, and Lender shall first disburse such deposit to pay for the costs of such restoration and repair on the same terms and conditions as the condemnation proceeds are disbursed.

If the condemnation proceeds are held by Lender to reimburse Borrower for the cost of restoration and repair of the Property, then Borrower shall restore the Property to the equivalent of its original condition or such other condition as Lender may approve in writing, and Borrower shall promptly begin such restoration and at all times thereafter diligently prosecute such restoration to completion. Lender may, at Lender's option, condition disbursement of said proceeds on Lender's approval of such plans and specifications (such approval not to be unreasonably withheld or delayed) of an architect satisfactory to Lender, contractor's cost estimates, architect's certificates, waivers of liens (which may be conditioned upon payment), sworn statements of mechanics and materialmen and such other evidence of costs, percentage completion of construction, application of payments; and satisfaction of liens as Lender may reasonably require. If the condemnation proceeds are applied to the payment of the sums secured by this Instrument, any such application of proceeds to principal shall not extend or postpone the due dates of the monthly installments due under the Note, under Section 2 hereof, or otherwise under the Loan Documents, or change the amounts of such installments. If the Property is sold at foreclosure or pursuant to power of sale or if Lender acquires title to the Property, Lender shall have all of the right, title and interest of Borrower in and to any awards and proceeds resulting from any condemnation or taking of the Property prior to such sale or acquisition.

SECTION 12. BORROWER AND LIEN NOT RELEASED. From time to time, Lender may, at Lender's option, without giving notice to or obtaining the consent of Borrower, Borrower's successors or assigns or of any junior lienholder or guarantors, without liability on Lender's part and notwithstanding Borrower's breach of any covenant or agreement of Borrower in this Instrument, extend the time for payment of said indebtedness or any part thereof, reduce the payments thereon, release anyone liable on any of said indebtedness, accept a renewal note or notes therefor, modify the terms and time of payment of said indebtedness, release from the lien of this Instrument any part of the Property, take or release other or additional security, reconvey any part of the Property, consent to any map or plan of the Property, consent to the granting of any easement, join in any extension or subordination agreement, and agree in writing with Borrower to modify the rate of interest or period of amortization of the Note or change the amount of the monthly installments payable thereunder. Except for the specific provision being modified, and only to the extent of such modification, any actions taken by Lender pursuant to the terms of this Section shall not affect the obligation of Borrower or Borrower's successors or assigns to pay the sums secured by this Instrument and to observe the covenants of Borrower

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contained herein, shall not affect the guaranty of any person, corporation, partnership or other entity for payment of the indebtedness secured hereby, and shall not affect the lien or priority of lien hereof on the Property. Borrower shall pay Lender the actual out of pocket costs together with such title insurance premiums, if any, and reasonable attorney's fees as may be incurred at Lender's option, for any such action if taken at Borrower's request.

SECTION 13. UNIFORM COMMERCIAL CODE SECURITY AGREEMENT. This Instrument is intended to be a security agreement pursuant to the Uniform Commercial Code for any of the items specified above as part of the Collateral which, under applicable law, may be subject to a security interest pursuant to the Uniform Commercial Code, and Borrower hereby grants Lender a security interest in said items. Borrower agrees that Lender may file this Instrument, or a reproduction thereof, in the real estate records or other appropriate index, as a financing statement for any of the items specified above as part of the Collateral. For use of the Instrument as a financing statement under the Uniform Commercial Code, the Borrower shall be the "Debtor" and Lender shall be the "Secured Party", and each shall use those addresses set forth in the introduction to this Instrument. Any reproduction of this Instrument or of any other security agreement or financing statement shall be sufficient as a financing statement. In addition, Borrower agrees to execute and deliver to Lender, upon Lender's request, any financing statements, as well as extensions, renewals and amendments thereof, and reproductions of this Instrument in such form as Lender may require to perfect a security interest with respect to said items. Borrower shall pay all costs of filing such financing statements and any extensions, renewals, amendments and releases thereof, and shall pay all reasonable actual costs and expenses of any record searches for financing statements Lender may reasonably require. Without the prior written consent of Lender, Borrower shall not create or suffer to be created pursuant to the Uniform Commercial Code any other security interest in said items, including replacements and additions thereto. Upon Borrower's breach of any covenant or agreement of Borrower contained in this Instrument, including the covenants to pay when due all sums secured by this Instrument, Lender shall have the remedies of a secured party under the Uniform Commercial Code and, at Lender's option, may also invoke the remedies provided herein or in any of the Loan Documents, or pursuant to any applicable law as to such items. In exercising any of said remedies, Lender may proceed against the items of real property and any items of personal property specified above as part of the Collateral separately or together and in any order whatsoever, without in any way affecting the availability of Lender's remedies under the Uniform Commercial Code or of the remedies provided herein or in any of the Loan Documents.

SECTION 14. LEASES OF THE PROPERTY. As used herein, "lease" shall mean "sublease" if this Instrument is on a leasehold. Borrower shall comply with and observe Borrower's obligations as landlord under all leases of the Property or any part thereof. Borrower will not lease any portion of the Property for any use contrary to the existing character of the Property except with the prior written approval of Lender. In the event that Unisys vacates all or a portion of the Property at the end of the term of the Unisys Lease, Borrower may execute or modify, without Lender's prior written consent, any new lease of such space at the Property vacated by Unisys at the end of the term of the Unisys Lease which affects less than 20,000 square feet (an "Exempt Lease") provided such lease:

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(i) has a term which commences no earlier than the day following the day on which the term of the Unisys Lease expires (with respect to the space demised by such lease);

(ii) is on a standard lease form pre-approved by Lender;

(iii) is at a net effective rent (after taking into account any free rent, construction allowances or other concessions granted by landlord) no less than the fair market rent then prevailing for similar properties and leases in the market area;

(iv) contains rent or other concessions which are customary and reasonable for similar properties and leases in the market area;

(v) represents a bona fide arm's length transaction;

(vi) does not permit any use which would violate any provision of any existing lease or is otherwise inconsistent with the uses and quality of existing tenants;

(vii) is provided to Lender within ten days after execution;

(viii) as modified or amended does not become a lease which fails to satisfy the criteria for an Exempt Lease pursuant to this Section;

(ix) as modified or amended does not materially modify the financial terms of Borrower's standard form of lease or materially reduce the rights and remedies of Borrower or Lender under said standard lease;

(x) is subordinate by its terms to this Instrument (or is made subordinate by the terms of Lender's standard form of Subordination, Non-Disturbance and Attornment Agreement, which form will be provided to Borrower ("Approved SNDA")); provides that the tenant thereunder is required to attorn to Lender, such attornment to be effective upon Lender's

acquisition of title to the Property; that the tenant agrees to execute such further evidences of attornment as Lender may from time to time request; that the attornment of the tenant shall not be terminated by foreclosure; that in no event shall Lender, as holder of this Instrument or as successor landlord, be liable to the tenant for any act or omission of any prior landlord or for any liability or obligation of any prior landlord occurring prior to the date that Lender or any subsequent owner acquire title to the Property; and that, if tenant does not sign an Approved SNDA, Lender may, at Lender's option, accept or reject such attornment.

Borrower shall be required to obtain Lender's consent, which shall not be unreasonably withheld, for the creation of any lease and subleases at the Property other than an Exempt Lease. The request for approval of each proposed lease shall be made to Lender in writing 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 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). Notwithstanding the foregoing, Borrower may, without the

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consent of Lender, enter into an extension of the Unisys Lease on terms no less favorable to the landlord thereunder than the existing terms, provided (a) the term of the Unisys Lease is extended to a date at least three (3) years after the Maturity Date (as defined in the Note) and (b) at least ten (10) business days prior to execution of such extension Borrower furnishes to Lender a copy of the proposed extension agreement and a summary of the material terms of such proposed extension (including, without limitation, rental terms and the term of the proposed extension and any options). Within fifteen (15) days of Lender's receipt from Borrower of a request for approval for a proposed lease together with all other information required to be delivered therewith, Lender shall inform Borrower whether Lender has approved or rejected such proposed lease. If Lender fails to respond within such 15-day period and such failure continues for five (5) days after Borrower delivers to Lender a reminder notice (which reminder notice may not be delivered by Borrower until such 15-day period has lapsed) which states in bold, capitalized type on the first page thereof that "IF LENDER FAILS TO RESPOND WITHIN FIVE (5) DAYS, LENDER SHALL BE DEEMED TO HAVE APPROVED THE PROPOSED LEASE DESCRIBED HEREIN", then Lender shall be deemed to have approved such proposed lease.

As to all leases other than Exempt Leases, Borrower shall not without the prior written consent of Lender, (i) cancel, amend or modify any such lease, (ii) approve any assignment, sublease or underlease of any such lease, or (iii) cancel or modify any guaranty, or release any security deposit or letter of credit constituting security pertaining to any such lease.

Borrower shall promptly send Lender copies of any notices of default received from the tenant under any lease; and will enforce (short of terminating such lease) the performance by the tenant of the tenant's obligations under any lease.

Except for security deposits, whether an Exempt Lease or otherwise, no lease shall provide for payment of rent more than one month in advance, and Borrower shall not under any circumstances collect any such rent more than one month in advance.

Borrower, at Lender's request, shall furnish Lender with executed copies of all leases hereafter made of all or any part of the Property, and all leases hereafter entered into will be in form and substance subject to the approval of Lender (such approval not to be unreasonably withheld or delayed). All leases of the Property entered into after the date hereof, or with respect to such leases a separate agreement in recordable form and substance reasonably satisfactory to Lender, shall specifically provide that such leases are subordinate to this Instrument; that the tenant attorns to Lender, such attainment to be effective upon Lender's acquisition of title to the Property; that the tenant agrees to execute such further evidences of attornment as Lender may from time to time reasonably request; that the attornment of the tenant shall not be terminated by foreclosure; that in no event shall Lender, as holder of this Instrument or as successor landlord, be liable to the tenant for any act or omission of any prior landlord or for any liability or obligation of any prior landlord occurring prior to the date that Lender or any subsequent owner acquire title to the Property; and that Lender may, at Lender's option, accept or reject such attornment. Except as otherwise provided in this Section, Borrower shall not, without Lender's written consent, execute, modify, surrender or terminate, either orally or in writing, any lease now existing or hereafter made of all or any part of the Property, permit an assignment or

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sublease of a lease without Lender's written consent, or request or consent to the subordination of any lease of all or any part of the Property to any lien subordinate to this Instrument.

Upon Lender's request, Borrower shall absolutely assign to Lender, by written instrument satisfactory to Lender, all leases now existing or hereafter made of all or any part of the Property and all security deposits made by tenants in connection with such leases of the Property. Notwithstanding the foregoing, so long as no Event of Default has occurred and is continuing, Borrower shall have the revocable right and revocable license to occupy the Property as landlord or otherwise and to collect, use and enjoy the rents, issues and profits and other sums payable under and by virtue of any lease (but only as the same become due under the provisions of such lease) and to enforce the covenants of the leases; provided that after any such Event of Default, any amounts collected by Borrower shall be held by Borrower in trust for the benefit of Lender for use in the payment of all sums due under the Loan Documents.

SECTION 15. TRANSFERS OF THE PROPERTY OR BENEFICIAL INTERESTS IN BORROWER.

(a) Except as provided in paragraph (c) of this Section or in Section 32 of this Instrument, Borrower shall not cause or suffer to occur any sale or transfer of (i) all or any part of the Property, or any interest therein, or (ii) beneficial interests in Borrower (if Borrower is not a natural person or persons but is a corporation, partnership, trust or other legal entity).

(b) For purposes of this Section, a sale or transfer of a beneficial interest in Borrower shall be deemed to include, but is not limited to:

(i) if Borrower or any general partner of Borrower is a corporation, the voluntary or involuntary sale, conveyance, transfer or pledge of a majority of such corporation's stock (or the stock of any corporation directly or indirectly controlling such corporation) by operation of law or otherwise, or the creation or issuance of new stock by which an aggregate of more than 49% of such corporation's stock shall be vested in a party or parties who are not now stockholders;

(ii) if Borrower or any general partner is a limited liability company, (a) the change, removal or resignation of a managing member, or (b) the voluntary or involuntary sale, conveyance, transfer or pledge (whether by operation of law or otherwise) of a majority of such limited liability company's membership interests (whether in number or voting power) or the stock of any corporation directly or indirectly controlling such limited liability company, or (c) the creation or issuance of new membership interests by which an aggregate of more than 49% of such limited liability company's interests (whether in number or voting power) shall be vested in a party or parties who are not now members;

(iii) if Borrower, or any general partner of Borrower, is a limited or general partnership, the change, removal or resignation of a general partner or managing partner or the transfer or pledge of the partnership interest of any general partner or managing partner or any profits or proceeds relating to such partnership interest;

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(iv) if Borrower is a limited partnership, the transfer or pledge of a majority of the limited partnership interests which in the aggregate constitute more than a 49% interest in Borrower, or any profits or proceeds relating to such limited partnership interests.

(c) Notwithstanding the foregoing, the following shall not be deemed a violation of this Section:

(i) a transfer of less than a 49% interest in Borrower, or any partner, shareholder or member of Borrower, by devise, descent or by operation of law upon the death of a partner, member or stockholder of Borrower;

(ii) a transfer of a limited partner, shareholder or non-managing member interest in Borrower for estate planning purposes to an immediate family member of such limited partner, shareholder or member, or a trust for the benefit of an immediate family member;

(iii) a transfer of a general partner or managing member interest in Borrower for estate planning purposes to an immediate family member of such partner or member, or a trust for the benefit of an immediate family member, subject to obtaining Lender's prior written consent, which consent shall not be unreasonably withheld subject to the criteria set forth in Subsection (b) of Section 32 of this Instrument; or

(iv) a transfer of all or any part of the Property, or any interest therein, or beneficial interests in Borrower to any "Fortress Affiliate" (as defined herein), provided Borrower shall comply with the provisions of

Section 32 in connection with a transfer of all or any part of the Property. As used herein, a "Fortress Affiliate" means an entity (a) in which at least 51% of the ownership interests of such entity are owned, directly or indirectly, by Fortress Investment Group, (b) which is controlled by Fortress Investment Group and (c) of which the day-to-day business affairs are managed, directly or indirectly, by Fortress Investment Group.

SECTION 16. FURTHER ENCUMBRANCES. Except only for the liens and security interests in favor of Lender under this Instrument and the other Loan Documents, without Lender's prior written consent, which Lender may withhold in its sole discretion, Borrower shall not execute, cause, allow or suffer any mortgage, deed of trust, deed to secure debt, assignment of leases or rents, statutory lien or other lien (unless Borrower is, in good faith, contesting any such lien, in which case Borrower shall, in accordance with Section 4 hereof, discharge or bond over any such lien within sixty (60) days after Borrower receives notice of such lien), irrespective of its priority, to encumber all or any portion of the Property or the leases, rents or profits thereof, or any interest in any of the foregoing.

SECTION 17. GENERAL INDEMNITY. In addition to any other indemnification obligation set forth elsewhere in the Loan Documents, Borrower shall, at its sole cost and expense, protect, defend, indemnify, release and hold harmless the Lender and its shareholders, directors, officers, agents, employees, contractors, attorneys, servicers, and successors and assigns (the "Indemnified Parties") from and against any and all claims, suits, liabilities (including, without

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limitation, strict liabilities), actions, proceedings, obligations, debts, damages, losses, costs, expenses, diminutions in value (provided that, with respect to diminutions in value, Borrower shall not be liable to Lender for an amount in excess of the sum of (i) the principal amount of the Note, plus (ii) interest on the indebtedness evidenced by the Note plus (iii) all other sums payable to Lender under the Loan Documents), punitive damages incurred by Lender payable to third parties (other than punitive damages arising as a direct result of Lender's actions), fines, penalties, charges, fees, expenses, judgments, awards or amounts paid in settlement, of whatever kind or nature (including, but not limited to reasonable attorneys' fees and other costs of defense) (the "Losses") imposed upon or incurred by or asserted against any Indemnified Parties and directly or indirectly arising out of or in any way relating to any one or more of the following (but excluding Losses arising out of the Indemnified Parties' gross negligence or willful misconduct): (a) ownership of this Instrument or any of the Loan Documents, or ownership of the Property or any interest therein, or demand for or receipt of any Rents; (b) any amendment to, or restructuring of, any of the Loan Documents or the obligations evidenced or secured thereby; (c) any and all lawful action that may be taken by Lender in connection with the enforcement of the provisions of any of the Loan Documents, whether or not suit is filed in connection with same, or in connection with Borrower, any guarantor or indemnitor and/or any member, partner, joint venturer or shareholder thereof becoming a party to a voluntary or involuntary federal or state bankruptcy, insolvency or similar proceeding; (d) any accident, injury to or death of persons or loss of or damage to property occurring in, on or about the Property or any part thereof or on the adjoining sidewalks, curbs, adjacent property or adjacent parking areas, streets or ways; (e) any use, nonuse or condition in, on or about the Property or any part thereof or on the adjoining sidewalks, curbs, adjacent property or adjacent parking areas, streets or ways; (f) any failure on the part of Borrower to perform or be in compliance with any of the terms of any of the Loan Documents; (g) performance of any labor or services or the furnishing of any materials or other property in respect of the Property or any part thereof; (h) 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 this Instrument, or to supply a copy thereof in a timely fashion to the recipient of the proceeds of the transaction in connection with which this Instrument is made; (i) any failure of the Property to be in compliance with any applicable laws; (j) the enforcement by any Indemnified Party of the provisions of this Section; (k) 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 Lease; (l) the payment of any commission, charge or brokerage fee to anyone which may be payable in connection with the funding of the loan evidenced by the Note; or (m) any misrepresentation made by Borrower in any of the Loan Documents. Any amounts payable to any of the Indemnified Parties by reason of the application of this Section shall become immediately due and payable upon demand and shall bear interest at rate then applicable to principal outstanding under the Note.

SECTION 18. ASSIGNMENT OF RENTS; APPOINTMENT OF RECEIVER; LENDER IN POSSESSION. As part of the consideration for the indebtedness evidenced by the Note, Borrower hereby presently, absolutely and unconditionally assigns and transfers to Lender all the rents and revenues of the Property, including those now due,

past due, or to become due by virtue of any lease or other agreement for the occupancy or use of all or any part of the Property, regardless of to whom the rents and revenues of the Property are payable. Borrower hereby

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authorizes Lender or Lender's agents to collect the aforesaid rents and revenues and hereby directs each tenant of the Property to pay such rents to Lender or Lender's agents; provided, however, that prior to written notice given by Lender to Borrower of an Event of Default, Borrower shall collect and receive all rents and revenues of the Property as trustee for the benefit of Lender and Borrower, to apply the rents and revenues so collected to the sums secured by this Instrument as required by this Instrument, so long as no such Event of Default has occurred and is continuing, to the account of Borrower, it being intended by Borrower and Lender that this assignment of rents constitutes an absolute assignment and not an assignment for additional security only. Upon delivery of written notice by Lender to Borrower of an Event of Default, and without the necessity of Lender entering upon and taking and maintaining full control of the Property in person, by agent or by a court-appointed receiver, Borrower's license to collect the rents and revenues shall immediately cease and terminate, and Lender shall immediately be entitled to possession of all rents and revenues of the Property as specified in this Section as the same become due and payable, including, but not limited to, rents then due and unpaid, and all such rents shall immediately upon delivery of such notice be held by Borrower as trustee for the benefit of Lender only; provided, however, that the written notice by Lender to Borrower of the breach by Borrower shall contain a statement that Lender exercises its rights to such rents. Borrower agrees that commencing upon delivery of such written notice of Borrower's Event of Default by Lender to Borrower, each tenant of the Property shall make such rents payable to and pay such rents to Lender or Lender's agents on Lender's written demand to any tenant therefor, delivered to such tenant personally, by mail or by delivering such demand to the tenant at its location in the Property, without any liability on the part of said tenant to inquire further as to the existence of a default by Borrower. At such time, if any, that such Event of Default is waived by Lender, Borrower's license to collect rents shall be reinstated.

Borrower hereby covenants that Borrower has not executed any prior assignment of said rents, that Borrower has not performed, and will not perform, any acts or has not executed, and will not execute, any instrument which would prevent Lender from exercising its rights under this Section, and that at the time of execution of this Instrument there has been no prepayment of any of the rents of the Property for more than one month prior to the due dates of such rents. Borrower covenants that Borrower will not hereafter collect or accept payment of any rents of the Property more than one month prior to the due dates of such rents. Borrower further covenants that Borrower will execute and deliver to Lender such further assignments of rents and revenues of the Property as Lender may from time to time reasonably request.

Borrower agrees that upon or at any time after (i) the occurrence of an Event of Default hereunder, under the Note or any other Loan Document and during the continuation thereof, or (ii) the first publication of notice of sale for the foreclosure of this Instrument pursuant to Minnesota Statutes, Chapter 580, or (iii) the commencement of an action to foreclose this Instrument pursuant to Minnesota Statutes, Chapter 581, or (iv) the commencement of any period of redemption after foreclosure of this Instrument, Lender shall, in any such event, and at any such time, upon application to the District Court in the county where the Property or any part thereof is located, by an action separate from the foreclosure under Chapter 580, in the foreclosure action under Chapter 581 or by independent action (it being understood and agreed that the existence of a foreclosure under Chapter 580 or a foreclosure action under Chapter 581 is not a prerequisite to any action for a receiver hereunder), be entitled to the appointment of a receiver for the rents, issues, profits and all other income of every kind which shall accrue and be

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owing for the use or occupation of the Property or any part thereof, whether before or after foreclosure, or during the full statutory period of redemption, if any, upon a showing that Borrower has breached any covenant contained in this Instrument, the Note or the Loan Agreement, including, without limitation, any covenant relating to any of the following:

- (1) Repayment of tenant security deposits, with interest thereon, as required by Minnesota Statutes, Section 504B.178, if applicable;
- (2) Payment when due of prior or current real estate taxes or special assessments with respect to the Property, or the periodic escrow for payment of the same;
- (3) Payment when due of premiums for insurance of the types required hereby, or the periodic escrow for payment of the same; or

- (4) Keeping of the covenants required of a lessor or licensor pursuant to Minnesota Statutes, Section 504B.161, Subdivision 1, if applicable.

Lender shall be entitled to the appointment of a receiver without regard to waste, adequacy of the security or solvency of Borrower. The court shall determine the amount of the bond to be posted by the receiver. The Lender or the receiver, who shall be an experienced property manager, shall collect (until the indebtedness secured hereby is paid in full and, in the case of a foreclosure sale, during the entire redemption period, if any) the rents, issues, profits and all other income of any kind from the Property, manage the Property so as to prevent waste, execute leases within or beyond the period of the receivership, if approved by the court, and apply all rents, issues, profits and other income collected by him in the following order:

- (a) to payment of all reasonable fees of the receiver, if any, approved by the court;
- (b) to the items listed in clauses (1) through (4) above (to the extent applicable) in the priority as numbered;
- (c) to expenses for normal maintenance, operation and management of the Property, including but not limited to Lender's out-of-pocket costs and all other costs and expenses which Lender is entitled to pay or incur pursuant to the Assignment; and
- (d) the balance to Lender to be credited, prior to commencement of foreclosure, against the indebtedness secured hereby, in such order as Lender may elect, or to be credited, after commencement of foreclosure, to the amount required to be paid to effect a reinstatement prior to foreclosure sale, or to be credited, after a foreclosure sale, at the option of Lender, at its sole discretion, to any deficiency or to the amount required to be paid to effect a redemption, pursuant to Minnesota Statutes, Sections 580.30, 580.23, 581.10, 582.032, 582.32, or their successors, as the case may be, with any excess to be paid to Borrower; provided, however, that if this Instrument is not reinstated nor the Property redeemed, as and during the times provided by said Sections 580.30, 580.23, 581.10, 582.032 or 582.32 or their successors, the entire amount received pursuant hereto, after deducting therefrom the amounts applied by Lender to any deficiency, shall be the property

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of the purchaser of the Property at the foreclosure sale, together with all or any part of the Property acquired through foreclosure.

The receiver shall file periodic accountings as the court determines are necessary and a final accounting at the time of his discharge. Lender shall have the right, at any time and without limitation, as provided in Minnesota Statutes, Section 582.03, to advance money to the receiver to pay any part or all of the expenses which the receiver should otherwise pay, if cash were available from the Property, and all sums so advanced, with interest at a rate per annum of five percent (5.00%) in excess of the rate provided in the first paragraph of the Note (the "Default Rate"), shall be a part of the sum required to be paid to redeem from any foreclosure sale. Said sums shall be proved by the affidavit of Lender, its agent or attorney, describing the expenses for which the same were advanced and describing the Property, which must be filed for record in the office where this Instrument is recorded, and a copy thereof shall be furnished to the sheriff and the receiver at least ten (10) days before the expiration of any period of redemption. Until fully paid, the amounts required to be paid to effect a redemption shall continue to accrue interest at the Default Rate.

The costs and expenses (including any receiver's fees and attorney's fees) incurred by Lender pursuant to the powers herein contained shall be immediately reimbursed by Borrower to Lender on demand, shall be secured hereby and shall bear interest from the date incurred at the Default Rate. Lender shall not be liable to account to Borrower for any action taken pursuant hereto, other than to account for any rents actually received by Lender.

Lender shall not be liable to Borrower, anyone claiming under or through Borrower or anyone having an interest in the Property by reason of anything done or left undone by Lender under this Section unless such liability arises as a direct result of the gross negligence or willful misconduct of Lender.

If the rents of the Property are not sufficient to meet the actual costs, if any, of taking control of and managing the Property and collecting the rents, any actual funds expended by Lender for such purposes shall become indebtedness of Borrower to Lender secured by this Instrument pursuant to Section 8 hereof. Unless Lender and Borrower agree in writing to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof and shall bear interest from the date of disbursement at the rate stated

in the Note unless payment of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate which may be collected from Borrower under applicable law.

Any entering upon and taking and maintaining of control of the Property by Lender or the receiver and any application of rents as provided herein shall not cure or waive any default hereunder or invalidate any other right or remedy of Lender under applicable law or provided herein. This assignment of rents of the Property shall terminate at such time as this Instrument ceases to secure indebtedness held by Lender.

SECTION 19. DEFAULTS; ACCELERATION; REMEDIES.

Each of the following shall constitute an "Event of Default" under this Instrument:

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(a) Any failure of Borrower to pay any money as and when due under the Note or under any of the other Loan Documents;

(b) Any breach of Sections 5, 15, 16, or 29 of this Instrument, or the Environmental Indemnity Agreement;

(c) Other than as specified in items (a) or (b) above, any breach of any covenant, representation, warranty, or other obligation of Borrower or any guarantor or indemnitor under the Note, this Instrument, or any of the other Loan Documents, which breach is not completely cured on or before the 30th day after notice of the same from Lender to Borrower; provided however that if the default is capable of cure but with diligence cannot be cured within such period of 30 days, and if Borrower shall have given Lender evidence satisfactory to Lender that Borrower has commenced the cure within such 30-day period and at all times after such commencement has pursued such cure diligently, then such period shall be extended for so long as is reasonably necessary, but in no event beyond the 90th day after the original notice of default.

If Lender shall have the right to exercise any of its remedies by reason of any default as to which there is no grace period or by reason of expiration of any grace period without cure of any applicable default, then there shall be no requirement of notice and time to cure for any other or subsequent default.

Upon the occurrence and during the continuance of any Event of Default, Lender may, at Lender's option, declare all of the sums secured by this Instrument to be immediately due and payable without further demand, and may exercise any and all remedies permitted hereunder, under any of the Loan Documents, or pursuant to applicable law. Without limitation of the foregoing, Lender is hereby granted a power of sale and may invoke the power of sale granted herein. Borrower acknowledges that the power of sale herein granted may be exercised by Lender without prior judicial hearing. Borrower has the right to bring an action to assert the non-existence of a breach or any other defense of Borrower to acceleration and sale. Lender shall be entitled to collect from Borrower all actual costs and expenses incurred in pursuing such remedies, including, but not limited to, reasonable attorney's fees and costs of environmental reports, appraisals, documentary evidence, abstracts, and title reports.

Without limiting the generality of the foregoing, Lender may, upon compliance by Lender of any requirements of applicable law:

(i) enter and take possession of the Property or any part thereof, exclude Borrower and all persons claiming under Borrower wholly or partly therefrom, and operate, use, manage and control the same, or cause the same to be operated by a person selected by Lender, and upon such entry, from time to time, at the expense of Borrower and of the Property, make all such repairs, replacements, alterations, additions or improvements thereto as Lender may deem proper, and collect and receive the rents, revenues, issues, profits, royalties, income and be authorized to incur under the provisions of this Instrument and applicable law, the remainder to be applied to the

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payment, performance and discharge of the obligations secured by this Instrument in such order as Lender may determine until the same have been paid in full;

(ii) institute an action for the foreclosure of this Instrument and the sale of the Property pursuant to the judgment or decree of a court of competent jurisdiction;

(iii) foreclose this Instrument by action or advertisement, pursuant

to the statutes of the State of Minnesota in which case made and provided, power being expressly granted to sell the Property at public auction and convey the same to the purchaser in fee simple and, out of the proceeds arising from such sale, to pay all indebtedness secured hereby with interest, and all legal costs and charges of such foreclosure and the maximum attorneys fees permitted by law, which costs, charges and fees the Borrower agrees to pay;

(iv) take all steps to protect and enforce the rights of Lender under this Instrument by suit for specific performance of any covenant herein contained, or in aid of the execution of any power herein granted or for the enforcement of any other rights; and/or

(v) exercise any or all of the rights and remedies available to a secured party under the Uniform Commercial Code, including the right to (A) enter the Property and take possession of the Collateral without demand or notice and without prior judicial hearing or legal proceedings, which Borrower hereby expressly waives, (B) require Borrower to assemble the Collateral, or any portion thereof, and make it available to Lender at a place or places designated by Lender and reasonably convenient to both parties and (C) sell all or any portion of the Collateral at public or private sale, without prior notice to Borrower except as otherwise required by law (and if notice is required by law, after ten days' prior written notice), at such place or places and at such time or times and in such manner and upon such terms, whether for cash or on credit, as Lender in its sole discretion may determine. As to any property subject to Article 9 of the Uniform Commercial Code included in the Property, Lender may proceed under the Uniform Commercial Code or proceed as to both the real property and personal property in accordance with the provisions of this Instrument and the rights and remedies that Lender may have at law or in equity, in respect of the Property, and treat both the real property and personal property included in the Property as one parcel or package of security. Borrower shall have the burden of proving that any sale pursuant to this Section or pursuant to the Uniform Commercial Code was conducted in a commercially unreasonable manner.

Any deed delivered to the purchaser at any sale pursuant hereto may be without any covenant or warranty, expressed or implied. The recitals in the deed shall be prima facie evidence of the truth of the statements made therein. The proceeds of any sale made either under the power of sale hereby given or under a judgment, order or decree made in any action to foreclose or to enforce this Instrument shall be applied in the following order: (a) to all actual costs and expenses of the sale, including, but not limited to, fees for any foreclosure services, reasonable attorney's fees and costs of title evidence; (b) to all sums secured by this Instrument

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in such order as Lender, in Lender's sole discretion, directs; and (c) the excess, if any, to the person or persons legally entitled thereto.

Borrower shall not at any time (a) insist upon, plead or in any manner whatever claim or take any benefit or advantage of any applicable present or future stay, extension or moratorium law or (b) claim, take or insist upon any benefit or advantage of any present or future law providing for the valuation or appraisal of the Property prior to any sale or sales thereof which may be made under or by virtue of the provisions of this Instrument; and Borrower hereby waives all benefit or advantage of any such law or laws. Borrower hereby waives any and all rights and equities of redemption from sale under any judgment of foreclosure of this Instrument and all notice or notices of seizure, and all right to have the Property marshaled upon any foreclosure hereof. Lender shall not be obligated to pursue or exhaust its rights or remedies as against any part of the Property before proceeding against any other part thereof and Borrower hereby waives any right or claim of right to have Lender proceed in any particular order. Borrower hereby waives and releases all errors, defects and imperfections in any proceedings instituted by Lender under this Instrument.

Anything to the contrary herein or elsewhere notwithstanding, Lender may cease or suspend any and all performance required of Lender under the Loan Documents upon and during the continuance of any Event of Default.

SECTION 20. ACCELERATION IN CASE OF BORROWER'S INSOLVENCY. If Borrower shall voluntarily file a petition under Title 11 of the U.S. Code (the "Act"), as such Act may from time to time be amended, or under any similar or successor Federal statute relating to bankruptcy, insolvency, arrangements or reorganizations, or under any state bankruptcy or insolvency act, or file an answer in any involuntary proceeding admitting insolvency or inability to pay debts, or if Borrower shall fail to obtain a vacation of involuntary proceedings brought for the reorganization, dissolution or liquidation of Borrower, within 120 days of the filing of such involuntary proceeding, or if Borrower shall be adjudged a bankrupt, or if a trustee or receiver shall be appointed for Borrower or Borrower's property, or if the Property shall become subject to the jurisdiction of a Federal bankruptcy court or similar state court, or if Borrower shall make

an assignment for the benefit of Borrower's creditors, or if there is an attachment, execution or other judicial seizure of any portion of Borrower's assets and such seizure is not discharged within 60 days, then Lender may, at Lender's option, declare all of the sums secured by this Instrument to be immediately due and payable without prior notice to Borrower, and Lender may invoke any remedies permitted or provided for herein or in any of the Loan Documents or pursuant to applicable law. Any reasonable attorney's fees and other actual expenses incurred by Lender in connection with Borrower's bankruptcy or any of the other aforesaid events shall be additional indebtedness of Borrower secured by this Instrument pursuant to Section 8 hereof.

SECTION 21. REMEDIES CUMULATIVE. Each remedy provided in this Instrument is distinct and cumulative to all other rights or remedies under this Instrument or afforded by law or equity, and may be exercised concurrently, independently, or successively, in any order whatsoever.

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SECTION 22. WAIVER OF STATUTE OF LIMITATIONS. Borrower hereby waives the right to assert any statute of limitations as a bar to the enforcement of the lien of this Instrument or to any action brought to enforce the Note or any other obligation secured by this Instrument.

SECTION 23. WAIVER OF MARSHALLING. Notwithstanding the existence of any other security interest in the Property held by Lender or by any other party, Lender shall have the right to determine the order in which any or all of the Property shall be subjected to the remedies provided herein. Lender shall have the right to determine the order in which any or all portions of the indebtedness secured hereby are satisfied from the proceeds realized upon the exercise of the remedies provided herein. Borrower, any party who consents to this Instrument and any party who now or hereafter acquires a security interest in the Property and who has actual or constructive notice hereof hereby waives any and all right to require the marshalling of assets in connection with the exercise of any of the remedies permitted by applicable law or provided herein.

SECTION 24. RELEASE. Upon payment of all sums secured by this Instrument, Lender shall release this Instrument. Borrower shall pay all reasonable actual costs incurred by Lender in connection with the release of this Instrument.

SECTION 25. ADDITIONAL BORROWER COVENANTS.

(a) Borrower shall perform and complete (or cause to be performed and completed) the following work at the Property in a workmanlike and lien-free manner by June 30, 2004: exterior painting; scrape, prime and paint rooftop cooling tower support structures, steel stairs at south end of building, exterior stair and dock area handrails and rusted exterior service doors and frames.

(b) Borrower has entered into a certain Escrow and Disbursement Agreement (the "Escrow Agreement") dated as of May 12, 2004, by and between Meritex Enterprises, Inc. ("Meritex"), Borrower and First American Title Insurance Company. Borrower shall cause Meritex to perform and complete all "Remaining Landlord Improvements" (as such term is defined in the Escrow Agreement) in accordance with and as required under the Unisys Lease. If at any time pursuant to Section 10 of the Escrow Agreement Borrower becomes entitled to utilize the funds in the Improvement Escrow Account (as such term is defined in the Escrow Agreement), Borrower shall promptly thereafter perform and complete (or cause to be performed and completed) the Remaining Landlord Improvements in accordance with and as required under the Unisys Lease. If at any time pursuant to Section 10 of the Escrow Agreement Borrower becomes entitled to receive the funds in the Improvement Escrow Account prior to the performance and completion of the Remaining Landlord Improvements (other than reimbursements for work performed by Borrower), Borrower shall deposit or cause to be deposited such funds with Lender for deposit into the Replacement Reserve established pursuant to the Replacement Reserve and Security Agreement, and such funds shall be disbursed in accordance with the terms and provisions of the Replacement Reserve and Security Agreement upon Borrower's performance and completion of the Remaining Landlord Improvements in accordance with and as required under the Unisys Lease.

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SECTION 26. NONRECOURSE LOAN. Subject to the provisions of this Section, and notwithstanding any provision of the Loan Documents other than this Section, the personal liability of Borrower, and of Indemnitor and any general partner of Borrower, to pay the principal of and interest on the debt evidenced by the Note and any other agreement evidencing Borrower's obligations under the Note shall be limited to (a) the Collateral, (b) the personal property described in and pledged under any Loan Document other than this Instrument, and (c) the rents, profits, issues, products and income of the Property, including any received or collected by or on behalf of Borrower after an Event of Default. Notwithstanding the foregoing, Borrower, Indemnitor and any general partner of Borrower shall be

olly and personally, jointly and severally, liable for payment and performance of all obligations set forth in the Loan Documents, including the payment of all principal, interest, and other amounts under the Note, in the event of (i) the occurrence of an Event of Default under Sections 15 or 16 (unless the Event of Default under Section 16 is the existence of a mechanics' lien against the Property) of this Instrument, or (ii) the occurrence of any condition or event described in Section 20 (other than any involuntary bankruptcy proceedings, so long as neither Borrower nor any affiliate of Borrower has arranged, solicited, induced, financed or colluded with others in the filing of such involuntary petition, case or proceeding).

Further, Borrower, Indemnitor and any general partner of Borrower shall be personally liable in the amount of any loss, damage or cost resulting from (a) fraud or intentional misrepresentation by Borrower or Indemnitor in connection with obtaining the loan evidenced by the Note, (b) any intentional physical waste of any portion of the Property or any other collateral securing the loan evidenced by the Note by Borrower, (c) misappropriation of insurance proceeds, condemnation awards, or other sums or payments attributable to the Property not applied in accordance with the provisions of the Loan Documents, (d) all rents, profits, issues, products and income of the Property received or collected by or on behalf of Borrower after an Event of Default and not applied to payment of principal and interest due under the Note, and to the payment of actual and reasonable operating expenses of the Property, as they become due or payable (except to the extent that such application of such funds is prevented by bankruptcy, receivership, or similar judicial proceeding in which Borrower is legally prevented from directing the disbursement of such sums), (e) misappropriation (including failure to turn over to Lender on demand following an Event of Default) of tenant security deposits and rents collected in advance, or of funds held by Borrower for the benefit of another party, (f) failure to pay transfer fees and charges due Lender in connection with any subordinate financing, or in connection with any transfer of all or any part of the Property, or any interest therein, or transfer of any beneficial interest in Borrower (if Borrower is not a natural person or persons but is a corporation, partnership, limited liability company, trust or other legal entity), (g) failure by Borrower, Indemnitor, any general partner of Borrower, or any other indemnitor or guarantor to comply with the covenants, obligations, liabilities, warranties and representations contained in the Environmental Indemnity Agreement or otherwise pertaining to environmental matters, (h) in the event Lender has waived (or Borrower has failed to pay) the monthly collection for real and personal property taxes, assessments, insurance premiums, or ground rents, then failure by Borrower to pay any or all such taxes, assessments, premiums and rents, to the extent of any rents, issues, profits and/or income collected by Borrower in excess of normal and verifiable operating expenses of the Property, (i) any management fee taken by Borrower or any principal or affiliate of Borrower after an Event of Default, (j) termination of the Unisys Lease as a result of a landlord default thereunder, (k) the occurrence of an Event of Default under Section 29, to

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the extent such breach is reasonably likely to result in substantive consolidation or (1) the occurrence of an Event of Default under Section 16 as a result of the existence of a mechanics' lien against the Property.

No provision of this Section shall (i) affect the enforcement of the Environmental Indemnity Agreement or any guaranty or similar agreement executed in connection with the debt evidenced by the Note, (ii) release or reduce the debt evidenced by the Note, (iii) impair the lien of this Instrument, (iv) impair the rights of Lender to enforce any provisions of this Instrument, (v) limit Lender's ability to obtain a deficiency judgment or judgment on the Note or otherwise against Borrower to the extent necessary to obtain any amount for which Borrower may be liable in accordance with this Section.

SECTION 27. REPRESENTATIONS OF BORROWER. Borrower hereby represents and warrants to Lender the following:

(a) Organization. Borrower is a limited liability company duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation, and is qualified to do business as a limited liability company in the state where the Property is located. There are no proceedings or actions pending, threatened in writing or contemplated for the liquidation, termination or dissolution of Borrower.

(b) Rent Roll. Borrower has delivered to Lender a certified Rent Roll (the "Rent Roll"), which constitutes a true, correct, and complete list of each and every lease affecting the Property, together with all extensions and amendments thereof (the "Existing Leases"); Borrower has delivered to Lender a true, correct, and complete copy of each of the Existing Leases; and there are no other leases, assignments, modifications, extensions, renewals, or other agreements of any kind whatsoever (written or oral) outstanding with respect to the leases or the Property.

(c) Leases. Unless otherwise specified in the Rent Roll:

(i) the Existing Leases are in full force and effect;

(ii) Borrower has not given any notice of default to any tenant under an Existing Lease (an "Existing Tenant") which remains uncured;

(iii) to the best of Borrower's knowledge, no Existing Tenant has any set off, claim or defense to the enforcement of any Existing Lease;

(iv) no Existing Tenant is in arrears in the payment of rent, additional rent or any other charges whatsoever due under any Existing Lease; or, to the knowledge of Borrower, is materially in default in the performance of any other obligations of such Existing Tenant under the applicable Existing Lease; and

(v) Borrower has completed all work or alterations required of the landlord or lessor under each Existing Lease; and all of the other obligations of landlord or lessor under the Existing Leases have been performed.

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(d) Rents. The Rent Roll truly and completely discloses all annual and monthly rents payable by all Existing Tenants, including, to the best of Borrower's knowledge, all percentage rents, if any, expiration dates of the Existing Leases, and the amount of security deposit being held by Borrower under each Existing Lease, if any; and Borrower has not granted any Existing Tenant any rent concessions (whether in form of cash contributions, work agreements, assumption of an Existing Tenant's other obligations, or otherwise) or extensions of time whatsoever not reflected in such Rent Roll.

(e) Lease Issues. There are no legal proceedings commenced (or, to the best of the knowledge of Borrower, threatened) against Borrower by any Existing Tenant; no rental in excess of one month's rent has been prepaid under any of the Existing Leases; each of the Leases is valid and binding on Borrower and, to the best of Borrower's knowledge, the other parties thereto in accordance with its terms; and the execution of this Instrument and the other Loan Documents will not constitute an event of default under any of the Existing Leases.

(f) Security Deposits. Except as set forth on the Rent Roll, Borrower currently holds the security deposits (if any) specified in the Existing Leases and has not given any credit, refund, or set off against such security deposits to any person.

(g) No Residential Units. There are no residential units in the Property, and no portion of the Property is an apartment or other unit subject to any form or rent control, stabilization or regulation; and no person presently occupies any part of the Property for dwelling purposes.

(h) No Undisclosed Tenants. Except for Borrower, there are no persons or entities legally occupying space in the Property as tenants other than the persons or entities specifically named in the Existing Leases.

(i) Title. Except as specifically listed in the schedule of exceptions to coverage in the title policy insuring Lender's interest in the Property, Borrower is now in possession of the Property; Borrower's possession of the Property is peaceable and undisturbed; Borrower does not know any facts by reason of which any claim to the Property, or any part thereof, might arise or be set up adverse to Borrower; and the Property is free and clear of (i) any lien for taxes (except real property taxes not yet due and payable for the calendar year in which this Instrument is being executed), and (ii) any easements, rights-of-way, restrictions, encumbrances, liens or other exceptions to title by mortgage, decree, judgment, agreement, instrument, or, to the knowledge of Borrower, proceeding in any court.

(j) Liens. All charges for labor, materials or other work of any kind furnished in connection with the construction, improvement, renovation or rehabilitation of the Property at Borrower's request or any portion thereof have been, or concurrently with the closing of the loan secured by this Instrument will be, paid in full, and, to the best of Borrower's knowledge, no unreleased affidavit claiming a lien against the Property, or any portion thereof, for the supplying of labor, materials or services for the construction of improvements on the Property has been executed or recorded in the mechanic's lien or other appropriate records in the county in which the Property is located.

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(k) Compliance with Law. To the best of Borrower's knowledge, the Property and the current and contemplated uses of the Property are in compliance with all applicable federal, state and municipal laws, rules, regulations and ordinances, applicable restrictions, zoning ordinances, building codes and regulations,

building lines and easements, including, without limitation, federal and state environmental protection law and the Americans with Disabilities Act of 1990, the Fair Housing Amendments Act of 1988, all state and local laws or ordinances related to handicapped access, and any statute, rule, regulation, ordinance, or order of governmental bodies or regulatory agencies, or any order or decree of any court adopted or enacted with respect thereto; no governmental authority having jurisdiction over any aspect of the Property has made a claim or determination that there is any such violation; the Property is not included in any area identified by the Secretary of Housing and Urban Development pursuant to the Flood Disaster Protection Act of 1973, as amended, as an area having special flood hazards; and all permits, licenses and the like which are necessary for the operation of the Property have been issued and are in full force and effect.

(l) Adverse Changes. There have been no material adverse changes, financial or otherwise, in the condition of Borrower from that disclosed to Lender in the loan application submitted to Lender by Borrower, or in any supporting data submitted in connection with the Loan, and all of the information contained therein was true and correct when submitted and is now substantially and materially true and correct on the date hereof.

(m) Claims, Litigation. There is no claim, litigation or condemnation proceeding pending, or, to the knowledge of Borrower, threatened in writing, against the Property or Borrower, which would affect the Property or Borrower's ability to perform its obligations in the connection with the Loan.

(n) Single Purpose. Borrower does not own any real property or assets other than the Property and does not operate any business other than the management and operation of the Property.

(o) Bankruptcy. No proceeding in bankruptcy or insolvency has ever been instituted by or against Borrower, Indemnitor, Drawbridge Special Opportunities Fund LP ("Drawbridge") or the general partner in Drawbridge, and no such proceeding is now pending or, to the best of Borrower's knowledge, contemplated.

(p) Solvency. Borrower is, and if there are any general partners or members of Borrower, such partners or members are, solvent pursuant to the laws of the United States, as reflected by the entries in Borrower's books and records and as reflected by the actual facts.

(q) Enforceability of Loan Documents. The Loan Documents have been duly authorized, executed and delivered by Borrower and constitute valid and binding obligations of Borrower, enforceable against Borrower in accordance with their respective terms. No approval, consent, order or authorization of any governmental authority and no designation, registration, declaration or filing with any governmental authority is required in connection with the execution and delivery of the Note, this Instrument or any other Loan Document. Neither Borrower nor any guarantor or indemnitor has any defense or offset to the enforcement of any Loan Document, or any claim against Lender. Neither Borrower nor any guarantor or

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indemnitor has any right whatsoever against Lender other than the express contractual obligations of Lender set forth in the Loan Documents. Any rights or claims contrary to this provision, whether known or unknown, are hereby expressly waived.

(r) Non-contravention. The execution and delivery of the Loan Documents will not violate or contravene in any way the articles of incorporation or bylaws or partnership agreement, articles of organization or operating agreement as the case may be, of Borrower or any indenture, agreement or instrument to which Borrower is a party or by which it or its property may be bound, or be in conflict with, result in a breach of or constitute a default under any such indenture, agreement or other instrument, result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of Borrower, except as contemplated by the provisions of such Loan Documents, and no action or approval with respect thereto by any third person is required.

(s) Homestead. No part of the Property is all or a part of Borrower's homestead or the homestead of anyone.

(t) Utilities. The Property is served by all utilities required for the current or contemplated use thereof. All utility service is provided by public utilities and the Property has accepted or is equipped to accept such utility service.

(u) Public Roads. To the best of Borrower's knowledge, all public roads and streets necessary for service of and access to the Property for the current or contemplated use thereof have been completed, are serviceable and all-weather and are physically and legally open for use by the public.

(v) Water and Sewers. The Property is serviced by public water and sewer systems,

(w) Damage. The Property is free from damage caused by fire or other casualty.

(x) Waste Disposal. To the best of Borrower's knowledge, except as disclosed in any environmental report obtained by Lender in connection with the loan secured by this Instrument, all liquid and solid waste disposal, septic and sewer systems located on the Property are in a good and safe condition and repair and in compliance with all applicable laws.

(y) Embargoed Person. At all times throughout the term of the Loan, including after giving effect to any transfers permitted pursuant to the Loan Documents, (a) none of the funds or other assets of Borrower, general partner of Borrower and Indemnitor constitute property of, or are beneficially owned, directly or indirectly, by any person, entity or government subject to trade restrictions under U.S. law, including, but not limited to, the International Emergency Economic Powers Act, 50 U.S.C. Sections 1701 et seq., The Trading with the Enemy Act, 50 U.S.C. App. 1 et seq., and any Executive Orders or regulations promulgated thereunder with the result that the investment in Borrower, general partner of Borrower or Indemnitor, as applicable (whether directly or indirectly), is prohibited by law or the Loan made by the Lender is in violation of law ("Embargoed Person"); (b) no Embargoed Person has any interest of any nature whatsoever in Borrower, general partner of Borrower or Indemnitor, as applicable, with the result that the investment in Borrower, general partner of Borrower or Indemnitor (as applicable (whether directly or indirectly), is prohibited by law or the Loan is in violation of the law; and

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(c) none of the funds of Borrower, general partner of Borrower or Indemnitor, as applicable, have been derived from any unlawful activity with the result that the investment in Borrower, general partner of Borrower or Indemnitor, as applicable (whether directly or indirectly), is prohibited by law or the Loan is in violation of the law.

SECTION 28. BORROWER'S ADDITIONAL COVENANTS. Borrower hereby covenants, agrees and undertakes as follows:

(a) Alterations of Property. Except as permitted under the Unisys Lease, Borrower shall not undertake or commence any alterations of any improvements on the Property the cost of which is in excess of five percent of the then original principal amount of the Note, without the prior written consent of Lender (such consent not to be unreasonably withheld, conditioned or delayed).

(b) Further Assurances. Borrower shall from time to time, at the reasonable request of Lender, (i) promptly correct any defect, error or omission which may be discovered in the contents of this Instrument or in any other Loan Document or in the execution or acknowledgment thereof; (ii) execute, acknowledge, deliver and record and/or file such further documents or instruments (including, without limitation, further mortgages, security agreements, financing statements, continuation statements, assignments of rents or leases and environmental indemnity agreements) and perform such further acts and provide such further assurances as may be reasonably necessary, desirable or proper, in Lender's opinion, to carry out more effectively the purposes of this Instrument and such other instruments and to subject to the liens and security interests hereof and thereof any property intended by the terms hereof or thereof to be covered hereby or thereby, including specifically, but without limitation, any renewals, additions, substitutions, replacements, or appurtenances to the Property; provided that such documents or instruments do not materially increase Borrower's liability under the Loan Documents; and (iii) execute, acknowledge, deliver, procure, and file and/or record any document or instrument (including specifically, but without limitation, any financing statement) deemed advisable by Lender to protect the liens and the security interests herein granted against the rights or interests of third persons; provided that such documents or instruments do not materially increase Borrower's liability under the Loan Documents. Borrower shall not be required to pay any costs of Lender connected with any of the foregoing in this paragraph.

(c) Mortgage Taxes. Borrower shall at any time any law shall be enacted imposing or authorizing the imposition of any tax upon this Instrument, or upon any rights, titles, liens or security interests created hereby, or upon the obligations secured hereby or any part thereof, promptly pay all such taxes; provided that, if such law as enacted makes it unlawful for Borrower to pay such tax, Borrower shall not pay nor be obligated to pay such tax, and in the alternative, Borrower may, in the event of the enactment of such a law, and must, if it is unlawful for Borrower to pay such taxes, prepay the obligations secured hereby in full within 60 days after demand therefor by Lender.

(d) Minerals. Borrower shall not permit any drilling or exploration for or extraction, removal or production of any mineral, natural element, compound or substance from the surface or subsurface of the Property regardless of the depth

thereof or the method of mining or extraction thereof.

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(e) Maintenance of Borrower Name, Structure. Borrower shall not change its name, identity, structure or employer identification number during the term of the Loan without the prior written consent of Lender not to be unreasonably withheld.

(f) Costs and Expenses. Borrower shall pay within ten (10) business days of demand all reasonable and bona fide out-of-pocket costs, fees and expenses and other expenditures, including, but not limited to, reasonable attorneys' fees and expenses, paid or incurred by Lender to third parties incident to this Instrument or any other Loan Document (including, but not limited to, reasonable attorneys' fees and expenses in connection with the negotiation, preparation and execution hereof and of any other Loan Document and any amendment hereto or thereto, any release hereof, any consent, approval or waiver hereunder or under any other Loan Document, the making of any advance under the Note, and any suit to which Lender is a party involving this Instrument or the Property) or incident to the enforcement of the obligations secured hereby or the exercise of any right or remedy of Lender under any Loan Document. In the event of any dispute, action or lawsuit regarding the terms hereof or the terms of any other Loan Document, the prevailing party will have the right to recover from the other party all court costs and reasonable attorneys' fees and disbursements incurred with respect thereto, in addition to all other applicable damages and costs.

(g) Compliance with Laws. Borrower shall maintain and keep the Property in compliance with all applicable laws.

SECTION 29. COVENANTS WITH RESPECT TO SINGLE PURPOSE, INDEBTEDNESS, OPERATIONS, FUNDAMENTAL CHANGES OF BORROWER. Borrower represents, warrants and covenants as of the date of hereof, and until such time as the indebtedness secured hereby is paid in full, that Borrower:

(i) does not own and will not own any assets other than the Property (including incidental personal property necessary for the operation thereof and proceeds therefrom);

(ii) is not engaged and will not engage in any business, directly or indirectly, other than the ownership, management and operation of the Property;

(iii) will not enter into any contract or agreement with any partner, member, shareholder, trustee, beneficiary, principal or affiliate 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 such affiliate;

(iv) has not incurred and will not incur any debt, secured or unsecured, direct or contingent (including guaranteeing any obligation), other than (i) the obligations secured by this Instrument, and (ii) trade payables or accrued expenses incurred in the ordinary course of business of operating the Property;

(v) has not made and will not make any loan or advances to any person or entity;

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(vi) is and reasonably expects to remain solvent and pay its own liabilities, indebtedness, and obligations of any kind from its own separate assets as the same shall become due [this representation is made only as of the date hereof];

(vii) has done or caused to be done and will do all things necessary to preserve its existence, and will not, nor will any partner, member, shareholder, trustee, beneficiary, or principal amend, modify or otherwise change its partnership certificate, partnership agreement, articles of incorporation, by-laws, articles of organization, operating agreement, or other organizational documents in any manner;

(viii) shall continuously maintain its existence and be qualified to do business in all states necessary to carry on its business, specifically including in the case of Borrower, the state where the Property is located;

(ix) will conduct and operate its business as presently conducted and operated;

(x) will maintain books and records and bank accounts separate from those of its partners, members, shareholders, trustees, beneficiaries,

principals, affiliates, and any other person or entity;

(xi) will be, and at all times will hold itself out to the public as, a legal entity separate and distinct from any other (including any of its partners, members, shareholders, trustees, beneficiaries, principals and affiliates), and not as a department or division of any entity;

(xii) will file its own tax returns or consolidated returns but will note that its assets are not available to creditors of affiliates;

(xiii) has and reasonably expects to 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 [this representation is made only as of the date hereof];

(xiv) will not seek, acquiesce in, or suffer or permit its liquidation, dissolution or winding up, in whole or in part;

(xv) will not enter into any transaction of merger or consolidation, or acquire by purchase or otherwise all or substantially all of the business or assets of, or any stock of beneficial ownership of, any person or entity;

(xvi) will not commingle or permit to be commingled its funds or other assets with those of any other person or entity;

(xvii) 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 other person or entity;

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(xviii) except as expressly provided for in the Loan Documents, does not and will not hold itself out to be responsible for the debts or obligations of any other person or entity;

(xix) except as expressly provided for in the Loan Documents, has not and will not guarantee or otherwise become liable on or in connection with any obligation of any other person or entity;

(xx) shall not do any act which would make it impossible to carry on its ordinary business;

(xxi) will not possess or assign the Property for other than a business or company purpose;

(xxii) shall not hold title to its assets other than in its name;

(xxiv) shall comply with all (and shall not suffer to be inaccurate any) of the assumptions, statements, certifications, representations, warranties and covenants regarding or made by Borrower contained in or appended to any opinion of Borrower's legal counsel delivered in connection with the transaction in which the Loan Documents are executed;

(xxv) shall not, without the unanimous consent of its board of directors (including the Outside Director), institute proceedings for itself to be adjudicated bankrupt or insolvent; consent to the institution of a bankruptcy or insolvency proceedings against it; file a petition seeking, or consent to, reorganization or relief under any applicable federal or state law relating to bankruptcy; consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) for itself or a substantial part of its property; make any assignment for the benefit of creditors; or admit in writing its inability to pay its debts generally as they become due;

(xxvi) shall not, without the unanimous consent of its board of directors (including the Outside Director), (A) liquidate or dissolve, in whole or in part; (B) consolidate, merge or enter into any form of consolidation with or into any other person or entity, nor convey, transfer or lease its assets substantially as an entirety to any person or entity nor permit any person or entity to consolidate, merge or enter into any form of consolidation with or into itself; or (C) amend any provisions of its organizational documents containing provisions similar to those contained in this Section 29; and

(xxvii) shall at all times maintain on its board of directors at least one independent director (an "Outside Director"), who shall be reasonably satisfactory to Lender and shall not have been at the time of such individual's appointment as Outside Director, and may not have been at any time during the preceding five years, (1) a shareholder, member, officer, director, partner or employee of Borrower or any of its shareholders, members, partners, subsidiaries or affiliates, (2) a customer of, or supplier to, Borrower or any of its shareholders, members, partners,

subsidiaries or affiliates, (3) a person controlling or under common control with any such shareholder, director, partner, member, supplier or

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customer, or (4) a member of the immediate family of any such shareholder, member, officer, director, partner, employee, supplier or customer.

SECTION 30. NOTICE. All notices given under this Agreement shall be in writing, and sent to the other party at its address set forth below or at such other address as such party may designate by notice to the other party and shall be deemed given on the earliest of (i) actual receipt, duly evidenced by any commercially reasonable means, (ii) three Business Days after mailing, by certified or registered U.S. Mail, return receipt requested, postage prepaid, (iii) one Business Day after timely delivery, fee prepaid, to a national overnight delivery service (such as FedEx, Purolater Courier, U.P.S. Next Day Air), (iv) the date of transmission of notice sent by telecopier or facsimile machine (with a copy thereof sent in accordance with clause (ii) above) provided notice was transmitted on a Business Day, otherwise notice shall be deemed given on the next Business Day. The applicable addresses are as follows:

To Borrower:

Stonewater UIS Funding LLC
c/o Drawbridge Special Opportunities Fund LLP
1251 Avenue of the Americas, 16th Floor
New York, New York 10021
Attn: Kevin Treacy
Facsimile No.: (212) 798-6099

With a Copy to:

Stonewater Partners
22 Deer Creek Lane
Mt. Kisco, New York 10549
Attn: Jeffrey Toporek
Facsimile No.: (914) 470-4011

With a Copy to:

Solomon and Weinberg LLP
685 Third Avenue, 30th Floor
New York, New York 10017
Attn: Howard R. Shapiro, Esq.
Telephone No.: (212) 605-1000
Facsimile No.: (212) 605-0999

To Lender:

Greenwich Capital Financial Products, Inc.
600 Steamboat Road

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Greenwich, Connecticut 06830
Attn: Commercial Mortgage Loan Department
Telephone No.: (203) 618 2373
Facsimile No.: (203) 629 8363

With a Copy to:

Greenwich Capital Financial Products, Inc.
600 Steamboat Road
Greenwich, Connecticut 06830
Attn: Legal Department
Telephone No.: (203) 625 6065
Facsimile No.: (203) 629 5718

And to:

Katten Muchin Zavis Rosenman
525 W. Monroe Street, Suite 1600
Chicago, Illinois 60661
Attn: Daniel J. Perlman, Esq.
Telephone No.: (312) 902-5200
Facsimile No.: (312) 902-1061

A "Business Day" is any day other than a Saturday or Sunday on which the Lender is open for business. Borrower hereby requests that any notice of default or notice of sale in any judicial or nonjudicial foreclosure proceeding be mailed to Borrower at its address as specified herein.

SECTION 31. UNIFORM INSTRUMENT; GOVERNING LAW; SEVERABILITY. This form of instrument combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property and related fixtures and personal property. This Instrument shall be governed by the law of the jurisdiction in which the Property is located, In the event that any provision of this Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Instrument or the Note which can be given effect without the conflicting provisions, and to this end the provisions of this Instrument and the Note are declared to be severable. In the event that any applicable law limiting the amount of interest or other charges permitted to be collected from Borrower is interpreted so that any charge provided for in this Instrument or in the Note, whether considered separately or together with other charges levied in connection with this Instrument and the Note, violates such law, and Borrower is entitled to the benefit of such law, such charge is hereby reduced to the extent necessary to eliminate such violation. The amounts, if any, previously paid to Lender in excess of the amounts payable to Lender pursuant to such charges as reduced shall be applied by Lender to reduce the principal of the indebtedness evidenced by the Note. For the purposes of determining whether any applicable law limiting the amount of interest or other charges permitted to be collected from Borrower has been violated, all indebtedness which is secured by this Instrument or evidenced by the Note and which constitutes interest, as well as all other charges levied in connection with such

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indebtedness which constitute interest, shall be deemed to be allocated and spread over the stated term of the Note. Unless otherwise required by applicable law, such allocation and spreading shall be effected in such a manner that the rate of interest computed thereby is uniform throughout the stated term of the Note.

SECTION 32. ASSUMABILITY.

(a) So long as no Event of Default exists under the Note, this Instrument or any other Loan Document, in the event Borrower desires to transfer all of the Property to another party (the "Transferee"), including without limitation, a Fortress Affiliate, and have the Transferee assume all of Borrower's obligations under the Note, this Instrument and all of the other Loan Documents, and replacement guarantors and indemnitors assume all of the obligations of the indemnitors and guarantors of the Loan Documents (collectively, the "Transfer and Assumption"), Borrower, subject to the terms of this Section, may make a written application to Lender for Lender's consent to the Transfer and Assumption, subject to the conditions set forth in this Section. Together with such written application (and afterwards if requested by Lender), Borrower will submit to Lender true, correct and complete copies of any and all information and documents of any kind requested by Lender concerning the Property, Transferee and/or Borrower, together with any review fee required by Lender, in Lender's sole discretion (or in the event the proposed Transferee is a Qualified Institutional Transferee (as defined below) or a Fortress Affiliate, in Lender's reasonable discretion).

(b) Lender may grant or withhold its consent to a Transfer and Assumption in Lender's sole and absolute discretion (or in the event the proposed Transferee is a Qualified Institutional Transferee, in Lender's reasonable discretion), and may require, inter alia, that:

(i) Lender receives an opinion from counsel acceptable to Lender that (x) such Transfer and Assumption shall not affect, in any way, the enforceability of the Loan Documents or the lien status, and (y) that the Transferee complies in all respects with the provisions of Section 29 of this Instrument and such other conditions concerning the organizational structure of the Transferee as were required by Lender at the time of the making of the Loan;

(ii) Borrower has submitted to Lender true, correct and complete copies of any and all information and documents of any kind requested by Lender concerning the Property, Transferee and/or Borrower;

(iii) the Transferee, in Lender's sole judgment (or in the event the proposed Transferee is a Qualified Institutional Transferee, in Lender's reasonable judgment), has sufficient experience in managing assets similar in size and type to the Property;

(iv) in Lender's sole judgment (or in the event the proposed Transferee is a Qualified Institutional Transferee, in Lender's reasonable judgment), the Transferee and the partners, members or shareholders of the Transferee are financially sound or have sufficient financial resources to manage the Property for the term of the Loan;

(v) if the Loan has been placed, or Lender plans to place the Loan, in an offering of Securities (as defined herein), Lender receives written

rating agencies that the Transfer and Assumption will not result in any downgrade, qualification or withdrawal of the ratings assigned to the pool and assets in which the Loan has been placed;

(vi) the replacement guarantors and indemnitors shall be satisfactory to Lender in Lender's sole discretion (or in the event the proposed Transferee is a Qualified Institutional Transferee, in Lender's reasonable discretion); and

(vii) Borrower has paid any review fee required by Lender.

There shall not be a limit on the number of Transfers and Assumptions Lender will consent to, provided the requirements of this Section 32(b) are satisfied with respect to each such Transfer and Assumption. Notwithstanding anything in this Section 32(b) to the contrary, Lender shall not withhold its consent to a transfer to a Fortress Affiliate, provided Borrower shall comply with the requirements of clauses (i), (ii), (v), (vii) and, to the extent there will be a replacement guarantor or indemnitor in connection with the Transfer and Assumption, (vi) of this Section 32(b) in connection with any such transfer to a Fortress Affiliate.

(c) If Lender consents to the Transfer and Assumption, the Transferee and/or Borrower as the case may be, shall immediately deliver the following to Lender:

(i) Borrower shall deliver to Lender an assumption fee in the amount of one percent (1%) of the then unpaid principal balance of the Loan;

(ii) Borrower, Transferee, and the original and replacement guarantors and indemnitors shall execute and deliver to Lender any and all documents required by Lender, in form and substance required by Lender, in Lender's sole discretion (the "Assumption Documents") and the original guarantors shall be released with respect to any obligations under the Loan Documents arising on or after the date of the closing of the Transfer and Assumption; and

(iii) Borrower shall cause to be delivered to Lender, an endorsement to the mortgagee policy of title insurance then insuring the lien created by this Instrument in form and substance reasonably acceptable to Lender (the "Endorsement").

(d) Borrower shall pay to Lender on demand all reasonable actual costs and expenses incurred by Lender in connection with any proposed or actual Transfer and Assumption (irrespective of whether or not the same is consented to or occurs), including without limitation recording costs, title insurance endorsement premiums, and the reasonable fees and expenses of attorneys, accountants and rating agencies. At Lender's option, payment of such costs and expenses shall be a condition to Lender's consent.

(e) Notwithstanding anything contained in this Section to the contrary, except based on Lender's written agreement to the Transfer and Assumption and Borrower's and Transferee's compliance with all of the terms and provisions of this Section, the terms and provisions of this Section shall in no way amend or modify the terms and provisions contained in Section 15 of this Instrument.

(f) Notwithstanding anything to the contrary in clause (i) of Section 32(c) above, Lender shall waive the assumption fee in connection with the first Transfer and Assumption provided the Transferee under such first Transfer and Assumption is a Qualified Institutional Transferee (as defined herein) or a Fortress Affiliate. As used herein, a "Qualified Institutional Transferee" shall mean (1) a real estate investment trust, real estate opportunity fund, hedge fund, investment bank, insurance company, trust company, commercial credit corporation, pension plan, pension fund or pension advisory firm, mutual fund, government entity or plan or an institution substantially similar to any of the foregoing (each an "Institution") that (A) together with all entities controlled by or under common control with such Institution, owns or has under management in excess of 2,000,000 square feet of office or industrial space (not including the Property), (B) has a Net Worth (as defined herein) of at least \$200,000,000.00 and (C) has at least ten (10) years' experience, and is regularly engaged in, owning and operating commercial office properties similar to the Property or (2) an entity wholly owned and controlled by an entity satisfying the requirements of clause (1) above. "Net Worth" shall mean the fair market value of an Institution's total assets including all interests in properties owned directly or indirectly by such Institution (excluding the Property), less all liabilities, as determined by Lender in its reasonable

discretion based on the financial statements delivered to Lender in connection with the proposed Transfer and Assumption. The term "liabilities" shall include, without limitation, (i) indebtedness secured by liens on assets with respect to which Net Worth is being computed, (ii) deferred liabilities, and (iii) obligations under leases which have been capitalized. The waiver described in this Section 32(f) shall only be available in connection with the first Transfer and Assumption and shall not be available (and the provisions contained in this Section 32(f) shall be null and void) with respect to any subsequent Transfer and Assumption, regardless of whether or not the assumption fee was waived by Lender in connection with the first Transfer and Assumption.

SECTION 33. RESTRUCTURING LOAN, SECONDARY MARKET TRANSACTIONS.

(a) SECONDARY MARKET TRANSACTIONS GENERALLY. Lender shall have the right to engage in one or more Secondary Market Transactions, and to structure and restructure all or any part of the Loan, including without limitation in multiple tranches, as a wraparound loan, or for inclusion in a REMIC or other Securitization. Without limitation, Lender shall have the right to cause the Note and this Instrument to be split into a first and a second mortgage loan in whatever proportion Lender determines, and thereafter to engage in Secondary Market Transactions with respect to all or any part of the indebtedness and loan documentation. Borrower acknowledges that it is the intention of the parties that all or a portion of the Loan will be securitized and that all or a portion of the Loan (either itself, or in combination with other loans) will be rated by one or more Rating Agencies. Borrower further acknowledges that additional structural modifications may be required to satisfy issues raised by any Rating Agencies.

(b) COOPERATION; LIMITATIONS. Borrower shall use all reasonable efforts and cooperate reasonably and in good faith with Lender in effecting any such restructuring or Secondary Market Transaction. Such cooperation shall include without limitation, executing and delivering such reasonable amendments to the Loan Documents as Lender may request, provided however that no such amendment shall on an over-all basis modify (i) the interest rate payable under the Note; (ii) the stated maturity date of the Note, (iii) the amortization of the principal

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amount of the Note, (iv) any other economic terms of the Loan, or (v) the non-recourse provisions of the Loan. Such cooperation also shall include using commercially reasonable efforts to obtain such certificates and assurances from governmental entities and others as Lender may request. Borrower shall not be required to provide additional collateral that was not initially contemplated by the parties to effect any such restructuring or Secondary Market Transaction. All reasonable actual costs and expenses of Borrower's cooperation as described herein shall be at the expense of Lender.

(c) INFORMATION. Borrower shall provide such information and documents relating to Borrower and its principals, the manager of the Property, the Property and the business and operations of all of the foregoing as Lender may reasonably request in connection with any such Secondary Market Transaction. Lender shall be permitted to share all such information with the investment banking firms, Rating Agencies, accounting firms, law firms, other third party advisory firms, potential investors, and other parties involved in any proposed Secondary Market Transaction. Any such information may be incorporated into offering documents for the Secondary Market Transactions. Lender and all of the aforesaid third-party advisors and professional firms and investors shall be entitled to rely upon such information, and Borrower shall indemnify, defend, and hold harmless Lender from and against any losses, claims, damages and liabilities that arise out of or are based upon any actual untrue or misleading statement of material fact contained in such information or the actual omission of any material fact without which such information is materially misleading and which Borrower should have reasonably determined was necessary to be included. Lender may publicize the existence of the Loan in connection with Lender's Secondary Market Transaction activities or otherwise.

(d) ADDITIONAL PROVISIONS. In any Secondary Market Transaction, Lender may transfer its obligations under the Loan Documents (or may transfer the portion thereof corresponding to the transferred portion of the obligations of Borrower), and thereafter Lender shall be relieved of any obligations under the Loan Documents arising after the date of said transfer with respect to the transferred interest. Each transferee investor shall be deemed to be a "Lender" under the applicable Loan Documents.

(e) CERTAIN DEFINITIONS. As used herein, the following terms have the meanings indicated:

"Loan" means all obligations of Borrower under the Loan Documents.

"Rating Agency" shall mean any of Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc., Moody's Investors Service, Duff & Phelps Credit Rating Co., Fitch, Inc., or any other

nationally-recognized statistical rating organization designated by Lender in its sole discretion.

"Secondary Market Transaction" means any of (i) the sale, assignment, or other transfer of all or any portion of the Loan or the Loan Documents or any interest therein to one or more investors, (ii) the sale, assignment, or other transfer of one or more participation interests in the Loan or Loan Documents to one or more investors, or (iii) the transfer or deposit of all or any portion of the Loan or Loan Documents to or with one or more trusts or other entities which may sell certificates or other instruments to

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investors evidencing an ownership interest in the assets of such trust or the right to receive income or proceeds therefrom.

"Securitization" shall mean a rated offering of securities representing direct or indirect interests in one or more mortgage loans or the right to receive income therefrom.

SECTION 34. SUCCESSORS AND ASSIGNS BOUND. This Instrument and the other Loan Documents shall be binding upon and inure to the benefit of Borrower and Lender and their respective successors and assigns forever, subject to Section 15 hereof. Notwithstanding the foregoing, Lender shall have no liability under any of the Loan Documents for any matter arising after Lender transfers its interest in the Note to any successor. However, Lender shall continue to have the benefit of all rights having accrued under the Loan Documents theretofore, and all rights under all obligations of indemnification set forth in the Loan Documents for matters arising theretofore, then, and thereafter.

SECTION 35. FORBEARANCE BY LENDER NOT A WAIVER. Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any right or remedy. The acceptance by Lender of payment of any sum secured by this Instrument after the due date of such payment shall not be a waiver of Lender's right to either require prompt payment when due of all other sums so secured or to declare a default for failure to make prompt payment. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this Instrument, nor shall Lender's receipt of any awards, proceeds or damages, whether as proceeds of insurance or condemnation awards or otherwise, operate to cure or waive Borrower's default in payment of sums secured by this Instrument.

SECTION 36. ESTOPPEL CERTIFICATE. Borrower and Lender each shall within fifteen days of a written request from Lender furnish Lender with a written statement, duly acknowledged, setting forth the sums secured by this Instrument and any right of set-off, counterclaim or other defense which exists against such sums and the obligations of this Instrument and attaching true, correct and complete copies of the Note, this Instrument and any other Loan Documents and any and all modifications, amendments and substitutions thereof.

SECTION 37. WAIVER OF JURY TRIAL. EACH OF BORROWER AND LENDER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONJUNCTION WITH THE NOTE, THIS INSTRUMENT, ANY OTHER LOAN DOCUMENT, ANY OTHER AGREEMENT CONTEMPLATED TO BE EXECUTED IN CONNECTION HEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF EITHER PARTY.

SECTION 38. MISCELLANEOUS.

(a) No Oral Change. No provision of this Instrument or any of the other Loan Documents may be modified, amended, waived, extended, changed, discharged or terminated

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orally or by any act or failure to act on the part of Borrower or Lender, except 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.

(b) Liability. If Borrower consists of more than one person, the obligations and liabilities of each such person hereunder and under the other Loan Documents shall be joint and several.

(c) Captions. The captions and headings of the Sections, paragraphs, and other provisions of this Instrument are for convenience only and are not to be used to interpret or define the provisions hereof.

(d) Duplicate Originals; Counterparts. This Instrument and any of the Loan Documents may be executed in any number of duplicate originals and each duplicate original shall be deemed to be an original. This Instrument and any of the Loan Documents may be executed in multiple counterparts.

(e) Number and Gender. Whenever the context may require, any pronouns used herein or in any of the Loan Documents shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice versa.

(f) Subrogation. If any or all of the proceeds of the Note have been used to extinguish, extend or renew any indebtedness heretofore existing against the Property, then, to the extent of the funds so used, Lender shall be subrogated to all of the rights, claims, liens, titles, and interests existing against the Property heretofore held by, or in favor of, the holder of such indebtedness and such former rights, claims, liens, titles, and interests, if any, are not waived but rather are continued in full force and effect in favor of Lender and are merged with the lien and security interest created herein as cumulative security for the performance and repayment of the obligations secured hereby.

(g) Entire Agreement. The Note, this Instrument and the other Loan Documents constitute the entire understanding and agreement between Borrower and Lender pertaining to the subject matter hereof and thereof, and supersede all prior written or oral understandings and agreements between Borrower and Lender with respect thereto, including the prior agreements evidenced by any application or commitment issued in connection with this transaction. Borrower hereby acknowledges that, except as incorporated in writing in the Loan Documents, there are not, and were not, and no persons are or were authorized by Lender to make, any representations, understandings, stipulations, agreements or promises, oral or written, with respect to the transaction which is the subject of the Loan Documents, except only to the extent expressly set forth in the Loan Documents.

(h) Action through Agents. In exercising any rights hereunder or under any of the Loan Documents or taking any actions provided for herein or therein, Lender may act through its employees, agents or independent contractors as authorized by Lender.

(i) Maturity Date. The maturity date of the indebtedness secured by this Instrument is June 1, 2014; provided that if the "Payment Date" (as defined in the Note) is changed pursuant

to the Note, the maturity date shall be the "New Payment Date" (as defined in the Note) occurring in June 2014.

SECTION 39. WAIVER OF CONSTITUTIONAL RIGHTS. BORROWER UNDERSTANDS AND AGREES THAT IF AN EVENT OF DEFAULT SHALL OCCUR, LENDER HAS THE RIGHT, INTER ALIA, TO FORECLOSE THIS INSTRUMENT BY ADVERTISEMENT PURSUANT TO MINNESOTA STATUTES, CHAPTER 580, AS HEREAFTER AMENDED, OR PURSUANT TO ANY SIMILAR OR REPLACEMENT STATUTE HEREAFTER ENACTED; THAT IF LENDER ELECTS TO FORECLOSE BY ADVERTISEMENT, IT MAY CAUSE THE PROPERTY, OR ANY PART THEREOF, TO BE SOLD AT PUBLIC AUCTION; THAT NOTICE OF SUCH SALE MUST BE PUBLISHED AND GIVEN PERSONALLY TO THE PERSONS IN POSSESSION OF THE PROPERTY AS PROVIDED BY STATUTE; THAT BORROWER WILL HAVE SUCH PERIOD AS IS PROVIDED BY MINNESOTA STATUTES, SECTION 580.23 OR 582.032, AS APPLICABLE, OR ANY AMENDMENT THERETO, OR ANY SIMILAR OR REPLACEMENT STATUTE HEREAFTER ENACTED, TO REDEEM THE PROPERTY SO SOLD BY PAYING THE SALE PRICE, ANY TAXES, ASSESSMENTS AND INSURANCE PREMIUMS PAID BY THE PURCHASER AT SUCH SALE, AND OTHER SUMS PERMITTED BY LAW, TOGETHER WITH INTEREST THEREON FROM THE DATE OF SALE OR PAYMENT AT THE HIGHEST RATE PERMITTED BY LAW.

BORROWER FURTHER UNDERSTANDS THAT IN THE EVENT OF SUCH EVENT OF DEFAULT LENDER MAY TAKE POSSESSION OF THE PROPERTY WHICH IS SUBJECT TO THE SECURITY INTEREST HEREINBEFORE GRANTED AND DISPOSE OF THE SAME BY SALE OR OTHERWISE IN ONE OR MORE PARCELS, PROVIDED THAT AT LEAST TEN (10) DAYS' PRIOR NOTICE OF SUCH DISPOSITION MUST BE GIVEN TO BORROWER, ALL AS PROVIDED FOR BY THE MINNESOTA UNIFORM COMMERCIAL CODE, AS HEREAFTER AMENDED, OR BY ANY SIMILAR OR REPLACEMENT STATUTE HEREAFTER ENACTED.

BORROWER FURTHER UNDERSTANDS THAT UNDER THE CONSTITUTION OF THE UNITED STATES IT MAY HAVE THE RIGHT TO NOTICE AND HEARING BEFORE THE PROPERTY MAY BE SOLD AND THAT THE PROCEDURE FOR FORECLOSURE BY ADVERTISEMENT DESCRIBED ABOVE DOES NOT INSURE THAT NOTICE WILL BE GIVEN TO BORROWER, AND NEITHER SAID PROCEDURE FOR FORECLOSURE BY ADVERTISEMENT NOR THE MINNESOTA UNIFORM COMMERCIAL CODE REQUIRES ANY HEARING OR OTHER JUDICIAL PROCEEDING.

BORROWER HEREBY RELINQUISHES, WAIVES AND GIVES UP ANY CONSTITUTIONAL RIGHTS TO NOTICE AND HEARING BEFORE SALE OF THE PROPERTY AND EXPRESSLY CONSENTS AND AGREES THAT THE PROPERTY MAY BE FORECLOSED BY ADVERTISEMENT AND THAT THE PORTION THEREOF WHICH IS SUBJECT TO THE SECURITY INTEREST HEREINBEFORE GRANTED MAY BE DISPOSED OF PURSUANT TO THE UNIFORM COMMERCIAL CODE, ALL AS DESCRIBED ABOVE.

BORROWER ACKNOWLEDGES THAT IT IS REPRESENTED BY LEGAL COUNSEL; THAT BEFORE SIGNING THIS DOCUMENT THIS SECTION 39 AND ITS CONSTITUTIONAL RIGHTS WERE FULLY EXPLAINED BY SUCH COUNSEL AND THAT IT UNDERSTANDS THE NATURE AND EXTENT OF THE RIGHTS WAIVED HEREBY AND THE EFFECT OF SUCH WAIVER.

SECTION 40. FIXTURE FINANCING STATEMENT. The filing of this Instrument shall constitute a filing of a financing statement in the office wherein it is filed and a carbon, photographic or other reproduction of this document may also be filed as a financing statement.

<TABLE>	
<S>	
Name and Address of Debtor:	<C> Stonewater UIS Funding LLC 1251 Avenue of the Americas, 16th Floor New York, New York 10021
Name and Address of Secured Party:	Greenwich Capital Financial Products, Inc. 600 Steamboat Road Greenwich, Connecticut 06830
Description of the types (or items) of property covered by this financing statement:	All fixtures, machinery, equipment, engines, boilers, incinerators, building materials, appliances and goods of every nature whatsoever now or hereafter located in, or on, or used, or intended to be used in connection with the property, including, but not limited to, those for the purposes of supplying or distributing heating, cooling, electricity, gas, water, air and light; and all elevators, and related machinery and equipment, fire prevention and extinguishing apparatus, security and access control apparatus, plumbing, bath tubs, water heaters, water closets, sinks, ranges, stoves, refrigerators, dishwashers, disposals, washers, dryers, awnings, storm windows, storm doors, screens, blinds, shades, curtains and curtain rods, mirrors, cabinets, paneling, rugs, attached floor coverings, furniture, pictures, antennas, trees and plants now or hereafter located on and used in connection with the operation of the Property of whatsoever type or nature whether now owned or hereafter acquired by Borrower, including all replacements, repairs and substitutions thereto and proceeds thereof.
Description of real estate to which all or part of the collateral	
</TABLE>	

is attached or upon
which it is located: See attached Exhibit A.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Borrower has executed this Instrument or has caused the same to be executed by its representatives thereunto duly authorized.

BORROWER:

STONEWATER UIS FUNDING LLC, a
Delaware limited liability company

By: /s/ CONSTANTINE DAKOLIAS

Name: CONSTANTINE DAKOLIAS
Its: AUTHORIZED SIGNATORY

STATE OF NEW YORK)
) SS.
COUNTY OF NASSALL)

BEFORE ME, a Notary Public in and for said County and State, personally appeared Constantine M. Dakolias, by me known to be the Authorized Signatory of Stonewater UIS Funding, LLC, a Delaware limited liability company ("Borrower"), who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such _____ of Borrower _____ and who, being duly sworn, stated that she, being authorized so to do, signed and delivered the foregoing Instrument as such _____ of Borrower as his/her own free and voluntary act and as the free and voluntary act of Borrower, for the uses and purposes therein set forth.

WITNESS my hand and Notary Seal this 10th day of May, 2004.

/s/ JASMEEN BLOCKER

Notary Public

JASMEEN BLOCKER
Notary Public, State of New York
No. 01BL6047869
Qualified in Nassall Country
Commission Expires September 11.20.06

Exhibit A

Legal Description

Parcel 1:

The South 1024 feet of the West 700 feet of the Northwest Quarter of Section 8, Township 29, Range 23, Ramsey County, Minnesota.

Parcel 2:

Non-exclusive easement for pedestrian and vehicular access, ingress and egress, as contained in Declaration of Roadway Easement dated _____, 2004, recorded _____, 2004, as Document No. _____.

May 12, 2004

Greenwich Capital Financial Products, Inc.
600 Steamboat Road
Greenwich, Connecticut 06830

Re: \$20,860,000.00 loan (the "Loan") from Greenwich Capital Financial Products, Inc. ("Lender") to Stonewater UIS Funding LLC ("Borrower")

Ladies and Gentlemen:

In connection with the closing of the referenced transaction, as a condition precedent to the closing of the Loan, Borrower was obligated to develop an operations and maintenance program with respect to the presence of asbestos and lead-based paint at the Project (the "O&M Program"). All capitalized words used but not otherwise defined herein shall have the meanings set forth in the Operations and Maintenance Agreement between Borrower and Lender dated of even date herewith.

As of the date hereof, Borrower has not yet developed an O&M Program. As an accommodation to Borrower, Lender has agreed that this condition precedent to the making of the Loan may be satisfied by Borrower following the closing and funding of the Loan. In order to induce Lender to make the Loan, Borrower agrees to deliver or cause to be delivered to Lender within sixty (60) days after the date hereof an O&M Program reasonably satisfactory in form and substance to Lender.

This letter agreement may not be modified, amended, changed or terminated orally, but only by a written agreement signed by the party against whom the enforcement thereof is sought. This letter agreement shall be binding upon and inure to the benefit of the Lender and Borrower, the indemnitors and their respective permitted successors and assigns.

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This letter agreement shall be governed by and construed in accordance with the laws of the State of Minnesota.

Very truly yours,

BORROWER:

STONEWATER UIS FUNDING LLC, a
Delaware limited liability company

By: /s/ Illegible

Name: _____

Title: _____

ACCEPTED AND AGREED TO
THIS _____ DAY OF MAY, 2004.

GREENWICH CAPITAL FINANCIAL PRODUCTS,
INC., a Delaware corporation

By: _____

Name: _____

Title: _____

Greenwich Capital Financial Products, Inc.
May 12, 2004
Page 2

This letter agreement shall be governed by and construed in accordance with the laws of the State of Minnesota.

Very truly yours,

BORROWER:

STONEWATER UIS FUNDING LLC, a
Delaware limited liability company

By: _____

Name: _____

Title: _____

ACCEPTED AND AGREED TO
THIS 12th DAY OF MAY, 2004.

GREENWICH CAPITAL FINANCIAL PRODUCTS,
INC., a Delaware corporation

By: /s/ DAVID M. MURDOON

Name: DAVID M. MURDOON

Title: MANAGING DIRECTOR

OPERATIONS AND MAINTENANCE AGREEMENT

THIS OPERATIONS AND MAINTENANCE AGREEMENT ("Agreement") is made as of the 12th day of May, 2004, by STONEWATER UIS FUNDING LLC, a Delaware limited liability company ("Borrower") in favor of GREENWICH CAPITAL FINANCIAL PRODUCTS, INC., a Delaware corporation, its successors, transferees and assign ("Lender").

RECITALS:

This Agreement is being executed in connection with Lender's making a mortgage loan to Borrower in the original principal amount of \$20,860,000.00 (the "Loan").

The Loan is evidenced by a Promissory Note of even date herewith, made by Borrower and is secured by, among other things, a Mortgage, Assignment of Rents and Security Agreement ("Instrument") of the same date, which encumbers certain real property and improvements more particularly described therein (the "Project").

As a condition of making the Loan, Lender has required Borrower to develop an operations and maintenance program for the Project with respect to the presence of asbestos and lead-based paint (the "O & M Program"). The O & M Program developed by Borrower, and approved by Lender, is attached hereto as Exhibit A and is by this reference made a part of this Agreement.

NOW, THEREFORE, in consideration of the above and the mutual promises contained in this Agreement, the receipt and sufficiency of which are acknowledged, Borrower and Lender agree as follows:

1. Compliance with O & M Program. Borrower hereby covenants and agrees that, during the term of the Loan, including any extension or renewal thereof, Borrower shall comply in all respects with the terms and conditions of the O & M Program. Notwithstanding anything foregoing in this Section 1 to the contrary, for so long as the Unisys Lease (as defined in the Instrument) is in full force and effect, (a) the obligations of Borrower under this Agreement shall be subject to the terms and provisions of the Unisys Lease, and (b) Borrower shall be required to comply with the terms and conditions of the O & M Program only to the extent Borrower takes any action permitted to be taken by Borrower under the Lease.

2. Default Under Note and Security Instrument. Borrower hereby acknowledges and agrees that if Borrower fails to comply in all respects with the terms and conditions of the O & M Program, Borrower will be in default under the Note and Security Instrument, in which event the entire unpaid principal balance of the Note, accrued interest and any other sums due Lender under the Note will become immediately due and payable at Lender's option, all in accordance with the terms and conditions of the Note and the Security Instrument.

3. Successors and Assigns Bound. This Agreement shall be binding upon Borrower and Lender and their respective successors and assigns, and shall inure to the benefit of and may be enforced by Lender and its successors, transferees and assigns. Borrower shall not assign any of its rights and obligations under this Agreement without the prior written consent of Lender.

4. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota, and applicable federal law.

5. No Waiver. Lender's requirement that the Borrower develop and comply with the O & M Program shall not be deemed to constitute a waiver or a modification of any of the Borrower's covenants and agreements with respect to Hazardous Materials or Hazardous Materials Law as set forth in the Environmental Indemnity Agreement or the Instrument.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Borrower has executed this Agreement on the date and year first written above.

BORROWER:

STONEWATER UIS FUNDING LLC, a
Delaware limited liability company

By: /s/ CONSTANTINE DAKOLIAS

Name: CONSTANTINE DAKOLIAS
Title: AUTHORIZED SIGNATORY

EXHIBIT A
O&M PROGRAM

(to be attached)

THIS IS A MORTGAGE AMENDMENT AS DEFINED IN MINNESOTA STATUTES, SECTION 287.01, SUBD. 2, AND AS SUCH, DOES NOT SECURE A NEW OR INCREASED AMOUNT OF DEBT.

LOAN ASSUMPTION AGREEMENT

This instrument amends:

(a) that certain Mortgage, Assignment of Rents and Security Agreement, dated as of May 12, 2004, and recorded with the Ramsey County Recorder on July 6, 2004, as Document No. 1825000; and

(b) that certain Assignment of Leases and Rents, dated as of May 12, 2004, and recorded with the Ramsey County Recorder on July 6, 2004, as Document No. 1825001.

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PREPARED BY AND PLEASE RETURN TO:	CROSS REFERENCE:
SUTHERLAND, ASBILL & BRENNAN LLP	DOCUMENT NO. 1825000, 1825001
1114 AVENUE OF THE AMERICAS, 40th FL	RAMSEY COUNTY, MINNESOTA RECORDS
NEW YORK, NY 10036	GMACCM LOAN #99-1071381
ATTN: NICOLE L. SIDMAN	

LOAN ASSUMPTION AGREEMENT

THIS LOAN ASSUMPTION AGREEMENT (this "Agreement") is made and entered into as of February 21, 2006 (the "Effective Date") by and between STONEWATER UIS FUNDING LLC, a Delaware limited liability company ("Prior Owner"); STONEWATER FUNDING, LLC, a Delaware limited liability company ("Prior Guarantor"); UC06 ROSEVILLE MN LLC, a Delaware limited liability company ("Borrower"); GLADSTONE COMMERCIAL CORPORATION, a Maryland corporation ("New Guarantor"); and LASALLE BANK NATIONAL ASSOCIATION, AS TRUSTEE FOR GREENWICH CAPITAL COMMERCIAL FUNDING CORP., COMMERCIAL MORTGAGE TRUST 2005-GG3, COMMERCIAL MORTGAGE PASS-THROUGH CERTIFICATES, SERIES 2005-GG3 ("Lender").

RECITALS

A. Prior Owner was the maker of that certain Promissory Note (the "Note") dated May 12, 2004 in the original principal amount of Twenty Million Eight Hundred Sixty Thousand and 00/100 Dollars (\$20,860,000) and payable to the order of Greenwich Capital Financial Products, Inc., a Delaware corporation ("Former Lender"). The loan evidenced by the Note is herein referred to as the "Loan."

B. The Note is secured by that certain Mortgage, Assignment of Rents and Security Agreement (the "Mortgage") dated May 12, 2004 executed by Prior Owner in favor of Former Lender recorded at Document No. 1825000 of the Office of the Registrar of Ramsey County, Minnesota (the "Public Records"). The Mortgage encumbers certain real property described on EXHIBIT A attached hereto and by this reference incorporated herein (together with all other property, real and personal, encumbered by the Mortgage, the "Property").

C. The Loan is further evidenced by: (i) that certain Tenant Improvement and Leasing Commission Reserve and Security Agreement (the "Reserve and Security Agreement") dated as of May 12, 2004, executed by Prior Owner in favor of Former Lender; (ii) that certain Operations and Maintenance Agreement (the "O & M Agreement") dated as of May 12, 2004, executed by Prior Owner in favor of Former Lender; (iii) that certain Cash Management Agreement (the "Cash Management Agreement") dated as of May 12, 2004 executed by Prior Owner in favor of Former Lender; (iv) that certain Assignment of Leases and Rents (the "Assignment of Leases and Rents") dated as of May 12, 2004, and recorded at Document No. 1825001 of the Public Records executed by Prior Owner in favor of Former Lender; (v) that certain Replacement Reserve and Security Agreement ("Replacement Reserve and Security Agreement") dated as of May 12, 2004 executed by Prior Owner in favor of Former Lender; and (vi) that certain Letter dated December 28, 2004 from Prior Owner to Former Lender in respect

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of the O & M Agreement (the "December 28th O&M Letter Agreement").

D. In connection with the Loan, Prior Owner also delivered, or caused to be delivered, the following documents to Former Lender:

(1) those certain UCC-1 Financing Statements (collectively, the "Prior UCC") naming Prior Owner as Debtor therein, and Former Lender as Secured Party therein, and filed in the Public Records and in the records of the Secretary of State of Delaware; and

(2) that certain Environmental Indemnity Agreement (the "Prior Environmental Agreement") dated May 12, 2004, executed by Prior Owner and Prior Guarantor for the benefit of Former Lender;

(3) that certain Exceptions to Non-Recourse Guaranty (the "Prior Carve Out Guaranty") dated May 12, 2004, executed by Prior Guarantor for the benefit of Former Lender;

(4) that certain Conditional Assignment of Management Agreement (the "Prior Assignment of Management Agreement") dated May 12, 2004, executed by Prior Owner and acknowledged and consented to by United Properties LLC;

(5) that certain Rent Account Bank Instruction Letter dated May 10, 2004 from the Prior Owner (the "Rent Account Instruction Letter");

(6) that certain Certificate of Borrower dated May 12, 2004, executed by Prior Owner for the benefit of Former Lender (the "Prior Owner Borrower Certificate");

(7) that certain Letter dated May 12, 2004 from Prior Owner to Former Lender in respect of the O & M Agreement (the "May 12th O&M Letter Agreement"); and

(8) that certain Subordination, Non-Disturbance and Attornment Agreement dated May 12, 2004 by and between Prior Owner, Former Lender and Unisys Corporation (the "Prior Owner SNDA").

(The Prior UCC, the Prior Environmental Agreement, the Prior Carve Out Guaranty, the Prior Assignment of Management Agreement, the Rent Account Instruction Letter, the Prior Owner Borrower Certificate, the May 12th O&M Letter Agreement and the Prior Owner SNDA are hereinafter referred to collectively as the "Prior Owner's Loan Documents.")

E. Upon the Effective Date, Borrower is executing and delivering, or is causing to be delivered, to Lender the following documents:

(1) those certain UCC-1 Financing Statements (collectively, the "UCC") naming Borrower as Debtor therein, and naming Lender, as Secured Party therein, to be filed in the Public Records and the records of the Secretary of State of Delaware ; and

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(2) that certain Environmental Indemnity Agreement (the "Environmental Agreement") dated as of the Effective Date, delivered by New Guarantor and Borrower for the benefit of Lender;

(3) that certain Exceptions to Non-Recourse Guaranty (the "Guaranty") dated as of the Effective Date, executed and delivered by New Guarantor, for the benefit of Lender; and

(4) that certain Conditional Assignment of Management Agreement (the "Assignment of Management Agreement") dated as of the Effective Date, executed and delivered by Borrower in favor of Lender and acknowledged and consented to by United Properties, LLC.

(The Note, the Mortgage, the O & M Agreement, the Reserve and Security Agreement, the Replacement Reserve and Security Agreement, the Cash Management Agreement, the Assignment of Leases and Rents, the UCC, the Environmental Agreement, the Guaranty, the Assignment of Management Agreement, the December 28th O&M Letter Agreement, together with all other documents evidencing, serving or otherwise pertaining to the Loan (expressly excluding the Prior Owner's Loan Documents) are hereinafter referred to collectively as the "Loan Documents", and singularly as a "Loan Document").

F. Lender is the holder of the Note and is the assignee of Former Lender's interest in and to the Loan Documents and the Prior Owner's Loan Documents.

G. The Property is being conveyed by Prior Owner to Borrower as of the Effective Date, and as part of the consideration for such conveyance, subject to the terms hereof, Borrower agrees to assume all the obligations under the Loan Documents and comply with all covenants and obligations contained in the Loan Documents.

H. Prior Owner and Borrower have requested that Lender consent to the assumption of the Loan and waive the due on sale restrictions of the Mortgage to permit the conveyance of the Property to Borrower.

I. Lender is willing to consent to the transfer of the Property by Prior Owner to Borrower and the assumption of the Loan by Borrower, subject to the terms and conditions set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of the sum of Ten and No/100 Dollars (\$10.00) cash in hand paid by the parties hereto each to the other and other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. LOAN INFORMATION. Lender certifies that: (a) the principal balance outstanding under the Note as of the Effective Date is \$20,387,487.38, and (b) interest on the Loan has been paid through February 1, 2006. All escrow deposits held by Lender in connection with the Loan Documents shall, from and after the Effective Date, be for the account of Borrower. To the actual knowledge of Lender as of the Effective Date, no event of default, or event which with the passage of time or the giving of notice, or both, would constitute an event of default, under the Loan Documents or Prior Owner's Loan Documents has occurred and is continuing. Lender reserves the right to declare any existing default which subsequently comes to the attention of Lender.

2. ORGANIZATION AND AUTHORITY OF BORROWER. Borrower represents and warrants to Lender as follows:

(a) Borrower is a limited liability company, duly formed and validly existing under the laws of the state of Delaware, and duly qualified to transact business under the laws of the state in which the Property is located. The taxpayer identification number of the Borrower is 91-2198700. The organizational ID number of the Borrower is 4097982. On or prior to the date hereof, Borrower has delivered to Lender a fully executed IRS form W-9.

(b) No proceeding is pending for the dissolution or annulment of Borrower, and all license and franchise taxes due and payable by Borrower have been paid in full.

(c) Borrower has the full power and authority to enter into and perform this Agreement and to assume the Loan. The execution, delivery and performance of this Agreement and the other documents contemplated herein by Borrower (1) has been duly and validly authorized by all necessary action on the part of Borrower, (2) does not conflict with or result in a violation of Borrower's organizational documents or any judgment, order or decree of any court or arbiter in any proceeding to which Borrower is a party, and (3) does not conflict with, or constitute a material breach of, or constitute a material default under, any contract, agreement or other instrument by which Borrower is bound or to which Borrower is a party.

3. CONSENT OF LENDER. Lender hereby consents to the sale of the Property by Prior Owner to Borrower and agrees that such sale shall not constitute a default under the Loan Documents. Notwithstanding the foregoing, this consent to the transfer of the Property shall not be deemed to be a waiver of the right of the Lender under the Mortgage or the Loan Documents to prohibit any future transfers of the Property or any interest therein, or of the right of the Lender to deny consent to any such transaction in the future in accordance with the provisions of the Mortgage. From and after the Effective Date, references in the Loan Documents to "Maker," "Mortgagor," "Debtor," "Borrower," or other similar references that prior to the Effective Date referred to Prior Owner shall refer to Borrower, and references in the Loan Documents to "Guarantor" or other similar references that prior to the Effective Date referred to Prior Guarantor shall refer to New Guarantor.

4. ASSUMPTION AND RATIFICATION. Borrower hereby assumes and agrees to comply with all covenants and obligations contained in the Loan Documents and from and after the Effective Date shall be bound by all the terms thereof. Without limiting the foregoing, Borrower

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hereby assumes and agrees to pay in full as and when due all payments, the obligations and other indebtedness evidenced by the Note. As assumed hereby, and subject to the terms hereof, the Loan Documents shall remain in full force and effect. Borrower hereby authorizes the Lender to file any and all UCC financing statements as Lender may deem necessary including, without limitation, financing statements containing the description "all assets of Borrower" or "all personal property of Borrower" or similar language. The Borrower hereby adopts, ratifies and confirms as of the Effective Date all of the representations, warranties and covenants of Prior Owner contained in the Loan Documents, except such representations, warranties and covenants which are personal to the Prior Owner, in which case Borrower hereby adopts, ratifies and confirms as of the Effective Date all of those representations, warranties and covenants as to Borrower only.

5. REPRESENTATIONS AND WARRANTIES.

(a) Prior Owner hereby represents and warrants to Lender as follows:

(1) As of the Effective Date, there is no Event of Default (as defined in the Mortgage) or event which with the passage of time or the giving of notice, or both, would constitute an Event of Default under the Loan Documents; and

(2) Prior Owner has thoroughly read and reviewed the terms and provisions of this Agreement and the Loan Documents and is familiar with same, and Prior Owner has entered into this Agreement voluntarily, without duress or undue influence of any kind, and with the advice and

representation of legal counsel, if any, selected by Prior Owner.

(b) Borrower hereby represents and warrants to Lender as follows:

(1) To the best of Borrower's knowledge, as of the Effective Date, there is no Event of Default (as defined in the Mortgage) or event which with the passage of time or the giving of notice, or both, would constitute an Event of Default under the Loan Documents;

(2) Borrower has thoroughly read and reviewed the terms and provisions of this Agreement and the Loan Documents and is familiar with same, and Borrower has entered into this Agreement voluntarily, without duress or undue influence of any kind, and with the advice and representation of legal counsel, if any, selected by Borrower; and

(3) This Agreement has been duly executed and delivered by Borrower and constitutes the legal, valid and binding obligations of Borrower enforceable against Borrower in accordance with its respective terms, subject to applicable bankruptcy, insolvency and similar laws affecting rights of creditors generally, and general principles of equity. Borrower has not asserted any right of rescission, set-off, counterclaim or defense, including the defense of usury.

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Prior Owner and Borrower acknowledge that Lender is relying upon the foregoing representations and warranties as a material inducement to Lender's execution of this Agreement.

6. RELEASE OF CLAIMS. Prior Owner, Prior Guarantor, Borrower and New Guarantor (collectively and individually, "Borrower Parties"), hereby jointly and severally, unconditionally and irrevocably, finally and completely RELEASE AND FOREVER DISCHARGE Former Lender and Lender, and their respective successors, assigns, affiliates, subsidiaries, parents, officers, shareholders, directors, employees, attorneys and agents, past, present and future (collectively and individually, "Lender Parties"), of and from any and all claims, controversies, disputes, liabilities, obligations, demands, damages, debts, liens, actions and causes of action of any and every nature whatsoever, known or unknown, whether at law, by statute or in equity, in contract or in tort, under state or federal jurisdiction, and whether or not the economic effects of such alleged matters arise or are discovered in the future, which Borrower Parties have as of the Effective Date or may claim to have against Lender Parties arising out of or with respect to any and all transactions relating the Loan, the Prior Owner's Loan Documents or the Loan Documents occurring on or before the Effective Date, including any loss, cost or damage of any kind or character arising out of or in any way connected with or in any way resulting from the acts, actions or omissions of Lender Parties occurring on or before the Effective Date. The foregoing release is intended to be, and is, a full, complete and general release in favor of Lender Parties with respect to all claims, demands, actions, causes of action and other matters described therein, including specifically, without limitation, any claims, demands or causes of action based upon allegations of breach of fiduciary duty, breach of any alleged duty of fair dealing in good faith, economic coercion, usury, or any other theory, cause of action, occurrence, matter or thing which might result in liability upon Lender Parties arising or occurring on or before the Effective Date. Borrower Parties understand and agree that the foregoing general release is in consideration for the agreements of Lender contained herein and that they will receive no further consideration for such release. Borrower Parties represent and warrant to Lender that Borrower Parties have not previously assigned or transferred to any person or entity any matter released hereunder and Borrower Parties agree to indemnify, protect and hold the Lender Parties harmless from and against any and all claims based on or arising out of any such assignment or transfer.

7. DEFAULT. Any default by Borrower in the performance of its obligations herein contained, or any material inaccuracy in the representations and warranties made by Borrower herein, shall constitute a default under the Loan Documents and shall, after all notice and cure periods provided under the Loan Documents have expired, entitle Lender to exercise all of its rights and remedies set forth in the Loan Documents.

8. FEES. Borrower and Lender have agreed that, simultaneously with the execution hereof, all fees, costs, and charges arising in connection with the execution of this Agreement, including without limitation, all reasonable attorneys' fees, title company fees, title insurance premiums, recording costs, and other closing costs incurred by Lender in connection with this Agreement, will be paid by Borrower as of the Effective Date, and that Lender shall have no obligation whatsoever for payment thereof.

9. NO OFFSETS OR DEFENSES. Borrower hereby acknowledges, confirms and warrants to Lender that as of the Effective Date, Borrower neither has nor claims any offset, defense,

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claim, right of set-off or counterclaim against Lender under, arising out of or

in connection with this Agreement, nor, to the best of Borrower's knowledge, the Note, the Mortgage or any other Loan Document. Borrower covenants and agrees with Lender that if any offset, defense, claim, right of set-off or counterclaim exists as of the Effective Date, Borrower does hereby irrevocably and expressly waive the right to assert such matter. Borrower understands and agrees that the foregoing release is in consideration for the agreements of Lender contained herein, and Borrower will receive no further consideration for such release.

10. CONFIRMATION. Except as specifically set forth herein, all other terms and conditions of the Loan Documents shall remain unmodified and in full force and effect, the same being confirmed and republished hereby; and except as otherwise specifically set forth herein, the undersigned Borrower hereby assumes, affirms, reaffirms and republishes all of the warranties, covenants and agreements as set forth in the Loan Documents.

11. USURY SAVINGS CLAUSE. Notwithstanding anything to the contrary contained elsewhere in this Agreement, Borrower and Lender hereby agree that all agreements between them with respect to the Loan, including but not limited to the Loan Documents, whether now existing or hereafter arising are expressly limited so that in no contingency or event whatsoever shall the amount paid, or agreed to be paid, to Lender for the use, forbearance, or detention of the money loaned to Borrower, or for the performance or payment of any covenant or obligation contained herein or therein, exceed the maximum rate of interest under applicable law (the "Maximum Rate"). If from any circumstance whatsoever, fulfillment of any provisions of this Agreement or the Loan Documents at the time performance of such provisions shall be due would involve transcending the limit of validity prescribed by law, then, automatically, the obligation to be fulfilled shall be reduced to the limit of such validity, and if from any circumstance Lender should ever receive anything of value deemed interest by applicable law which would exceed the Maximum Rate, such excessive interest shall be applied to the reduction of the principal amount owing with respect to the Loan or on account of the other indebtedness secured by the Loan Documents or Borrower's Loan Documents and not to the payment of interest, or if such excessive interest exceeds the unpaid principal balance of the Loan and such other indebtedness, such excess shall be refunded to Borrower. All sums paid or agreed to be paid to Lender for the use, forbearance or detention of the Loan and other indebtedness of Borrower to Lender shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the full term of such indebtedness until payment in full so that the actual rate of interest on account of all such indebtedness is uniform throughout the actual term of the Loan and does not exceed the Maximum Rate throughout the entire term of the Loan, as appropriate. The terms and provisions of this Section 11 shall control every other provision of this Agreement and all other agreements between Borrower and Lender.

12. MODIFICATIONS, WAIVER. No waiver, modification, amendment, discharge, or change of any of the Loan Documents shall be valid unless the same is in writing and signed by the party against which the enforcement of such modification, waiver, amendment, discharge, or change is sought.

13. NO NOVATION. THE PARTIES DO NOT INTEND THIS AGREEMENT NOR THE TRANSACTIONS CONTEMPLATED HEREBY TO BE, AND THIS AGREEMENT

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AND THE TRANSACTIONS CONTEMPLATED HEREBY SHALL NOT BE CONSTRUED TO BE, A NOVATION OF ANY OF THE OBLIGATIONS OWING BY THE BORROWER UNDER OR IN CONNECTION WITH THE LOAN DOCUMENTS. FURTHER, THE PARTIES DO NOT INTEND THIS AGREEMENT NOR THE TRANSACTIONS CONTEMPLATED HEREBY TO AFFECT THE PRIORITY OF ANY OF THE LENDER'S LIENS IN ANY OF THE COLLATERAL SECURING THE EXISTING NOTE IN ANY WAY, INCLUDING, BUT NOT LIMITED TO, THE LIENS, SECURITY INTERESTS AND ENCUMBRANCES CREATED BY THE MORTGAGE.

14. RECITALS TRUE. Borrower, Guarantor, Prior Owner, Prior Guarantor and Lender each hereby approve the recitations set forth in the preamble of this Agreement and agree that said recitations are true and correct in all respects.

15. NOTICES. Lender and Borrower agree that all notice provisions contained in the Loan Documents are hereby modified to amend the notice address for Borrower and Lender, and that from and after the Effective Date the notice address for Lender and Borrower are as follows:

If to Lender:

c/o GMAC Commercial Mortgage Corporation
3 Ravinia Drive, N.E.
Suite 200
Atlanta, Georgia 30346
Attention: Servicing Department for Loan No. 99-1071381

If to Borrower:

c/o Gladstone Commercial Limited Partnership
1521 Westbranch Drive
McLean, VA 22101

Attn: Danielle Seidman

with a copy to:

Dickstein Shapiro Morin & Oshinsky LLP
2101 L Street, N.W.
Washington, D.C. 20037
Attention: James D. Kelly, Esq.

Each party to this Agreement may designate a further change of address by notice given as required in the Mortgage.

16. SEVERABILITY. If all or any portion of any provision of this Agreement shall be held to be invalid, illegal or unenforceable in any respect, then such invalidity, illegality or unenforceability shall not affect any other provision hereof or thereof, and such provision shall

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be limited and construed in such jurisdiction as if such invalid, illegal or unenforceable provision or portion thereof were not contained herein or therein.

17. COUNTERPART. This Agreement may be executed in any number of counterparts with the same effect as if all parties hereto had signed the same document. All such counterparts shall be construed together and shall constitute one instrument, but in making proof hereof it shall only be necessary to produce one such counterpart.

18. GOVERNING LAW. The terms and conditions of this Agreement shall be governed by the applicable laws of the state in which the Property is located.

19. INTERPRETATION. Within this Agreement, words of any gender shall be held and construed to include any other gender, and words in the singular number shall be held and construed to include the plural, unless the context otherwise requires. The section headings used herein are intended for reference purposes only and shall not be considered in the interpretation of the terms and conditions hereof. The parties acknowledge that the parties and their counsel have reviewed and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any exhibits or amendments hereto.

20. AMENDMENT. The terms and conditions hereof may not be modified, altered or otherwise amended except by an instrument in writing executed by Borrower and Lender.

21. ENTIRE AGREEMENT. This Agreement contains the entire agreement between the parties hereto with respect to the modification of the Loan and fully supersedes all prior agreements and understanding between the parties pertaining to such subject matter.

22. SUCCESSORS AND ASSIGNS. The terms and conditions of this Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their successors and permitted assigns.

23. TRIAL BY JURY WAIVER. BORROWER HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES, AND LENDER BY ITS ACCEPTANCE OF THIS AGREEMENT IRREVOCABLY AND UNCONDITIONALLY WAIVES, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT OR COUNTERCLAIM ARISING IN CONNECTION WITH, OUT OF OR OTHERWISE RELATING TO THE LOAN, THIS AGREEMENT OR THE LOAN DOCUMENTS.

24. RELEASE. Lender hereby forever releases and discharges Prior Owner and Prior Guarantor from any and all liability, obligation or duty under the Loan Documents and the Prior Owner Loan Documents arising from and after the Effective Date; provided, however, that Prior Owner and Prior Guarantor are not released or discharged from any liability, obligation or duty under the Loan Documents or the Prior Owner Loan Documents arising prior to or simultaneously with the assumption of the Loan by Borrower contained herein.

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25. PERMITTED TRANSFERS. Lender hereby acknowledges and agrees that, notwithstanding anything set forth herein or in the Loan Documents, the transfer of a direct or indirect interest in Borrower shall not be prohibited provided that: (i) at all times Borrower shall continue to comply with Section 29 of the Mortgage and in all ways maintain the single-purpose, bankruptcy remote nature of Borrower in accordance with Rating Agency standards; (ii) Borrower shall at all times remain a wholly owned subsidiary of Gladstone Commercial Corporation; and (iii) Borrower shall deliver to Lender a new non-consolidation opinion that shall be acceptable to Lender in all respects in connection with any transfer or series of transfers of direct and/or indirect interest in the Borrower that results in the ownership by any entity of more than forty-nine percent (49%) of the direct and/or indirect interests in Borrower other than any entity that owns more than forty-nine percent (49%) of the ownership interests in Borrower as of the date hereof.

26. MODIFICATION OF MORTGAGE. The Mortgage is hereby amended as follows:

(a) Section 15(c) (iv) is hereby deleted in its entirety and replaced with: "a transfer of all or any part of the Property, to a wholly owned subsidiary of Gladstone Commercial Corporation, a Maryland corporation, provided Borrower shall comply with the provisions of Section 32 below in connection with such transfer of all or any part of the Property."

(b) All references to "Fortress Affiliate" are hereby deleted in their entirety.

(c) The definition of "Indemnitor" is hereby deleted in its entirety and replaced with Gladstone Commercial Corporation, a Maryland corporation.

(d) Section 29 is hereby amended by adding the following:

(xxviii) shall not be caused, by consummation of the transactions contemplated in connection with the assumption of the indebtedness secured hereby (i) to be insolvent, (ii) to have an unreasonably small capital to carry on its business, or (iii) to have, or to believe that it has, incurred debts beyond its ability to pay as they mature;

(xxiv) shall not permit Gladstone Commercial Limited Partnership, a Delaware limited partnership (the "Member"), GCLP Business Trust I, a Massachusetts business Trust ("GCLP I") or the Indemnitor (the Member, GCLP I and the Indemnitor are each sometimes hereinafter referred to as an "Affiliated Entity" and collectively the "Affiliated Entities"), to have access to any bank account of the Borrower;

(xxx) shall not use stationary, invoices and checks separate from those used by any or all of the Affiliated Entities, or any other person or entity;

(xxxii) shall not permit any Affiliated Entity to become obligated for the debts of the Borrower;

(xxxiii) shall pay the salaries of its own employees, if any;

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(xxxiiii) shall allocate fairly and reasonably any overhead expenses that are shared with an Affiliated Entity, including for shared office space and for services performed by any employee of an Affiliated Entity;

(xxxv) shall maintain adequate capital in light of its contemplated business purpose, transactions and liabilities;

(xxxvi) shall not form, acquire or hold any subsidiary (whether corporate, partnership, limited liability company or other) or own equity interest in any or all of the Affiliated Entities, or any other person or entity;

(xxxvii) shall not form, acquire or hold evidence of indebtedness issued by any or all of the Affiliated Entities, or any other person or entity;

(xxxviii) shall not permit any Affiliated Entity to conduct business in the name of the Borrower;

(xxxix) is and intends to remain (a) adequately capitalized to conduct its business and affairs as a going concern, considering the size and nature of its business and intended purposes; (b) solvent; and (c) able to pay its debts as they come due;

(xl) shall not operate or purport to operate as an integrated, single economic unit with any or both of the Affiliated Entities, or any other person or entity; and

(xli) shall maintain accurate financial statements, accounting records and other limited liability company or corporate documents, as applicable, separate from each other and from those of any or all of the Affiliated Entities, or any other person or entity, including without limitation correct and complete books and records of account and minutes of the meetings and other proceedings of its directors and members;

(xlii) shall not enter into any transaction with any Affiliated Entity except on commercially reasonable terms substantially similar to those available to unaffiliated parties in an arm's-length transaction (except for capital contributions or capital distributions permitted under the terms and conditions of the Operating Agreement, if any, and properly reflected on the books and records of the Borrower;

(xliii) shall not permit any combined or consolidated financial

statements issued by any Affiliated Entity that include the Borrower to fail to include notes indicating the Borrower's ownership of its own assets and the Borrower's obligation for its own liabilities;

(xlili) shall correct any known misunderstanding regarding its separate identity; and

(xliv) shall not acquire any securities of Member or of any Affiliated Entity.

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27. MODIFICATION OF CASH MANAGEMENT AGREEMENT. The Cash Management Agreement is hereby amended as follows:

(a) The first sentence of Section 1.01 is hereby deleted and replaced with the following:

"Borrower hereby agrees that, upon the occurrence of a Triggering Event (as defined herein), Borrower shall establish a demand deposit account, which account shall at all times be an Eligible Account (as defined herein) with a depository bank which is acceptable to Lender, in Borrower's own name and in the name of Lender (said account, and any demand deposit account replacing same in accordance with this Agreement, may be referred to as the "Rent Account," and the depository institution in which any Rent Account hereunder is maintained may be referred to as the "Rent Account Bank")."

(b) Section 1.01 is hereby amended by deleting "So long as the Loan is outstanding" and replacing it with "Once a Triggering Event occurs" at the beginning of the second sentence.

(c) Section 1.02 is hereby amended by adding "Once a Triggering Event occurs" to the beginning of the first sentence.

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IN WITNESS WHEREOF, the parties hereby have all executed this Agreement under seal as of the day and year first hereinabove written.

BORROWER:

UC06 ROSEVILLE MN LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____

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GUARANTOR:

Gladstone Commercial Corporation, a Maryland corporation

By: _____
Name: _____
Title: _____

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ACKNOWLEDGMENT

Assuming Borrower

STATE OF _____)
) SS
COUNTY OF _____)

Before me, a Notary Public in and for said County and State, personally appeared _____ by me known to be the _____ of UC06 Roseville MN, LLC, a Delaware limited liability company, who is personally known to me to e the same person whose name is subscribed to the foregoing instrument and who, being duly sworn, stated that s/he, being authorized so to do, signed and delivered the foregoing Instrument as his/her own free and voluntary act and as the free and voluntary act of such limited liability company, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this _____ day of _____, 2006.

Notary Public

My Commission Expires:

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STATE OF _____)
) SS
COUNTY OF _____)

Assuming Guarantor

Before me, a Notary Public in and for said County and State, personally appeared _____ by me known to be the _____ of Gladstone Commercial Corporation, a Maryland corporation, who is personally known to me to e the same person whose name is subscribed to the foregoing instrument and who, being duly sworn, stated that s/he, being authorized so to do, signed and delivered the foregoing Instrument as his/her own free and voluntary act and as the free and voluntary act of such corporation, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this ____ day of _____, 2006.

Notary Public

My Commission Expires:

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PRIOR OWNER:

STONEWATER UIS FUNDING LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____

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PRIOR GUARANTOR:
STONEWATER FUNDING LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____

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Prior Owner

STATE OF _____)
) SS
COUNTY OF _____)

Before me, a Notary Public in and for said County and State, personally appeared _____ by me known to be the _____ of Stonewater UIS Funding, LLC, a Delaware limited liability company, who is personally known to me to e the same person whose name is subscribed to the foregoing instrument and who, being duly sworn, stated that s/he, being authorized so to do, signed and delivered the foregoing Instrument as his/her own free and voluntary act and as the free and voluntary act of such limited liability company, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this ____ day of _____, 2006.

Notary Public

My Commission Expires:

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STATE OF _____)

Prior Guarantor

) SS
COUNTY OF _____)

Before me, a Notary Public in and for said County and State, personally appeared _____ by me known to be the _____ of Stonewater Funding, LLC, a Delaware limited liability company, who is personally known to me to e the same person whose name is subscribed to the foregoing instrument and who, being duly sworn, stated that s/he, being authorized so to do, signed and delivered the foregoing Instrument as his/her own free and voluntary act and as the free and voluntary act of such limited liability company, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this _____ day of _____, 2006.

Notary Public

My Commission Expires:

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LENDER:

LASALLE BANK NATIONAL ASSOCIATION, AS
TRUSTEE FOR GREENWICH CAPITAL COMMERCIAL
FUNDING CORP. COMMERCIAL MORTGAGE TRUST
2005-GG3, COMMERCIAL MORTGAGE PASS-THROUGH
CERTIFICATES, SERIES 2005-GG3

By: GMAC Commercial Mortgage Corporation,
a California corporation, its
authorized agent

By: _____
Name: John Webster
Title: Vice President

[CORPORATE SEAL]

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STATE OF _____)
) SS
COUNTY OF _____)

Before me, a Notary Public in and for said County and State, personally appeared John Webster by me known to be the Vice President of GMAC Commercial Mortgage Corporation, the authorized agent of LaSalle Bank National Association, as Trustee for Greenwich Capital Commercial Funding Corp. Commercial Mortgage Trust 2005-GG3, Commercial Mortgage Pass-Through Certificates, Series 2005-GG3 ("Lender"), who is personally known to me to e the same person whose name is subscribed to the foregoing instrument and who, being duly sworn, stated that s/he, being authorized so to do, signed and delivered the foregoing Instrument as his/her own free and voluntary act and as the free and voluntary act of such Lender, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this _____ day of _____, 2006.

Notary Public

My Commission Expires:

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EXHIBIT A

LEGAL DESCRIPTION

Parcel A (Certificate of Title No. 541911):

The South 1024 feet of the West 700 feet of the Northwest Quarter of Section 8, Township 29, Range 23, Ramsey County.

Parcel B:

A non-exclusive easement for road purposes over North 30 feet of the West 700 feet of the Northwest Quarter of the Southwest Quarter of Section 8, Township

29, Range 23, as contained in the Declaration of Road Easement dated May 7, 2004, recorded July 6, 2004 in the office of the Ramsey County Registrar of Titles as Doc. No. 1824998.

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PROMISSORY NOTE
US \$20,860,000

May 12, 2004

New York, New York

FOR VALUE RECEIVED, the undersigned STONEWATER UIS FUNDING LLC, a Delaware limited liability company ("Borrower"), promises to pay GREENWICH CAPITAL FINANCIAL PRODUCTS, INC., a Delaware corporation ("Lender"), or order, at 600 Steamboat Road, Greenwich, Connecticut 06830, or such other place as the holder hereof may designate in writing, the principal sum of Twenty Million Eight Hundred Sixty Thousand and No/100 Dollars (US\$20,860,000.00), with interest on the unpaid principal balance from the date of this Note, until paid, at the rate of five and twenty one-hundredths percent (5.20%) per annum. This Promissory Note may be referred to herein as the "Note," and the loan evidenced hereby may be referred to herein as the "Loan."

PAYMENTS OF PRINCIPAL AND INTEREST. Principal and interest shall be due and payable by Borrower to Lender in consecutive monthly installments, each in the amount of One Hundred Fourteen Thousand Five Hundred Forty-Four and 53/100 Dollars (US\$114,544.53) on the first day (the "Payment Date") of each month beginning July 1, 2004 (herein "amortization commencement date"), or the New Payment Date (as hereinafter defined) of each month thereafter until the entire indebtedness evidenced hereby is fully paid, except that any remaining indebtedness, if not sooner paid, shall be due and payable on the Payment Date or the New Payment Date occurring in June, 2014 (the "Maturity Date").

Interest on the principal sum of this Note shall be calculated on the basis of a 360 day year, and shall be charged based on the actual number of days during each month or other applicable accrual period. Interest on this Note shall be paid in arrears.

The undersigned shall pay the holder hereof, in advance, on the date of disbursement, interest only on the outstanding principal balance of this Note, at the interest rate first mentioned above, from the date of disbursement through and including the last day of the calendar month in which this Note is executed.

SECURITY; LOAN DOCUMENTS. The indebtedness evidenced by this Note is secured by, among other things, that certain Mortgage, Assignment of Rents and Security Agreement of even date herewith (the "Instrument"), executed by Borrower, encumbering real property more particularly described therein (the "Property"), and reference is made thereto for rights as to acceleration of the indebtedness evidenced by this Note. This Note, the Instrument, and all other documents or instruments given by Borrower or any guarantor and accepted by Lender for purposes of evidencing, securing, perfecting, or guaranteeing the indebtedness evidenced by this Note may be referred to as the "Loan Documents."

DEFEASANCE.

A. Notwithstanding anything to the contrary contained in this Note, the Instrument or the Loan Documents, at any time after the earlier of the forty-second (42nd) month after the date hereof or the second (2nd) anniversary of the date that is the "startup day," within the meaning of Section 860G 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, that holds this Note and provided (unless Lender shall otherwise consent, in its sole discretion) no event of default has occurred and is continuing, Borrower shall have the right to obtain the release of the Property from the lien of the Instrument and the other Loan Documents (such release, the "Defeasance") upon the satisfaction of the following conditions precedent (all of which conditions shall become covenants upon occurrence of the Defeasance):

(i) Borrower shall provide to Lender not less than 30 days' prior written notice specifying a date upon which a regularly scheduled installment of interest (or principal and interest) is due under the Note (a "Regular Payment Date"), on which the Defeasance Deposit (hereinafter defined) is to be made (the date so specified may be referred to as the "Defeasance Election Date").

(ii) Borrower shall pay to Lender on the Defeasance Election Date all interest accrued and unpaid on the outstanding principal amount of this Note to the Defeasance Election Date and the scheduled principal amortization payment due on such Defeasance Election Date, together with all other amounts then due and payable under this Note, the Instrument and the other Loan Documents.

(iii) Borrower shall irrevocably deposit with Lender an amount of U.S. Government Securities (hereinafter defined) which through the scheduled payment of principal and interest in respect thereof in accordance with their terms will provide, not later than the due dates of the payments owing hereunder, cash in an amount sufficient, without reinvestment, in the opinion of a nationally recognized firm of independent certified public accountants expressed in a

written certification thereof delivered to Lender (the "CPA Certificate"), to pay and discharge the Scheduled Defeasance Payments (hereinafter defined). The securities so deposited, together with any interest or other increase from the issuer of the securities earned thereon and any replacements thereof, shall be referred to herein as the "Defeasance Deposit."

(iv) Borrower shall cause the following to be delivered to Lender on or prior to the Defeasance Election Date, all in form and substance satisfactory to Lender in its reasonable discretion:

(a) a security agreement, in form and substance satisfactory to Lender, creating a first priority lien on the Defeasance Deposit (the "Defeasance Security Agreement");

(b) the CPA Certificate;

(c) a certificate of Borrower certifying that all requirements for the Defeasance set forth herein have been satisfied;

(d) an opinion of counsel for Borrower in form and substance satisfactory to Lender to the effect that (i) Lender has a perfected first priority security interest in the Defeasance Deposit, and (ii) the holder of this Note will not recognize income, gain or loss for United States federal income tax purposes as a result of the defeasance and will be subject to United States federal income tax on the same amounts, in the same manner and at the same times as would have been the case if the Defeasance had not occurred, and (iii) any holder, trustee or

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custodian of this Note which is a "real estate mortgage investment conduit" within the meaning of Section 860D of the Code will not fail to maintain its status as such as a result of the Defeasance;

(e) evidence in writing from the applicable rating agencies for any securitization transaction of which this Note is a part, to the effect that the Defeasance will not result in a downgrading, withdrawal, or qualification of the ratings in effect immediately prior to such Defeasance for the then-outstanding securities issued in connection with such securitization;

(f) evidence satisfactory to Lender that suitable arrangements have been made to maintain the existence of Borrower during the time thereafter when the Note shall be outstanding; and

(g) such other certificates, documents or instruments as Lender may reasonably request or as may be required by the rating agencies referred to above.

(v) Either (i) Borrower shall deliver to Lender a certificate stating that at all times following the Defeasance, Borrower shall have no interest in any assets other than the Defeasance Deposit, or (ii) Borrower shall satisfy all of the requirements of Section C below.

(vi) Borrower shall pay to Lender all reasonable actual costs and expenses (including, without limitation, reasonable attorneys' fees and disbursements) incurred or anticipated to be incurred by Lender in connection with the Defeasance.

B. Upon compliance with the requirements of Section A above, Lender shall cause the Property to be released from the lien of the Instrument (or, upon the request of Borrower, to the extent permitted by law, deliver an assignment of the Instrument), the obligations hereunder and under the other Loan Documents which with respect to the Property shall no longer be applicable, and the Defeasance Deposit shall be the sole source of collateral securing this Note. Lender shall apply the Defeasance Deposit and the payments received therefrom to the payment of all scheduled principal and interest payments due on all successive payment dates under this Note after the Defeasance Election Date and the payment due on the maturity date specified in this Note (the "Scheduled Defeasance Payments"). Borrower, pursuant to the Defeasance Security Agreement or other appropriate document, shall direct that the payments received from the Defeasance Deposit shall be made directly to Lender and applied to satisfy the obligations of Borrower under this Note.

C. If, after the Defeasance, Borrower will own any assets other than the Defeasance Deposit, Borrower shall establish or designate a single-purpose, bankruptcy-remote successor entity acceptable to Lender (the "Successor Borrower"), with respect to which a nonconsolidation opinion reasonably satisfactory in form and substance to Lender and any applicable rating agencies shall be delivered to Lender and such rating agencies (if such a nonconsolidation opinion was required of Borrower in connection with the origination of the indebtedness secured hereby) in which case Borrower shall transfer and assign to the Successor Borrower all obligations, rights and duties under this Note and the Defeasance Security Agreement, together with the pledged

Defeasance Deposit. The Successor Borrower shall assume the obligations of Borrower under this Note and the Defeasance Security Agreement, and

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Borrower shall be relieved of its obligations hereunder and thereunder. Borrower shall pay not less than \$1,000 to the Successor Borrower as consideration for assuming such Borrower obligations.

D. As used herein, the term "U.S. Government Securities" shall mean securities that are (i) direct obligations of the United States of America for the full and timely payment of which its full faith and credit is pledged or (ii) obligations of an entity controlled or supervised by and acting as an agency or instrumentality and guaranteed as a full faith and credit obligation which shall be fully and timely paid by the United States of America, which in either case are not callable or redeemable at the option of the issuer thereof (including a depository receipt issued by a bank (as defined in Section 3(a)(2) of the United States Securities Act) as custodian with respect to any such U.S. Government Securities or a specific payment of principal of or interest on any such U.S. Government Securities held by such custodian for the account of the holder of such depository receipt, provided that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the securities or the specific payment of principal of or interest on the securities evidenced by such depository receipt.

E. If, after payment in full of all obligations evidenced by this Note or any other of the Loan Documents, any of the Defeasance Deposit remains, then on request by Borrower such remaining balance of the Defeasance Deposit shall be returned to Borrower (or to the Successor Borrower, as the case may be).

F. Borrower shall pay to Lender upon demand all reasonable actual costs and expenses incurred by Lender in connection with any proposed Defeasance (including, without limitation, the reasonable fees and expenses of attorneys, accountants and rating agencies), whether or not such Defeasance actually occurs. At Lender's option, payment of such costs and expenses shall be a condition to any Defeasance.

PREPAYMENT; PREPAYMENT CONSIDERATION. If any prepayment of all or any portion of the principal balance hereunder occurs, whether in connection with Lender's acceleration of the unpaid principal balance of this Note or in any other circumstances whatsoever, or if the Instrument is satisfied or released by foreclosure (whether by power of sale or judicial proceeding), deed in lieu of foreclosure or by any other means, then Borrower shall therewith pay the Prepayment Consideration. The foregoing shall not create any right of prepayment. Borrower shall have no right whatsoever to prepay all or any portion of the principal balance of this Note, except only as follows:

(i) Borrower shall have the right to prepay and shall not be required to pay any Prepayment Consideration with respect to prepayment required by Lender pursuant to the Instrument as a result of the application of insurance proceeds or condemnation awards under the Instrument or as a result of prepayment of the entire principal balance of this Note remaining due after the application of insurance proceeds or condemnation awards under the Instrument, provided that such prepayment of the entire principal balance of this Note remaining due is made within thirty (30) days following the date of such application; and

(ii) Further, provided an Event of Default does not exist hereunder or under any of the Loan Documents and provides not less than ten (10) days' prior written notice,

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Borrower shall have the right to pay all (but not less than all) obligations then outstanding under the Loan Documents, including the prepayment of all principal, within the three month period immediately prior to the Maturity Date. In such case, there shall be no Prepayment Consideration due, except that if any such prepayment occurs on any day other than a Regular Payment Date, then in addition to the prepayment amount Borrower also shall pay to Lender the amount of interest that would have accrued under the Note on the amount being prepaid from and including the prepayment date to the next Regular Payment Date.

The "Prepayment Consideration" shall be the amount equal to the greater of (i) two percent of the Loan balance at the time of prepayment, or (ii) the sum of one percent of the Loan balance at the time of prepayment, plus the excess, if any, of (A) the amount of the monthly interest which would otherwise be payable on the principal balance being prepaid from the date of the first day of the calendar month immediately following the date of prepayment (unless prepayment is tendered on the first day of any calendar month during the term of this Note, in which case from the date of prepayment) to and including the

Maturity Date; over (B) the amount of the monthly interest the Lender would earn if the principal balance being prepaid were reinvested for the period from the first day of the calendar month immediately following the date of prepayment (unless prepayment is tendered on the first day of any calendar month during the term of this Note, in which case from the date of prepayment) to and including the Maturity Date at the Treasury Rate (as hereinafter defined), such difference to be discounted to present value at the Treasury Rate.

The "Treasury Rate" shall be the annualized yield on securities issued by the United States Treasury having a maturity corresponding to the remaining term to the originally scheduled Maturity Date of this Note, as quoted in Federal Reserve Statistical Release [H. 15(519)] under the heading "U.S. Government Securities - Treasury Constant Maturities" for the Treasury Rate Determination Date (as defined below), converted to a monthly equivalent yield. If yields for such securities of such maturity are not shown in such publication, then the Treasury Rate shall be determined by Lender by linear interpolation between the yields of securities of the next longer and next shorter maturities. If said Federal Reserve Statistical Release or any other information necessary for determination of the Treasury Rate in accordance with the foregoing is no longer published or is otherwise unavailable, then the Treasury Rate shall be reasonably determined by Lender based on comparable data.

The term "Treasury Rate Determination Date" shall mean the date which is five banking days prior to the scheduled prepayment date. Lender shall notify Borrower of the amount and the basis of determination of the required Prepayment Consideration.

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EXCEPT AS EXPRESSLY OTHERWISE PROVIDED HEREIN, BORROWER HEREBY EXPRESSLY WAIVES THE RIGHT TO PREPAY THE INDEBTEDNESS EVIDENCED HEREBY IN WHOLE OR PART WITHOUT PENALTY, AND EXPRESSLY AGREES TO PAY THE AMOUNTS REQUIRED HEREIN IN THE EVENT OF AN ACCELERATION. BORROWER AGREES THAT THE PREPAYMENT CONSIDERATION REQUIRED HEREIN IS REASONABLE. BORROWER HAS GIVEN INDIVIDUAL WEIGHT TO THE CONSIDERATION IN THIS TRANSACTION FOR THIS WAIVER AND AGREEMENT. BORROWER HEREBY EXPRESSLY WAIVES THE BENEFIT OF ANY APPLICABLE LAW TO THE CONTRARY.

/s/ Illegible

- -----
Borrower Initials

EVENTS OF DEFAULT; ACCELERATION. The following shall constitute an "Event of Default" hereunder: (i) if any installment under this Note is not paid when due, or (ii) if any condition or event occurs and continues as a consequence of which the holder hereof then has the right to accelerate the indebtedness hereunder pursuant to any of the other Loan Documents.

Upon and at any time following the occurrence of any Event of Default, then at the option of the holder hereof and without notice, the entire principal amount and all interest accrued and outstanding hereunder and all other amounts outstanding under any of the Loan Documents shall at once become due and payable, and the holder hereof may exercise any and all of its rights and remedies under any of the Loan Documents or pursuant to applicable law. The holder hereof may so accelerate such obligations and exercise such remedies at any time after the occurrence and during the continuation of any Event of Default, regardless of any prior forbearance.

LATE CHARGES; ADDITIONAL INTEREST ON DEFAULT. If any installment under this Note or any other amount owing hereunder or under any of the other Loan Documents (other than the payment of principal due on the Maturity Date) is not received by the holder hereof when the same is due, then the undersigned shall pay to the holder hereof a late charge of the greater of (a) US\$250.00 or (b) five percent of such installment, such late charge to be immediately due and payable without demand by the holder hereof.

In addition, the outstanding principal balance of this Note shall, upon notice to Borrower, bear interest during any period of time when any Event of Default is in existence at the rate of five percent (5.0%) per annum in excess of the rate provided in the first paragraph of this Note, or, if such increased rate of interest may not be collected from the undersigned under applicable law, then at the maximum increased rate of interest which may be collected from the undersigned under applicable law, if either (a) any installment under this Note or any other amount owing hereunder or under any of the other Loan Documents is not received by the holder hereof when the same is due, or (b) any other Event of Default occurs.

Borrower agrees that such late charge and increased interest are reasonable and do not constitute a penalty.

LAWFUL INTEREST. The parties hereto intend to conform strictly to the applicable usury laws. In no event, whether by reason of demand for payment, prepayment, acceleration of

the maturity hereof or otherwise, shall the interest contracted for, charged or received by the holder hereof hereunder or otherwise exceed the maximum amount permissible under applicable law. If from any circumstance whatsoever interest would otherwise be payable to the holder hereof in excess of the maximum lawful amount, the interest payable to the holder hereof shall be reduced automatically to the maximum amount permitted by applicable law. If the holder hereof shall ever receive anything of value deemed interest under applicable law which would apart from this provision be in excess of the maximum lawful amount, an amount equal to any amount which would have been excessive interest shall be applied to the reduction of the principal amount owing hereunder in the inverse order of its maturity and not to the payment of interest, or if such amount which would have been excessive interest exceeds the unpaid balance of principal hereof, such excess shall be refunded to the undersigned. All interest paid or agreed to be paid to the holder hereof shall, to the extent permitted by applicable law, be amortized, prorated, allocated, and spread throughout the full stated term (including any renewal or extension) of such indebtedness so that the amount of interest on account of such indebtedness does not exceed the maximum permitted by applicable law. The provisions of this paragraph shall control all existing and future agreements between the undersigned and the holder hereof.

CERTAIN RIGHTS AND WAIVERS. From time to time, without affecting the obligation of the undersigned or the successors or assigns of the undersigned to pay the outstanding principal balance of this Note and observe the covenants of the undersigned contained herein, in the Instrument or in any other Loan Document without affecting the guaranty of any person or entity for payment of the outstanding principal balance of this Note, without giving notice to or obtaining the consent of the undersigned, the successors or assigns of the undersigned or guarantors, and without liability on the part of the holder hereof, the holder hereof may, at the option of the holder hereof, extend the time for payment of said outstanding principal balance or any part thereof, reduce the payments thereon, release anyone liable on any of said outstanding principal balance, accept a renewal of this Note, modify the terms and time of payment of said outstanding principal balance, join in any extension or subordination agreement, release any security given herefor, take or release other or additional security, and agree in writing with the undersigned to modify the rate of interest or period of amortization of this Note or change the amount of the monthly installments payable hereunder.

Presentment, notice of dishonor, and protest are hereby waived by all makers, sureties, guarantors and endorsers hereof. This Note shall be the joint and several obligation of all makers, sureties, guarantors, and endorsers, and shall be binding upon them and their successors and assigns.

EACH OF THE UNDERSIGNED AND LENDER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONJUNCTION WITH THIS NOTE, THE INSTRUMENT, ANY OTHER LOAN DOCUMENT, ANY OTHER AGREEMENT CONTEMPLATED TO BE EXECUTED IN CONNECTION HEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF EITHER PARTY.

The holder hereof shall have the right to assign or transfer, in whole or in part (including the right to grant participation interests in) any or all of its obligations under this Note, the

Instrument and any or all of the other Loan Documents. Lender shall be released of any obligations to the extent that the same are so assigned or transferred, and the rights and obligations of "Lender" hereunder shall become the rights and obligations of the transferee holder.

NEW PAYMENT DATE. The holder hereof shall have the right, to be exercised not more than once during the term of the Loan, to change the Payment Date to a date other than the first day of each month (a "New Payment Date"), on five (5) days' written notice to Borrower; provided, however, that any such change in the Payment Date: (i) shall not modify the amount of regularly scheduled monthly principal and interest payments, except that the first payment of principal and interest payable on the New Payment Date shall be accompanied by interest at the interest rate herein provided for the period from the Payment Date in the month in which the New Payment Date first occurs to the New Payment Date, and (ii) shall extend the Maturity Date to the New Payment Date occurring in the month set forth in the definition of Maturity Date above.

LIMITATION ON RECOURSE. Lender's rights of recourse for the obligations of Borrower hereunder are limited in accordance with the Instrument. This provision shall not limit any rights of Lender under any guaranty.

ATTORNEYS' FEES, COSTS OF COLLECTION. Borrower shall pay to Lender on demand all reasonable actual costs and expenses, including reasonable attorneys' fees and expenses, incurred by Lender in collecting the indebtedness arising hereunder or under any other Loan Documents or secured thereby, or in determining the rights and obligations of any parties hereto or thereto, or as a consequence of any breach or default by Borrower or any guarantor hereunder or thereunder, or otherwise as a consequence of any right evidenced or secured by this Note or the Loan Documents. Without limitation, such costs and expenses to be reimbursed by Borrower shall include reasonable attorneys' fees and expenses incurred in any Bankruptcy case or proceeding and in any appeal. In the event of any dispute, action or lawsuit regarding the terms hereof or the terms of any other Loan Document, the prevailing party will have the right to recover from the other party all court costs and reasonable attorneys' fees and disbursements incurred with respect thereto, in addition to all other applicable damages and costs.

APPLICABLE LAW. This Note shall be governed by and construed in accordance with the law of the state in which the property is located and applicable federal law.

(Signature on Following Page)

IN WITNESS WHEREOF, the undersigned has executed this Promissory Note as of the date first written above.

STONEWATER UIS FUNDING LLC, a
Delaware limited liability company

By: /s/ CONSTANTINE DAKOLIAS

Name: CONSTANTINE DAKOLIAS
Its: AUTHORIZED SIGNATORY

EXHIBIT A
RENT ACCOUNT BANK INSTRUCTION LETTER
May 10, 2004

- -----
- -----
- -----
- -----

Re: [Property Address]

Ladies and Gentlemen:

STONEWATER UIS FUNDING LLC, a Delaware limited liability company (the "Borrower"), has entered into a Promissory Note, Mortgage, Assignment of Rents and Security Agreement and a Cash Management Agreement, each dated as of _____ (collectively, the "Loan Documents"), with Greenwich Capital Financial Products, Inc. (together with its successors and assigns, the "Lender"), pursuant to which the Lender has provided certain financing to the Borrower.

Currently, the Borrower maintains the following account (the "Rent Account") with you:

Name: [Stonewater UIS Funding LLC]
Account No.: [7217995]

The Borrower hereby notifies you that under the terms of the Loan Documents, the Lender has required that, as of the date hereof, it implement certain automatic clearing and processing functions and hereby instructs you commencing on May 12, 2004 (the "Sweep Commencement Date"), to disburse all revenues ("Revenues") deposited in the Rent Account from time to time in accordance with the following terms and provisions:

Promptly upon receipt of this letter, you shall establish a post office box address in which the Borrower shall cause all Revenue in the form of checks, money orders and similar instruments to be deposited. Within one Business day (as defined below) of receipt, you, as the "Clearing Bank," shall receive and process all Revenues and shall deposit the same into the account referred to above, which account, or an appropriate substitution or replacement thereof, shall thereafter be referred to as the "Clearing Account." Checks made payable to the Borrower or the Clearing Account shall be deemed suitable for deposit in the Clearing Account. Items deposited with Clearing Bank that are returned for

insufficient or uncollected funds will be redeposited the first time. Items returned unpaid a second time shall be processed in accordance with the standard procedures of the Clearing Bank.

The Clearing Account shall be an account of the Borrower but shall be under the sole dominion and control of the Lender and any servicer or other designee of the Lender (in each case, a "Servicer") named below or in a subsequent written notice from the Lender. The Clearing Account shall be assigned the federal tax identification number of the borrower, which

Please acknowledge receipt of this letter and your agreement to the terms described herein by executed below and returning a copy of this letter to the Lender.

BORROWER:

STONEWATER UIS FUNDING LLC, a Delaware limited liability company

By: /s/ Marc Furstein

Name: Marc Furstein
Its: Secretary

ACKNOWLEDGED AND AGREED:

CLEARING BANK:

By:

Name:

Title:

Please acknowledge receipt of this letter and your agreement to the terms described herein by executed below and returning a copy of this letter to the Lender.

BORROWER:

STONEWATER USI FUNDING LLC, a Delaware limited liability company

By:

Name:

Its:

ACKNOWLEDGED AND AGREED:

CLEARING BANK:

LaSalle Bank NA

By: /s/ THERESA LYNCH

Name: THERESA LYNCH
Title: ASSISTANT VICE PRESIDENT

AUTHORIZED SIGNERS FOR STONEWATER UIS FUNDING LLC:

The following individuals are authorized to sign on behalf of Stonewater UIS Funding LLC. Instruction for money movement may be communicated by fax or email:

<TABLE>
<CAPTION>
NAME SIGNATURE

<S> <C>

Marc Furstein /s/ Marc Furstein

Kevin Treacy /s/ Kevin Treacy

</TABLE>

PLEASE COMPLETE AND FAX TO LASALLE'S CDO GROUP: (312) 896- 1435. ORIGINAL TO
FOLLOW TO: LASALLE BANK CDO TRUST SERVICES, 135 S. LASALLE ST, SUITE 1625 ATTN:
BILLY HUTCHENS, CHICAGO, ILLINOIS, 60603

GLADSTONE COMMERCIAL LIMITED PARTNERSHIP
PURCHASE AGREEMENT
2470 HIGHCREST ROAD, ROSEVILLE, MINNESOTA
DATED: NOVEMBER 23, 2005

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SUMMARY OF TERMS

OWNER: Stonewater UIS Funding LLC

OWNER'S ADDRESS: c/o Drawbridge Special Opportunities Fund LLP
1251 Avenue of the Americas
16th Floor
New York, New York 10021

PURCHASE PRICE: Twenty-Nine Million Six Hundred Thousand and No/100
Dollars (\$29,600,000.00)

TENANT: UNISYS Corporation
2470 Highcrest Road
Roseville, Minnesota

PURCHASE AGREEMENT

PREAMBLE:

THIS PURCHASE AGREEMENT (this "AGREEMENT") is made as of the 23rd day of November, 2005 (the "EFFECTIVE DATE"), by and between Gladstone Commercial Limited Partnership, a Delaware limited partnership (the "COMPANY"), as purchaser and Stonewater UIS Funding LLC, a Delaware limited liability company (the "OWNER"), as seller, of all of the fee simple interest of the Property.

RECITALS:

A. Owner is the owner of the property (the "PROPERTY"), which term Property shall include the land described in Exhibit A attached hereto (the "LAND") and all of the Improvements (as hereinafter defined) thereon, together with all rights and appurtenances pertaining to the Land, including, without limitation, all of Owner's rights, title and interest in and to all: (i) minerals, oil, gas, and other hydrocarbon substances thereon; (ii) adjacent strips, streets, roads, avenues, alleys and rights-of-way, public or private, open or proposed, including any rights in vault space adjacent to or within the boundaries of the Land; (iii) easements, covenants, privileges, and hereditaments, whether or not of record, appurtenant to the Land; (iv) access, air, water, riparian, development, utility, and solar rights; (v) signs, appliances, security systems, fixtures, mechanical systems, landscaping and other property owned by Owner located at the Property, but excluding items of movable personal property attached to the Property that relate to the business conducted on such Property and that may be readily removed without damage; (vi) site plans, surveys, plans and specifications, and floor plans relating to the Property in Owner's possession or control; (vii) warranties, guarantees and bonds relating to the Property (to the extent assignable); and (viii) permits, licenses, certificates of occupancy (if any) and other governmental approvals which relate to the Property (to the extent assignable).

B. The Company desires to acquire, and Owner desires to sell, the Property, upon and subject to the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises hereinafter set forth and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

For purposes of this Agreement, unless the context otherwise requires, the following terms shall have the meanings hereinafter set forth (such meanings to be applicable to the singular and plural forms of such terms and the masculine and feminine forms of such terms):

Section 1.1 "BUSINESS DAY" shall mean any day excluding Saturday, Sunday and any day which on which banking institutions in the Commonwealth of Virginia are authorized by law or by other governmental actions to close.

Section 1.2 "ENVIRONMENTAL LAW" shall mean any present and future law and any amendments (whether common law, statute, rule, order, regulation or otherwise), permits and other requirements or guidelines of governmental authorities applicable to the Property and relating to the environment and environmental conditions or to any Hazardous Material (including, without limitation, CERCLA, 42 U.S.C. Section 9601 et seq., the Resource Conservation and Recovery Act of 1976, 42 U.S.C. Section 6901 et seq., the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801 et seq., the Federal Water Pollution Control Act, 33 U.S.C. Section 1251 et seq., the Clean Air Act, 33

U.S.C. Section 7401 et seq., the Toxic Substances Control Act, 15 U.S.C. Section 2601 et seq., the Safe Drinking Water Act, 42 U.S.C. Section 300f et seq., the Emergency Planning and Community Right-To-Know Act, 42 U.S.C. Section 1101 et seq., the Occupational Safety and Health Act, 29 U.S.C. Section 651 et seq., and any so-called "Super Fund" or "Super Lien" law, any law requiring the filing of reports and notices relating to hazardous materials, environmental laws administered by the Environmental Protection Agency, and any similar state and local laws, all amendments thereto and all regulations, orders, decisions, and decrees now or hereafter promulgated thereunder concerning the environment, industrial hygiene or public health or safety).

Section 1.3 "EXISTING LENDER" shall mean the owner and holder of the Existing Loan.

Section 1.4 "EXISTING LOAN" shall mean a loan made by Greenwich Capital Financial Products, Inc. to Owner in the original principal amount of \$20,860,000.

Section 1.5 "EXISTING LOAN DOCUMENTS" shall mean each of the loan documents listed on Schedule 1.8 annexed hereto.

Section 1.6 "EXISTING MORTGAGE" shall mean that certain mortgage made by Owner to Greenwich Capital Financial Projects, Inc. dated as of May 12, 2004 in the amount of \$20,860,000, which Existing Mortgage encumbers the Land and the Improvements and secures the Existing Loan.

Section 1.7 "GOVERNMENTAL AUTHORITIES" shall mean any commission, department or body of any municipality, township, city, county, state or Federal governmental unit having jurisdiction over any of the Property or the ownership, management, operation, use or improvement thereof.

Section 1.8 "IMPROVEMENTS" shall mean all buildings, improvements, structures and fixtures located on the Land or within any easements appurtenant thereto and owned by Owner, including, without limitation, sidewalks, landscaping, parking lots and structures, roads, drainage and all above ground and underground utility structures and conduits, equipment systems and other so-called "infrastructure" improvements owned by Owner.

Section 1.9 "LEASE" shall mean the Lease described on Exhibit 1.9 attached hereto

Section 1.10 "OTHER CONTRACT" shall mean that certain Purchase Agreement of even date herewith between Stonewater Dox Funding LLC, as seller, and Gladstone Commercial Limited Partnership, as purchaser, with respect to the sale and purchase of the Other Property, as the same may be modified or amended from time to time.

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Section 1.11 "OTHER PROPERTY" shall mean that certain property commonly known as 2101 Fox Drive, 2301 Fox Drive, 2109 Fox Drive, 2201 Fox Drive and 2215 Fox Drive, Champaign, Illinois.

Section 1.12 "OWNER'S KNOWLEDGE" means the actual knowledge of Jeffrey Toporek and David Stade following a reasonable review of Owner's files with respect to the Property, and other knowledge of Messrs. Toporek and Stade obtained through their usual and customary dealings with the Property Manager and the Property and its operation in the ordinary course (but without any special investigation or inquiry by either of them), which review and other knowledge did not disclose any information contrary to the accuracy or veracity of any such representation or warranty.

Section 1.13 "PURCHASE PRICE" means Twenty-Nine Million Six Hundred Thousand and No/100 Dollars (\$29,600,000.00).

Section 1.14 "TENANT" means Unisys Corporation, a Delaware corporation.

Section 1.15 "THE COMPANY'S DUE DILIGENCE AND CONTRACT COSTS" shall mean, collectively and in the aggregate, all reasonable costs and expenses (including, without limitation, reasonable attorneys' and accountants' fees and related expenses) incurred by the Company in connection with the transactions contemplated by this Agreement, including, without limitation, costs and expenses incurred by the Company in connection with the assumption by the Company of the Existing Loan.

ARTICLE II PURCHASE PRICE AND DEPOSIT

Section 2.1 Purchase Price. On the terms and subject to the conditions of this Agreement, at the Closing (as hereinafter defined), Owner shall sell, transfer, convey, assign, and deliver to the Company, and the Company shall purchase and accept from Owner all the right, title, and interest of Owner in and to the Property for the Purchase Price.

Section 2.2 Deposit and Escrow Agreement. Simultaneously with its

execution of this Agreement, the Company shall place in escrow (by wire transfer of immediately available federal funds) with First American Title Insurance Company (the "TITLE COMPANY") the sum of Two Hundred Thousand and No/100 Dollars (\$200,000.00), representing an initial deposit (the "INITIAL DEPOSIT"), to be held in accordance with an Escrow Agreement (the "ESCROW AGREEMENT") in the form attached hereto as Exhibit 2.2. Concurrently with the execution of this Agreement, Owner, the Company and the Title Company shall enter into the Escrow Agreement. Provided that this Agreement has not been terminated by the Company on or before the expiration of the Study Period, then within two (2) Business Days after the expiration of the Study Period the Company shall place in escrow (by wire transfer of immediately available federal funds) the sum of One Hundred Seventy-Five Thousand and No/100 Dollars (\$175,000.00), representing an additional deposit (the "ADDITIONAL DEPOSIT"; the Initial Deposit and the Additional Deposit, together with accrued interest thereon, are herein referred to as the "DEPOSIT"). The Deposit shall be disbursed by the Title Company in accordance with the terms and conditions of this Agreement and the Escrow Agreement

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Section 2.3 Payment of the Purchase Price. At the Closing, the Purchase Price shall be paid by the Company to Owner as follows:

(a) Three Hundred Seventy-five Thousand and No/100 Dollars (\$375,000) by release of the Deposit by the Title Company to the Owner;

(b) Twenty Million Four Hundred Thirty Three Thousand Six Hundred Eighty Four and 65/100 Dollars (\$20,433,684.65) by the Company's assumption of the Existing Mortgage pursuant to the provisions of Article VII hereof; and

(c) Eight Million Seven Hundred Ninety One Thousand Three Hundred Fifteen and 35/100 Dollars (\$8,791,315.35) by wire transfer of immediately available federal funds to a bank account designated by Owner, subject to adjustment pursuant to the terms hereof, and as reduced by any interest that has accrued on the Deposit and that is released to the Owner at the Closing (said amount, as adjusted, being herein called the "CASH BALANCE").

If, as of the Closing, the outstanding principal balance of the Existing Mortgage is less than the amount set forth in Section 2.3(b), then the difference shall be both deducted from the amount set forth in Section 2.3(b) above and added to the Cash Balance payable at Closing pursuant to Section 2.3(c) above. If, as of the Closing, the outstanding principal balance of the Existing Mortgage is more than the amount set forth in Section 2.3(b), then the difference shall be both added to the amount set forth in Section 2.3(b) above and deducted from the Cash Balance payable at Closing pursuant to Section 2.3(c) above.

ARTICLE III STUDY PERIOD; CONFIDENTIALITY; AS-IS

Section 3.1 Term of Study Period. The term "STUDY PERIOD" shall mean the period commencing on the Effective Date and ending at 5:00 p.m. (Eastern Standard Time) on the date that is thirty (30) days from the Effective Date (the "STUDY PERIOD EXPIRATION DATE"). During the Study Period, and subject to the provisions of this Article III, the Company may conduct such reasonable due diligence activities, inspections and studies of the Property as it deems necessary or appropriate, and may examine and investigate all facts, circumstances and matters relating to the Property relevant to its purchase thereof, including, without limitation, the condition of the Land and Improvements, title, survey matters and any other matters it deems necessary or appropriate for purposes of consummating the transaction contemplated by this Agreement. All such due diligence activities are sometimes referred to herein as the "DUE DILIGENCE". If, prior to the Study Period Expiration Date, the Company has not received all of the third party reports that the Company determines are necessary in connection with its due diligence ("THIRD PARTY REPORTS"), including but not limited to the Commitment, Survey (as such terms are hereinafter defined), phase I environmental assessment, appraisal, property condition assessment/engineering report and zoning report, then the Company shall have a one time right to extend the Study Period Expiration Date for an additional fifteen (15) days by written notice delivered by the Company to Owner and the Title Company on or prior to the then current Study Period Expiration Date, provided that such notice sets forth a description of the Third Party Reports that have not yet been received by the Company. In no event, however, shall the Study Period Expiration Date be later than forty-five (45) days from (and including) the Effective Date.

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The Company's right, during any period for which the Study Period is so extended, to terminate this Agreement as hereinafter provided in this Section 3.2 may only be exercised as a result of the Company's dissatisfaction (in its sole discretion) with the Third Party Report(s) that gave rise to the need for the extension of the Study Period Expiration Date. If on or before the Study Period Expiration Date, the Company, in its sole and absolute discretion, shall elect not to proceed to the Closing for any reason or for no reason, then the

Company shall have the right to terminate this Agreement by giving written notice of termination to Owner and the Title Company on or before the Study Period Expiration Date, as the same may have been extended, (time being of the essence with respect to the giving of such notice), whereupon this Agreement shall automatically terminate, the Deposit shall be returned to the Company, and neither party shall have any further rights or obligations under this Agreement (other than any rights and obligations which expressly are to survive a termination of this Agreement).

Section 3.2 Due Diligence. (a) During the Study Period, Owner shall afford the Company and its authorized representatives access to the Property at agreed-upon times for reasonable and customary due diligence purposes, subject in all respects to the rights of the Tenant under the Lease. The Company shall provide Owner or its authorized representatives with not less than one (1) Business Days' prior written notice that the Company desires access to the Property. Owner may have one or more representatives of Owner and/or the Tenant accompany the Company during any such entry. The Company shall conduct the Due Diligence in a manner which is not disruptive to the business operations currently being conducted at the Property. Owner has delivered to the Company legible, true, correct and complete copies of the documents and instruments listed in Exhibit 3.2.1 attached hereto, and Owner agrees to deliver to the Company within seven (7) days of the Effective Date legible, true, correct and complete copies of the documents and instruments listed in Exhibit 3.2.2 attached hereto, to the extent the same (i) have not heretofore been delivered by Owner to the Company and (ii) are in the possession of Owner or are within the reasonable control of Owner and can be obtained by Owner without additional cost to Owner. In addition, Owner agrees to make available to the Company any other documents and information relating to the Property, Owner and/or the Existing Loan reasonably requested by the Company, provided that such documents and information are in the possession of Owner or are within the reasonable control of Owner and can be obtained by Owner without additional cost to Owner. During the Study Period, Owner shall also afford the Company and its authorized representatives access to the property manager retained by Owner to manage the Property (the "PROPERTY MANAGER") and all records and files relating to the Property (financial and otherwise) in the possession and/or control of the Property Manager. The Company shall provide Owner or its authorized representatives with not less than one (1) Business Days' prior written notice that the Company desires access to the Property Manager. At the request of the Company, Owner agrees to use commercially reasonable efforts to convene a face-to-face meeting between senior representatives of the Company and the Tenant. One or more representatives of Owner may attend all such meetings.

(b) The Company shall not conduct (or cause to be conducted) any physically intrusive due diligence, such as sampling of soils, water or building materials without the prior written consent of Owner, which consent shall not be unreasonably withheld, conditioned and/or delayed. If the Company desires to conduct (or to have conducted) any such physically intrusive due diligence, the Company shall identify in writing with reasonable certainty what procedures the Company desires to perform and request Owner's prior written consent with respect thereto,

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which consent shall not be unreasonably withheld, conditioned and/or delayed. Upon receipt of Owner's written consent, the Company shall, in performing such due diligence, comply in all material respects (and shall cause its consultants and representatives to comply in all material respects) with the agreed-upon procedures and with any and all laws, ordinances, rules and regulations applicable to the Property, and the rights of the Tenant under the Lease, and shall not engage in any activities which would violate any permits or Environmental Laws. Upon completion of any inspection or test, the Company shall immediately restore the Property to the condition existing immediately prior to such inspection or test. If the Company elects to terminate this Agreement pursuant to Section 3.1 above, then upon request of Owner, the Company shall provide Owner with a copy of each Third Party Report requested by Owner, provided that Owner reimburses the Company for the reasonable costs incurred by the Company to obtain such Third Party Reports so requested by Owner.

Section 3.3 Liability Insurance. As a condition to Owner's consenting to the performance of the Due Diligence, in particular but without limitation to entering upon the Property for the purpose of performing any physical inspections and/or tests, the Company shall carry and maintain comprehensive general liability insurance covering Owner, the Property Manager and Tenant against claims for bodily injury or death or property damage occurring in, upon or about the Property, in the amount of not less than Two Million (\$2,000,000) Dollars. Such insurance shall include blanket contractual liability coverage insuring contractual liability under the indemnification set forth in Section 3.4 below (but such coverage or the amount thereof shall in no way limit such indemnification). Prior to entering the Property to conduct the Due Diligence, the Company shall provide Owner with a certificate of insurance evidencing that such comprehensive general liability insurance is in effect. Owner, the Property Manager and Tenant shall each be named as an additional named insured with respect to such comprehensive general liability insurance. The Company shall keep such insurance in full force and effect until the earlier of the Closing or the termination of this Agreement.

Section 3.4 Indemnification. The Company shall indemnify Owner, the Property Manager and Tenant, and hold Owner, the Property Manager and Tenant, and their respective agents, representatives and employees, and the Property harmless from and against all losses, costs, damages, claims and liabilities (whether arising out of injury or death to persons or damage to the Property or otherwise), including, but not limited to, mechanic's and materialmen's liens and attorneys' fees, arising out of or relating to the Due Diligence and/or entry upon the Property under this Article III, except to the extent any such loss, cost, damage, claim and/or liability is caused by the negligence or willful misconduct of Owner, the Property Manager or Tenant or their respective employees, agents and/or representatives. This Section 3.4 shall survive the Closing or earlier termination of this Agreement.

Section 3.5 Confidentiality. (a) All documents, materials, leases, instruments, reports and written information heretofore or hereafter delivered by Owner or the Property Manager to the Company with respect to the Property (collectively, the "DUE DILIGENCE MATERIALS") shall be kept confidential and shall not, without Owner's prior written consent, be disclosed by the Company, or by its employees, agents, representatives or consultants, and shall not be used by the Company, its employees, agents, representatives or consultants, other than in connection with the proposed acquisition of the Property.

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(b) All copies of the Due Diligence Materials will be returned to Owner immediately upon any termination or expiration of this Agreement for any reason. All analyses, compilations, forecasts, studies, reports or other documents prepared by the Company, its employees, agents, representatives or consultants (including all Third Party Reports), will be held by the Company and kept confidential (or at the option of the Company destroyed) if for any reason (including the Company's election to terminate this Agreement in accordance with Section 3.1 above) the Company does not acquire the Property.

(c) If the Company violates any of the terms of this Section 3.5, Owner shall have the right (in addition to any other rights or remedies available to Owner at law), to seek injunctive relief to restrain any breach or threatened breach by the Company of the terms of this Section 3.5. If the Company, for any reason (including the Company's election to terminate this Agreement in accordance with Section 3.1 above) does not acquire the Property, then the provisions of this Section 3.5 shall survive the termination of this Agreement.

Section 3.6 As Is Condition of the Property. Other than the representations and warranties of Owner specifically set forth herein, the Company has not relied upon any oral or written information from Owner or its employees, affiliates, agents, consultants, advisors or representatives, including, without limitation, any appraisals, projections or evaluations of credit quality prepared by Owner or any of its employees, affiliates, agents, consultants, advisors or representatives. Without limiting the generality of the foregoing, the Company acknowledges and agrees that, except as expressly set forth herein, the Company is purchasing the Property "as is" and "where is" on the Closing Date, and, except as expressly set forth herein, Owner is making no representation or warranty, express or implied, and the Company has not relied on any representation or warranty, express or implied, regarding the Property, including, without limitation, any representation or warranty with respect to (a) the business or financial condition of any tenant of the Property, (b) the physical condition of any Improvement or personal property comprising all or a part of any Property, or its fitness, merchantability or suitability for any use or purpose, (c) the leases, rents, income or expenses of the Property, (d) the compliance or non-compliance with any laws, codes, ordinances, rules or regulations of any governmental authority (including, without limitation, Environmental Laws), or (e) the current or future use of the Property, including, but not limited to, any Property's use for commercial, retail, industrial or other purposes. Owner is not liable or bound in any manner by any verbal or written statements, representations, real estate brokers' "set-ups", offering memorandum or information pertaining to any Property furnished by any real estate broker, advisor, consultant, agent, employee, representative or other person. The foregoing shall not be deemed to limit any of the Due Diligence rights of the Company set forth in this Article III.

ARTICLE IV TITLE

Section 4.1 State of Title. At the Closing, Owner shall sell the Property to the Company, and the Company shall purchase the Property from the Owner, subject only to (a) those matters set forth on Exhibit 4.1 annexed hereto, (b) any exceptions and matters that are approved, waived or deemed to have been approved or waived by the Company, (c) such title exceptions as the Title Company shall be willing to, at its regular rates, omit as exceptions to coverage, and (d) the standard exceptions and provisions contained in the form of insuring

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agreement employed by Title Company (the liens, claims, encumbrances, exceptions and matters set forth in subclauses (a) through (d) above being collectively referred to as the "PERMITTED EXCEPTIONS").

Section 4.2 Title Commitment; Survey. Promptly after the Effective Date the Company shall obtain at its expense: (i) a title commitment from the Title Company, together with legible copies of documents referred to in such commitment (a "COMMITMENT"), for an owner's policy of title insurance covering the Property which shall in all material respects satisfy the requirements, and include the endorsements, set forth in Exhibit 4.2.1 attached hereto, and (ii) a current plat of survey of the Property, including the Improvements (a "SURVEY") prepared by a licensed surveyor, which shall be certified to the Company, the Company's assignee (if any), and the Title Company by means of a certificate substantially in the form of Exhibit 4.2.2 attached hereto. The Company shall (i) instruct the Title Company to deliver copies of the Commitment (and all title continuations thereof) to Owner and its attorneys concurrently with the delivery of the Commitment to the Company, and (ii) instruct the surveyor preparing the Survey to deliver a copy of the Survey to each of Owner and its attorneys concurrently with its delivery thereof to the Company.

Section 4.3 Permitted Exceptions. The Company shall have the right to object, in its sole and absolute discretion, to any exceptions to title, or to any matter shown on the Survey, which is not a Permitted Exception, by giving written notice to Owner on or before the date that is five (5) Business Days after the Company receives the Commitment and Survey (but in no event prior to the expiration of the initial 30-day Study Period). In addition, the Company shall have the right to object to any exception to title contained in any title continuations which is not a Permitted Exception and is not otherwise set forth in the Commitment, within five (5) Business Days after the Company receives such title continuation (any such notice given pursuant to this Section 4.3 is herein called a "TITLE OBJECTION NOTICE"). Any title exception set forth in the Commitment, on the Survey or in a title continuation notice, which is not timely objected to by delivery of a Title Objection Notice shall be deemed to be a Permitted Exception, provided, however, that in no event shall any title defect required to be discharged by Owner pursuant to Section 4.6 below or any Violation required to be cured by Owner pursuant to Section 4.8 below, be for any purpose considered a "Permitted Exception", nor shall the Company have any obligation to object to any title defect required to be discharged by Owner pursuant to Section 4.6 below or any Violation required to be cured by Owner pursuant to Section 4.8 below.

Section 4.4 Owner's Rights. (a) Owner shall have the right, in its sole discretion, upon written notice to the Company and the Title Company (the "TITLE RESPONSE NOTICE") given within ten (10) days after Owner's receipt of any Title Objection Notice, to elect to either (i) take such action as Owner deems advisable to discharge those title exceptions which are not Permitted Exceptions and are set forth in the Title Objection Notice (the "TITLE DEFECTS") or (ii) terminate this Agreement, whereupon the Deposit (and any interest thereon) shall be promptly refunded to the Company and thereafter neither party hereto shall have any further obligation to the other party hereto, with the exception of those obligations which expressly survive the termination of this Agreement. If Owner fails timely to deliver the Title Response Notice, then Owner shall be deemed to have elected to terminate this Agreement pursuant to clause (ii) above. If Owner, in its Title Response Notice, elects to take action to remove, remedy or comply with the Title Defects, Owner shall be entitled to one or more adjournment(s) of the Closing for up to

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thirty (30) days in the aggregate, to discharge the Title Defects. If Owner is unable to remove, remedy or comply with such Title Defects at the expiration of such adjournment, then this Agreement shall be deemed to be terminated as of the adjourned date of Closing. Upon such termination, the Deposit (and any interest thereon) shall be promptly refunded to the Company and neither party hereto shall have any further obligation to the other party hereto, with the exception of those obligations which expressly survive the termination of this Agreement. Except as set forth in Section 4.6 hereof, nothing in this Agreement shall be deemed to require Owner to take or bring any action or proceeding or any other steps to remove any defect in or objection to title or to expend any moneys therefor, nor shall the Company have any right of action against Owner, at law or in equity, therefor.

(b) If, at the Closing, there are any title exceptions which are not Permitted Exceptions and which Owner is obligated by this Agreement or elects to pay and discharge, Owner may use any portion of the Purchase Price or any other sum to satisfy the same, provided that Owner shall have delivered to the Title Company at the Closing instruments in recordable form sufficient to satisfy such title exceptions of record, together with the cost of any applicable recording or filing fees. The existence of any such liens or encumbrances shall not be deemed objections to title if Owner shall comply with the foregoing requirements, and so advises the Company in writing of its intent to do so.

Section 4.5 The Company's Right to Accept Title. The Company may, upon written notice to Owner at any time on or before the Closing Date (as the same may have been adjourned by Owner in accordance with the provisions of Section

4.4 hereof), elect to accept such title as Owner can convey, notwithstanding the existence of any Title Defects. In such event, (i) this Agreement shall remain in force and effect, (ii) the parties shall proceed to Closing and (iii) unless otherwise agreed by the Company and Owner, the Company shall not be entitled to any abatement of the Purchase Price, any credit or allowance of any kind or any claim or right of action against Owner for damages or otherwise by reason of the Title Defects.

Section 4.6 Owner's Obligations. Notwithstanding anything contained in this Article IV to the contrary, Owner shall at or prior to Closing discharge any Title Defects which are (i) knowingly and intentionally created by Owner subsequent to the date hereof and (ii) liquidated in amount and may be discharged solely by the payment of a sum of money, provided that in no event shall Owner be required to expend in excess of One Hundred Thousand and No/100 Dollars (\$100,000.00) in the aggregate to discharge any such liquidated Title Defects and to cure Violations pursuant to Section 4.8 below.

Section 4.7 Title Affidavits, Etc. (a) If requested by the Title Company, Owner shall deliver (i) one or more reasonable and customary title affidavits executed by Owner, certifying to factual matters concerning Owner or the Property which are within the knowledge of Owner, (including, without limitation, any reasonable and customary affidavit which may be required in order to omit from title insurance coverage any exceptions for judgments, bankruptcies or other returns against persons or entities, other than Owner, whose names are the same as or similar to Owner's name), (ii) documents evidencing Owner's payment of franchise or unincorporated business taxes, as applicable, and (iii) any other documents reasonably requested by the Title Company to issue the title insurance required pursuant to this Agreement.

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(b) If requested by the Title Company, the Company shall deliver (i) one or more reasonable and customary title affidavits executed by the Company, certifying to factual matters concerning the Company which are within the knowledge of the Company (including without limitation any reasonable and customary affidavit which may be required in order to omit from title insurance coverage any exceptions for judgments, bankruptcies or other returns against persons or entities, other than the Company, whose names are the same as or similar to Company's name), (ii) documents evidencing Company's payment of franchise or unincorporated business taxes, as applicable, and (iii) any other documents reasonably requested by the Title Company to issue the title insurance required pursuant to this Agreement.

Section 4.8 Violations. Owner shall cure, or cause to be cured, any Violations, whether the same have been noted or issued as of the date hereof or are first noted or issued after the date hereof, provided that in no event shall Owner be required to expend in excess of One Hundred Thousand and No/100 Dollars (\$100,000.00) in the aggregate to cure Violations and remove Title Defects pursuant to Section 4.6 above. As used herein, the term "VIOLATION(S)" shall mean any violation of any law or municipal ordinance, order or requirement noted or issued against the Property by any federal, state or municipal department having jurisdiction over the Property, other than any such violation that is the responsibility of the Tenant to cure, comply with, remove or otherwise discharge pursuant to the terms of the Lease or applicable law.

Section 4.9 No Limitation on Due Diligence Termination Rights. Nothing set forth in this Article IV shall limit the Company's right to terminate this Agreement as set forth in Article III.

ARTICLE V REPRESENTATIONS AND WARRANTIES

Section 5.1 Representations and Warranties of Owner. Owner represents and warrants to the Company that the representations and warranties set forth below are true and correct on and as of the Effective Date:

(a) Due Execution; Authority. (i) Owner is duly formed, validly existing and in good standing as a limited liability company under the laws of the State of Delaware; (ii) this Agreement is, and all the documents to be executed and delivered by Owner pursuant to this Agreement (the "OWNER CLOSING DOCUMENTS") will be, when executed by Owner, binding on and enforceable against Owner in accordance with their respective terms; (iii) except for the Existing Lender, there are no consents required from any third party to authorize Owner's entry into and performance of this Agreement, the Owner Closing Documents and/or the transactions contemplated hereby or thereby which have not been obtained; (iv) this Agreement, the Owner Closing Documents and the transactions contemplated hereby and thereby have been, or will have been prior to the Closing, approved by all necessary action of Owner; and (v) the execution and delivery of the Owner Closing Documents do not and will not constitute a breach or default under any agreement by which Owner is bound, or by which any of Owner's property is encumbered.

(b) Contracts. There are no contracts entered into by Owner or its agents relating to the ownership, management, leasing, parking, operation, maintenance or repair of the

Property that (i) have a monetary obligation of more than Twenty-five Thousand and No/100 Dollars (\$25,000) per year and (ii) are not cancelable without penalty by Owner upon notice of ninety (90) days or less (any contracts affecting the Property, together with all contracts entered into after the date hereof pursuant to Section 6.1, are hereinafter collectively referred to as the "CONTRACTS"). To Owner's Knowledge, Owner has performed all material obligations required to be performed by Owner under the Contracts, and Owner has not received any written notice of default under any of the Contracts which remains uncured. There are no contracts for the sale, exchange or transfer of the Property or any portion thereof other than this Agreement.

(c) The Lease. (i) No one other than Tenant has any right to occupy any part of the Property. The Lease is the only lease or other right or grant of occupancy of all or any part of the Property and Tenant has no right of first refusal, option or other right to purchase all or any portion of the Property.

(i) Owner has performed or paid all material obligations required to be performed or paid by it under the Lease and Owner has not received any written notice of default of any of its obligations under the Lease which remains uncured.

(ii) Tenant has no obligation to post a security deposit pursuant to the Lease, and there are no escrow or similar accounts maintained by Owner pursuant to the Lease.

(d) Leasing Commissions. There are no unpaid leasing commissions outstanding with respect to the Lease.

(e) Condemnation. There are no pending or, to Owner's Knowledge, threatened, condemnation proceedings affecting all or any part of the Land or the Improvements.

(f) Permitted Exceptions. To Owner's Knowledge, Owner has performed all material obligations under the terms and provisions of any of the covenants, conditions, restrictions, rights-of-way and easements constituting one or more of the Permitted Exceptions for the Property, and Owner has not received any written notice of default with respect to the foregoing matters which remains uncured.

(g) Litigation. No dispute, proceeding, suit or litigation relating to the Lease, the Property or any part thereof is pending or, to Owner's Knowledge, threatened in any tribunal.

(h) FIRPTA. Owner is not a "foreign person" within the meaning of Section 1445 of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

(i) Existing Loan. (i) The proceeds of the Existing Loan have been fully advanced.

(ii) Owner has not received any written notice of any default, breach, violation or event of acceleration existing under or pursuant to any of the Existing Loan Documents, and to Owner's Knowledge no event (other than payments due but not yet delinquent) exists which, with the passage of time or with notice and the expiration of any grace

or cure period, would constitute a default or event of acceleration of any of the Existing Loan Documents.

(iii) Except as expressly set forth in the Existing Loan Documents, no material term, covenant or condition of the Existing Loan Documents has been waived, modified, altered, satisfied, canceled or subordinated in any respect or rescinded.

(iv) As of the Effective Date, the outstanding principal balance, accrued interest and any late fees or collection costs due and owing to Existing Lender and the balance of any escrow and other accounts maintained by or for the benefit of Existing Lender with respect to the Existing Loan are set forth in Exhibit 5.1(iv).

(v) The Existing Loan is the only indebtedness of Owner secured by the Property, and the only documents and instruments executed by Owner in connection with the Existing Loan that encumber the Property are the Existing Mortgage, a related assignment of leases and rents made by Owner in favor of Lender and uniform commercial code financing statements naming Owner as debtor and Lender as secured party.

(vi) Each of the Existing Loan Documents is the legal, valid and binding obligation of Owner, enforceable in accordance with its terms, except as such enforcement may be limited in the future by bankruptcy,

insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally, and by general principles of equity (regardless of whether such enforcement is considered in a proceeding in equity or at law).

(j) Material Change. Owner has not received written notice from any Governmental Authority of any pending or contemplated change in any regulation, code, ordinance or law, or private restriction applicable to the Property, or any natural or artificial condition upon or affecting the Property, or any part thereof, which would result in any material change in the condition of the Property or any part thereof, or would in any way limit or impede the operation or development of the Property.

(k) Accuracy of Documents. Owner has previously delivered to the Company the documents and records listed on Exhibit 3.2.1 hereto, and shall to the extent the same are within the possession and/or reasonable control of Owner and have not heretofore been delivered to Owner, deliver to the Company within seven (7) days of the Effective Date, the documents and information listed in Exhibit 3.2.2. To the extent prepared by Owner or its employees, such documents are true, correct and complete, and accurately reflect the matters contained therein in every material respect. To the extent such documents have not been prepared by Owner, to Owner's Knowledge there are no facts or circumstances that would make any of such documents or records and the matters contained therein, inaccurate in any material respect.

(l) Tax Matters. Owner has relied solely on its own counsel for advice on any and all federal, state and local tax matters relating to this Agreement and the transactions contemplated herein and has not relied on any advice or representations of the Company, or its counsel with respect to any federal, state and local tax matters relating to this Agreement or the transactions contemplated herein.

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(m) Warranties. Owner has not released or modified any warranties of builders, contractors, manufacturers or other trades persons that have been given to Owner and to Owner's Knowledge all such warranties are in full force and effect.

(n) Bankruptcy. Owner has not: (i) made a general assignment for the benefit of creditors; (ii) filed any voluntary petition in bankruptcy or suffered the filing of an involuntary petition by Owner's creditors; (iii) suffered the appointment of a receiver to take possession of all or substantially all of Owner's assets; (iv) suffered the attachment, or other judicial seizure of all, or substantially all, of Owner's assets; (v) admitted in writing its inability to pay its debts as they come due; or (vi) made an offer of settlement, extension or compromise to its creditors generally.

(o) Permits, Etc. To Owner's Knowledge, all permits, licenses, authorizations and certificates of occupancy required by Governmental Authorities for the management, occupancy, leasing and operation of the Property are in full force and effect (it being acknowledged by the parties that Owner does not have a copy of the certificate of occupancy for the Property, and that Owner is relying on a letter dated April 1, 2004 from the City of Roseville, Community Development Department to Greenwich Capital Financial Products, Inc. (the "ZONING LETTER") which states that a certificate of occupancy was issued for the Property; Owner has delivered a true copy of the Zoning Letter to the Company);

(p) Compliance with Law Under the Lease. To Owner's Knowledge, there does not currently exist any obligation to be taken or performed by the Tenant pursuant to the Lease that if not taken or performed, would cause the Property to be in non-compliance with any federal, state, municipal and other governmental laws, ordinances, requirements, rules, regulations, notices, codes and orders, or any agreements, covenants, conditions, easements and restrictions currently in effect and relating to the Property.

(q) Zoning; Governmental Rules and Regulations Under the Lease and Existing Loan Documents. To Owner's Knowledge as of the date hereof, there is no requirement of applicable law, the Lease or Existing Loan Document that would require Owner to sell, mortgage, pledge, hypothecate or otherwise transfer or dispose of all or any part of the Property or any interest therein, or initiate, consent to, approve or otherwise take any action with respect to zoning or any other governmental rules or regulations presently applicable to all or any part of the Property.

(r) Not Misleading. Without limiting any of the representations and warranties of Owner set forth in this Agreement, such representations and warranties do not make any untrue statement of a material fact, or to Owner's Knowledge, omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

The Company agrees that, if (i) during the Study Period, the Company shall discover any state of facts that differs from any of the representations set forth in Section 5.1 above or that would make such representations untrue,

or (ii) if any of the documents listed in Exhibit 3.2.1 contains any facts or statements that differ from any of the representations set forth

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in Section 5.1 above or that would make such representations untrue, then the Company shall promptly advise the Owner in writing of such different state of facts.

Section 5.2 Representations and Warranties of The Company. The Company represents and warrants to Owner that the representations and warranties set forth below are true and correct on and as of the Effective Date:

(a) Due Execution; Authority. (i) The Company is duly formed, validly existing and in good standing as a limited partnership under the laws of the State of Delaware; (ii) this Agreement is, and all the documents to be delivered by the Company pursuant to the express terms of this Agreement (the "COMPANY CLOSING DOCUMENTS") will be, when executed by the Company, binding on and enforceable against the Company in accordance with their respective terms; (iii) there are no consents required from any third party to authorize the Company's entry into and performance of this Agreement, the Company Closing Documents and/or the transactions contemplated hereby or thereby; (iv) this Agreement has been, the Company Closing Documents and the transactions contemplated hereby and thereby have been, or will have been prior to the Closing, approved by all necessary action of the Company; and (v) the execution and delivery of the Company Closing Documents do not and will not constitute a breach or default under any agreement by which the Company is bound or by which any of the Company's property is encumbered.

(b) Bankruptcy. The Company has not: (i) made a general assignment for the benefit of creditors; (ii) filed any voluntary petition in bankruptcy or suffered the filing of an involuntary petition by the Company's creditors; (iii) suffered the appointment of a receiver to take possession of all or substantially all of the Company's assets; (iv) suffered the attachment, or other judicial seizure of all, or substantially all, of the Company's assets; (v) admitted in writing its inability to pay its debts as they come due; or (vi) made an offer of settlement, extension or compromise to its creditors generally

(c) Prohibited Person. The Company is not a Prohibited Person. For purposes hereof, a "Prohibited Person" shall mean any of the following: (i) a person or entity that is listed in the Annex to, or is otherwise subject to the provisions of, Executive Order No. 13224 on Terrorist Financing (effective September 24, 2001) (the "EXECUTIVE ORDER"); (ii) a person or entity owned or controlled by, or acting for or on behalf of any person or entity that is listed in the Annex to, or is otherwise subject to the provisions of, the Executive Order; (iii) a person or entity that is named as a "specially designated national" or "blocked person" on the most current list published by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") at its official website, <http://www.treas.gov/offices/enforcement/ofac>; (iv) a person or entity that is otherwise the target of any economic sanctions program currently administered by OFAC; or (v) a person or entity that is affiliated with any person or entity identified in any of clause(i), (ii), (iii) and/or (iv) above.

Section 5.3 Closing Certificates of The Company and Owner. (a) The Company, on the Closing Date, shall execute and deliver to Owner an instrument by which the Company shall remake the representations made pursuant to Section 5.2 above as of the Closing, provided that the Company, in such instrument, shall (i) update such representations to reflect events occurring between the date hereof and the Closing and (ii) correct such representations and warranties to

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reflect any discovered inaccuracy therein; such instrument being herein called the "COMPANY'S REPRESENTATION CERTIFICATE".

(b) Owner, on the Closing Date, shall execute and deliver to the Company an instrument in which Owner shall remake the representations and warranties made pursuant to Section 5.1 above as of the Closing, provided that Owner, in such instrument, shall (i) update such remake representations to reflect events occurring between the date hereof and the Closing and (ii) correct such remake representations to reflect any discovered inaccuracy therein; such instrument being herein called "OWNER'S REPRESENTATION CERTIFICATE".

ARTICLE VI COVENANTS AND ADDITIONAL OBLIGATIONS OF OWNER

Section 6.1 Covenants of Owner. Owner agrees that from the date of this Agreement to the Closing, it will:

(a) Insurance. Subject to the terms and conditions of the Lease (and to the extent Owner is able to do so pursuant to the Lease), cause Tenant to maintain in full force and effect all insurance required to be maintained pursuant to the Lease.

(b) Contracts and Business Practice. Not become a party to any new licenses, equipment leases, contracts or agreements of any kind relating to the Property, except for such contracts or agreements as will be terminated at or prior to the Closing without cost or expense to the Company or contracts which the Company agrees in its sole discretion to assume at the Closing, without having obtained in each case the prior written consent of the Company, which consent shall not be unreasonably withheld or delayed. The Company agrees that any requests for consent shall be responded to within five (5) Business Days of receipt of request therefor. Except as otherwise provided in this Article VI, Owner shall continue, and shall cause Tenant to continue (to the extent Owner is able to do so pursuant to the Lease), to manage, maintain and operate the Property in the same manner that Owner (or Tenant, as applicable) has been managing, maintaining and operating the Property immediately prior to the Effective Date; provided, however, that Owner shall not have any obligation to make repairs or expenditures that are capital in nature.

(c) Compliance With Laws. Not knowingly take or fail to take any action that will cause the Property to fail to comply with any federal, state, municipal and other governmental laws, ordinances, requirements, rules, regulations, notices, codes and orders, or any agreements, covenants, conditions, easements and restrictions currently in effect relating to the Property; provided that Owner shall not be required to take any such action, or perform any such obligation, if and to the extent that such action is required to be taken by the Tenant under the Lease or is otherwise the obligation of the Tenant under the Lease.

(d) Notices. Promptly upon receipt, provide the Company with copies of all written notices delivered to, or received by, the Tenant in connection with the Property or the Lease, any insurance company which carries insurance on the Property, or from any Governmental Authorities with respect to the Property or any portion thereof.

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(e) Conditions To The Closing. Use good faith efforts prior to the Closing to satisfy all conditions to the Closing which are within Owner's reasonable power to satisfy.

(f) No Sale or Encumbrance. Owner shall not sell, mortgage, pledge, hypothecate or otherwise transfer or dispose of all or any part of the Property or any interest therein, or initiate, consent to, approve or otherwise take any action with respect to zoning or any other governmental rules or regulations presently applicable to all or any part of the Property, except if and to the extent required by law, the terms of the Lease or the terms of the Existing Loan Documents.

(g) Lease. Owner shall not nor cause or permit Tenant to terminate, modify, extend, amend or renew the Lease or enter into any new lease or other letting arrangement without the prior written consent of the Company, which the Company may withhold in its sole discretion.

(h) Existing Loan. Pay and perform all of its obligations pursuant to the Existing Loan Documents, and use good faith efforts to cause Existing Lender to consent to the assignment to, and assumption by the Company of, the Existing Loan.

(i) Fulfillment of Obligation. To the extent Owner is obligated, pursuant to any contract, agreement, covenant, lease, or other understanding entered into prior to the Effective Date with any tenant, governmental subdivision or any other third party, to effect any construction, make any improvements or take any action, Owner shall cause any such construction, improvements and/or action to be taken, completed and fully paid for by Owner, at its expense, prior to the Closing. No such obligation shall be unfulfilled, and no liability for or payment in respect of any obligation shall be unsatisfied as of the Closing. Notwithstanding the foregoing, the Company acknowledges that in connection with Owner's acquisition of the Property, Owner entered into an Escrow and Disbursement Agreement dated as of May 12, 2004 among Meritex Enterprises, Inc. ("MERITEX"), Owner and the Title Company (the "IMPROVEMENTS ESCROW AGREEMENT"), pursuant to which Meritex agreed to (i) complete certain improvements required under the Lease with respect to the Fire Loop Conversion and Roadway Resurfacing and (ii) deposit \$186,000 in escrow with the Title Company to secure the cost of completing such improvements. Owner and the Company agree that (x) Owner shall not be responsible for completing the improvements to be completed by Meritex under the Improvements Escrow Agreement and (y) if such improvements have not been completed by the Closing Date, then at Closing Owner shall assign to the Company all of Owner's rights under the Improvements Escrow Agreement.

ARTICLE VII ASSUMPTION OF THE EXISTING LOAN BY THE COMPANY

Section 7.1 Assumption of Existing Loan. The Company recognizes and agrees that, in connection with the Existing Loan, the Property presently is encumbered by the Existing Mortgage. The Loan is evidenced by that certain promissory note

dated as of May 12, 2004 in the stated principal amount of \$20,860,000 (the "EXISTING NOTE") executed by Owner and payable to the order of Greenwich Capital Financial Products, Inc. Owner has heretofore delivered a true, correct and complete copy of the Existing Note and the other Existing Loan

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Documents to the Company for its review. The Company agrees that, at the Closing, the Company shall assume Owner's obligations under the Existing Note and all of the other Existing Loan Documents and accept title to the Property subject to the Existing Mortgage. It shall be a condition to the Owner's and the Company's obligations hereunder that at Closing the Existing Lender shall release Owner, as well as any guarantors and other obligated parties under the Existing Loan Documents from all obligations under the Existing Loan Documents (and any related guarantees or letters of credit), including, without limitation, any obligation to make payments of principal and interest under the Existing Note (the foregoing assumption of the Existing Loan and the release of Owner and all guarantors thereunder being herein called the "LOAN ASSUMPTION AND RELEASE"). The Company shall, within three (3) Business Days of the Effective Date, submit to the Lender a completed application for the Loan Assumption and Release (the "APPLICATION"). The Company and Owner each agree to use commercially reasonable diligent efforts to cause the Loan Assumption and Release to be consummated in the most timely and efficient manner. The Company shall pay all fees and expenses imposed or charged by the Lender and its counsel in connection with the Loan Assumption and Release, including, without limitation, all servicing fees and charges, transfer fees, assumption fees, title fees and endorsement fees and this obligation to pay fees and expenses shall survive the Closing or any earlier termination of this Agreement. The Company and Owner shall each pay their own legal fees and costs and expenses in connection with the Loan Assumption and Release. In connection with the Loan Assumption and Release, the Company shall form a subsidiary entity to take title to the Property, which subsidiary entity shall be a bankruptcy remote single purpose entity which satisfies the requirements of the Existing Loan Documents and of the Existing Lender.

ARTICLE VIII
[INTENTIONALLY OMITTED]

ARTICLE IX
CONDITIONS PRECEDENT

Section 9.1 The Company's Conditions Precedent. The Company's obligation to accept the conveyance of the fee simple title to the Property hereunder shall be subject to the full and timely satisfaction of the following conditions (all or any of which may be waived, in whole or in part, by the Company in writing in its sole discretion) at or prior to the Closing:

(a) Title. The Company shall have received confirmation from the Title Company that it is issuing to the Company at the Closing an owner's title policy (bringing the title current to the date of the Closing) without exceptions other than the Permitted Exceptions.

(b) Representations and Warranties. Owner's Representation Certificate shall reflect that the representations and warranties made by Owner in this Agreement (as the same may be deemed modified by the provisions of the last paragraph of Section 5.1) are true and correct in all material respects as of the Closing (with such modifications as may be necessary to reflect any changes contemplated or permitted by this Agreement, such as a change to subsection 5.1(i)(iv) to reflect any payments on the Existing Loan made after the Effective Date).

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(c) Performance of Obligations, etc. Owner shall have performed in all material respects all covenants and obligations and complied with all conditions, obligations and agreements required by this Agreement to be performed or complied with by it at or before the Closing.

(d) Existing Loan. All right, title and interest of Owner under and pursuant to the Existing Loan Documents shall be assigned to and assumed by the Company, Existing Lender shall have consented to such assignment and assumption, and all conditions to such assignment and assumption imposed by Existing Lender shall have been satisfied or waived by Existing Lender.

(e) Tenant Estoppel Certificate. The Company shall have received an executed estoppel certificate from the Tenant in the form prescribed by the Lease.

(f) Closing Under the Other Contract. The Closing under this Agreement and the closing of the transactions contemplated by the Other Contract occur simultaneously.

(g) Construction/Improvement Work at the Property. The Company shall have received confirmation reasonably satisfactory to it that with regard to any construction/improvement work at the Property (the "Improvement Work"): (i) all

licenses, permits and similar authorizations required by all Governmental Authorities relating to ongoing Improvement Work are in full force and effect; and (ii) all applicable certificates (including, without limitation, certificates of inspection), permits and/or licenses relating to the inspection and completion of Improvement Work during or after the expiration of the Study Period required by all Governmental Authorities.

(h) Violations. All Violations shall have been cured to the satisfaction of the applicable Governmental Authorities.

Section 9.2 The Owner's Conditions Precedent Owner's obligation to close on the Closing Date is subject to the satisfaction of the following conditions precedent, any or all of which may be waived in writing by Owner:

(a) Representations and Warranties. The Company's Representation Certificate shall reflect that the representations and warranties made by the Company in this Agreement are true and correct in all material respects as of the Closing.

(b) Performance of Obligations, etc. The Company shall have satisfied and complied with (or at the Closing shall satisfy and comply with) all of its obligations hereunder (including, without limitation, its obligations to pay the Cash Balance and to execute and/or deliver each and all of the documents to be executed and/or delivered by the Company pursuant to this Agreement);

(c) Existing Loan. All right, title and interest of Owner under and pursuant to the Existing Loan Documents shall be assigned to and assumed by the Company, Existing Lender shall have consented to such assignment and assumption, the Company and the Existing Lender have entered into the Loan Assumption and Release, all conditions to such assignment

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and assumption imposed by Existing Lender shall have been satisfied or waived by Existing Lender, and the Existing Lender shall have released Owner, as well as any guarantors and other obligated parties under the Existing Loan Documents from all obligations under the Existing Loan Documents (and any related guarantees or letters of credit), including, without limitation, any obligation to make payments of principal and interest under the Existing Note; and

(d) The Closing under this Agreement and the closing of the transactions contemplated by the Other Contract occur simultaneously.

Section 9.3 Failure of Conditions. (a) If any condition described in Section 9.1 is not satisfied as of the Closing Date, then Company may, at its sole option and as its sole and exclusive remedy: (i) extend the Closing Date for up to an additional thirty (30) days to allow for the satisfaction of such conditions, by written notice thereof to Owner and the Title Company; (ii) proceed to Closing without any abatement or reduction in the Purchase Price; or (iii) terminate this Agreement by written notice thereof to Owner and the Title Company at any time on or before the Closing. If the Company so extends the Closing Date and any such conditions remain unsatisfied at the end of such extended period, then the Company shall have the option, in its sole discretion, to either: (i) terminate this Agreement by written notice thereof to Owner and the Title Company; or (ii) proceed to the Closing without abatement or reduction in the Purchase Price. Upon termination of this Agreement pursuant to this Section 9.3, the Deposit shall be returned to the Company, and neither party shall have any further rights, obligations or liabilities under this Agreement, except for the obligations set forth in this Agreement that expressly survive termination of this Agreement. The conditions set forth in this Section 9.3 are for the Company's sole benefit, and the Company may, in its sole discretion, waive (conditionally or absolutely) the fulfillment of any one or more of the conditions, or any part thereof. Owner shall not take or authorize, directly or indirectly, any action that modifies or changes the circumstances upon which the conditions set forth in Section 9.1 were deemed satisfied or waived by the Company without the Company's prior written consent.

(b) If any condition described in Section 9.2 is not satisfied as of the Closing Date, then Owner may, as its sole and exclusive remedy, (i) extend the Closing Date for up to an additional thirty (30) days to allow for the satisfaction of such conditions, by written notice thereof to the Company; (ii) terminate this Agreement by written notice thereof to the Company at any time on or before the Closing; or (iii) proceed to the Closing without any abatement or reduction in the Purchase Price. If the Owner so extends the Closing Date and any such conditions remain unsatisfied at the end of such extended period, then the Owner shall have the option, in its sole discretion, to either: (i) terminate this Agreement by written notice thereof to Owner and the Title Company; or (ii) proceed to the Closing without abatement or reduction in the Purchase Price. Upon termination of this Agreement under this Section 9.3(b), the Deposit shall be returned to the Owner, and thereafter neither party shall have any further rights, obligations or liabilities under this Agreement, other than with respect to those rights and obligations that are expressly to survive a termination of this Agreement. The conditions set forth in this Section 9.3(b) are for Owner's sole benefit, and Owner may, in its sole discretion, waive the

fulfillment of any one or more of the conditions, or any part thereof. Company shall not take or authorize, directly or indirectly, any action that modifies or changes the circumstances upon which the conditions set forth in Section 9.2 were deemed satisfied or waived by the Owner without the Owner's prior written consent.

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(c) In addition to and without limiting the provisions of Section 9.3(a) and (b) above, Owner and the Company agree that each shall have the unilateral right upon written notice to the other and the Title Company, to extend the Closing Date for such period of time as may be necessary for the Existing Lender to finally approve or disapprove the Application.

ARTICLE X
CLOSING

Section 10.1 Closing. Closing of the transactions contemplated hereby (the "CLOSING") shall be consummated by mail through the offices of First American Title Insurance Company, 1801 K Street, N.W., Suite 200-K, Washington, D.C. 20006, on the date that is twenty (20) days after the expiration of the Study Period (such date, as the same may be extended pursuant to the terms of this Agreement, being herein called the "CLOSING DATE"; if the then scheduled Closing Date is not a Business Day, then the Closing Date shall be the next succeeding Business Day). Time shall be of the essence with respect to the obligations of Owner and the Company to be performed on the Closing Date.

ARTICLE XI
CLOSING MATTERS

Section 11.1 Owner's Obligations. At the Closing, Owner shall:

- (a) Affidavits. Execute and deliver to the Title Company such affidavits and indemnity agreements as required by Section 4.7(a) above.
- (b) Deed. Execute and deliver to the Company a Deed in the form attached hereto as Exhibit 11.1(b).
- (c) FIRPTA Certificate. Execute and deliver to the Company a FIRPTA Certificate substantially in the form attached hereto as Exhibit 11.1(c).
- (d) Owner's Representation Certificate. Execute and deliver to the Company the Owner's Representation Certificate as required by Section 5.3 above.
- (e) Further Assurances. Execute (as applicable) and deliver (or cause to be delivered) to the Company the Owner Closing Documents.
- (f) Assignment and Assumption of Lease. Execute and deliver to the Company an Assignment and Assumption of Lease in the form attached hereto as Exhibit 11.1(f).
- (g) Assignment of Existing Loan. Execute and deliver to the Company, Existing Lender and the Title Company the documents and instruments necessary to effect the assignment to the Company of the Existing Loan and Existing Loan Documents, the assumption of the Owner's obligations under the Existing Loan Documents, and the release of Owner, as well as any guarantors and other obligated parties, under the Existing Loan Documents from all obligations under the Existing Loan Documents and any related guarantees.

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- (h) Possession. Give full possession of the Property to the Company (subject to the rights of the Tenant under the Lease), and in connection therewith, turn over to the Company all keys, access codes and other equipment and information necessary for the Company to have full and complete access to the Property, subject only to the rights of Tenant under the Lease
- (i) Notice Letter to Tenant. Execute and deliver a letter to the Tenant notifying the Tenant of the sale of the Property and indicating the new address for notices under the Lease.
- (j) Transfer Tax Forms. Execute and deliver all requisite transfer tax forms and other documents required by law in order to consummate the conveyance of the Property from Owner to the Company pursuant to this Agreement.

Section 11.2 The Company's Obligations. At the Closing, the Company shall:

- (a) Cash Balance. Deliver the Cash Balance to the Owner (as provided in Section 2.3 above);
- (b) Affidavits Execute and deliver to the Title Company such affidavits and indemnity agreements as required by Section 4.7(b) above .
- (c) The Company's Representation Certificate. Execute and deliver to

Owner the Company's Representation Certificate as required by Section 5.3 above.

(d) Further Assurances. Execute (as applicable) and deliver (or cause to be delivered) to the Owner the Company's Closing Documents.

(e) Assignment and Assumption of Lease. Execute and deliver to the Owner an Assignment and Assumption of Lease in the form attached hereto as Exhibit 11.1(f).

(f) Assumption of Existing Loan. Execute and deliver to the Owner, Existing Lender and the Title Company the documents and instruments reasonably necessary to effect the assumption by the Company of the Owner's obligations under the Existing Loan and Existing Loan Documents and the release of Owner, as well as any guarantors and other obligated parties, under the Existing Loan Documents from all obligations under the Existing Loan Documents and any related guarantees, and pay to the Existing Lender all assumption fees, costs and expenses required by the Existing Loan Documents to effect such assumption by the Company and requisite consent by the Existing Lender.

(g) Transfer Tax Forms. Execute and deliver all requisite transfer tax forms and other documents required by law in order to consummate the conveyance of the Property from Owner to the Company pursuant to this Agreement.

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ARTICLE XII
PRORATIONS AND ADJUSTMENTS

Section 12.1 Prorations and Adjustments. (a) Rents. All rents payable by the Tenant to Owner under the Lease shall, at the Closing, be apportioned between Owner and the Company as of 11:59 p.m. of the day immediately prior to the Closing Date.

(b) Existing Loan Payments. Any current payments of principal and interest, and any reserve amounts, due pursuant to the Existing Loan for the month in which the Closing occurs shall at the Closing, be apportioned between Owner and the Company as of 11:59 p.m. of the day immediately prior to the Closing Date. All other payment items with respect to the Existing Loan shall be brought current at the Closing by Owner.

(c) Reserves, etc. The Company shall reimburse Owner for all reserves, impounds and other sums assigned to the Company that are then on deposit with the Lender and required to be maintained by the borrower under the Existing Loan Documents in connection with the Existing Loan.

(d) Other Items. All other items which are customarily apportioned in connection with the purchase and sale of real property similar to the Property in the jurisdiction in which the Property is located shall, at the Closing, be apportioned between the Owner and the Company as of 11:59 p.m. of day immediately prior to the Closing; provided, however, that in no event shall any item of expense be apportioned hereunder if, and to the extent that, such expense item is the obligation of the Tenant under the Lease (it being agreed that each of Owner and the Company shall look solely to the Tenant for the payment of such expense during their respective periods of ownership).

(e) Tax Refunds. Notwithstanding the foregoing, any refunds of real property taxes for tax years beginning prior to the Closing Date shall belong to Tenant, and if paid to the Company shall be promptly refunded by the Company to Tenant in accordance with the provisions of the Lease.

(f) Rent Step Up Adjustment. If the Closing shall occur prior to January 1, 2006, then at Closing the Company shall receive a credit against the Cash Balance in an amount equal to the product of (i) two hundred and forty six and 26/100 dollars (\$246.26) times (ii) the number of days in the period commencing on (and including) the Closing Date and ending on December 31, 2005.

(g) Overage Rent.

(i) All reimbursements or payments in respect of operating expenses, real estate taxes, and other charges (collectively, "OVERAGE RENT") paid pursuant to the Lease for the accounting period in which the Closing occurs shall when received be apportioned between Owner and the Company as of 11:59 P.M. of the day preceding the Closing Date. Owner shall be entitled to receive the proportion of such Overage Rent (less any reasonable costs and expenses incurred in the collection of such Overage Rent), that the portion of such accounting period prior to the Closing Date bears to the entire such accounting period. The Company shall

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be entitled to receive the proportion of such Overage Rent (less any reasonable costs and expenses incurred in the collection of such Overage Rent) that the portion of such accounting period from and after the Closing Date bears to the entire such accounting period. If, prior to the Closing, Owner shall receive any installments of Overage Rent attributable to Overage Rent for periods from and

after the Closing Date, such sum shall be credited against the Cash Balance payable by the Company at the Closing. As to Overage Rent in respect of an accounting period that shall have expired prior to the Closing, but which shall be paid after the Closing, the Company agrees that it will pay the entire amount over to Owner upon receipt thereof, less the Company's reasonable costs of collection reasonably allocable thereto. The Company agrees that it shall promptly render bills for any Overage Rent in respect of an accounting period that shall have expired prior to Closing but which shall be payable after the Closing, and use commercially reasonable efforts in the collection of Overage Rent, provided, however, that the Company shall have no obligation to commence any legal actions or proceedings to collect any such Overage Rent. Owner shall furnish to the Company all information relating to the period prior to the Closing that is reasonably necessary for the billing of such Overage Rent. The Company shall deliver to Owner, concurrently with the delivery to Tenant, copies of all statements relating to Overage Rent for periods prior to the Closing.

(ii) To the extent that any portion of the Overage Rent is required to be paid monthly or on another periodic basis, by Tenant on account of estimated amounts for the current period, and at the end of each calendar year (or, if applicable, at the end of each lease year or tax year, as the case may be), such estimated amounts are to be recalculated based upon the actual expenses, taxes and other relevant factors for that calendar (lease or tax) year, with the appropriate adjustments being made with Tenant, then such portion of the Overage Rent paid shall be prorated between Owner and the Company at the Closing, based on such estimated payments (i.e., with Owner entitled to retain all monthly and other periodic installments of such amounts paid with respect to periods prior to the calendar month or other relevant period in which the Closing Date occurs, Owner to pay to the Company at the Closing all monthly or other relevant period installments of such amounts paid with respect to periods following the calendar month or other relevant period in which the Closing occurs and Owner and the Company shall apportion all monthly installments of such amounts with respect to the calendar month in which the Closing occurs) and at the time(s) of final calculation and collection from (or refund to) Tenant of the amounts in reconciliation of actual Overage Rent for a period for which estimated amounts have been prorated, there shall be a reparation between Owner and the Company, with the net credit resulting from such reparation being payable to the appropriate party (i.e., to Owner if the recalculated amounts exceed the estimated amounts and to the Company if the recalculated amounts are less than the estimated amounts).

Section 12.2 Costs and Expenses. Except as otherwise provided in this Agreement, the Company shall be solely responsible for the following: (a) all costs of preparation of the Survey for the Property; (b) all costs of conducting all environmental tests and other Due Diligence of and with respect to the Property; (c) all costs associated with the issuance to the Company of the new owner's policy of title insurance and all endorsements thereto, including without limitation, the premium for such policy, and the cost and expense of title examination, title clearance and issuance of the Commitment; and (d) all costs and fees in connection with the assumption of the Existing Loan. Owner shall pay all costs associated with: (i) any costs of state, county, city, local, municipal and township recording, transfer and similar taxes and impositions with respect

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to the conveyance of the Property; (ii) repaying any indebtedness secured by the Property (other than the Existing Loan); and (iii) any gains taxes, income taxes or similar taxes owing as a result of the transactions contemplated hereby. The Company and Owner shall share equally escrow fees and other closing costs. The Company and Owner shall each pay their respective legal fees and expenses incurred in connection with the negotiation of this Agreement and all related documents, and in addressing each such party's tax and securities issues.

ARTICLE XIII DEFAULT

Section 13.1 Default By The Company. If (i) any of the representations and warranties made by the Company in this Agreement (as updated by the Company's Representation Certificate) are inaccurate or incorrect in any material respect on the date made or deemed made, or (ii) if the Company fails to perform its covenants, obligations or agreements under this Agreement and such failure is not cured on or before the earlier of ten (10) days after written notice by Owner to Company or the Closing Date, or (iii) the purchaser under the Other Contract (the "OTHER PURCHASER") fails to perform its covenants, obligations or agreements under the Other Contract and the seller under the Other Contract (the "OTHER SELLER") terminates the Other Contract as a result of such failure, then in any of such events, Owner's sole and exclusive remedy shall be the right to cancel and terminate this Agreement and receive and retain the Deposit (provided, however, that if the Company is then obligated to post the Additional Deposit but has not done so, then Owner shall have a right to receive the Initial Deposit and shall have a post termination damage claim against the Company for the Additional Deposit and all expenses incurred by owner in collecting same, including reasonable attorneys' fees). Upon such termination, each party shall be released from all duties or obligations contained herein except as may otherwise be expressly set forth in this Agreement as surviving a

termination of this Agreement, and the Title Company shall immediately pay the Deposit to Owner as liquidated damages as the sole and exclusive remedy of Owner, it being understood and agreed that Owner is hereby releasing and/or waiving any right it might have to either specifically enforce this Agreement or to sue for damages (other than to collect the Additional Deposit, as aforesaid, if the same had not been delivered to the Title Company when due). Owner has agreed to this liquidated damage provision because of the difficulty of ascertaining Owner's actual damages given the uncertainties of the real estate market, fluctuating property values and differences of opinion with respect to such matters.

Section 13.2 Default By Owner. If (i) any of the representations and warranties made by Owner in this Agreement (as updated by Owner's Representation Certificate) are inaccurate or incorrect in any material respect on the date made or deemed made, or (ii) if Owner fails to perform its covenants, obligations or agreements under this Agreement and such failure is not cured on or before the earlier of ten (10) days after written notice by the Company to Owner or the Closing Date, or (iii) the Other Seller fails to perform its covenants, obligations or agreements under the Other Contract and the Other Purchaser terminates the Other Contract as a result of such failure, then the Company shall have the right, at its sole option, to: (a) terminate this Agreement, whereupon the Deposit shall be returned to the Company and neither party shall have any further right or liability to the other under this Agreement except as may be otherwise expressly set forth in this Agreement; (b) waive the default, misrepresentation or failure to

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perform and proceed with the Closing without any adjustment or reduction in the Purchase Price; or (c) receive the Deposit from the Title Company and pursue an action for specific performance.

ARTICLE XIV COORDINATION BETWEEN AGREEMENT AND OTHER CONTRACT

Section 14.1 Coordination of the Sale of the Property and the Other Property. Owner and the Company acknowledge and agree that (i) the Property and the Other Property are intended to be sold together as part of a single integrated transaction, (ii) as a matter of convenience only, the parties have agreed sell the Property and the Other Property pursuant to the terms of two separate agreements (consisting of this Agreement and the Other Contract), rather than pursuant to a single agreement, and (iii) cross defaulting this Agreement and the Other Contract pursuant to Sections 13.1 and 13.2 is intended to further the intent of the parties to consummate the sale of the Property and the Other Property as a single integrated transaction. If the Other Contract is terminated by the Other Seller or Other Purchaser thereunder for any reason pursuant to the terms of the Other Contract (including, without limitation, if the Other Purchaser terminates the Other Contract prior to the end of the due diligence period under the Other Contract pursuant to Article III of the Other Contract), then (i) this Agreement shall automatically terminate on the date on which such Other Contract is so terminated, (ii) if, as a result of such termination of such Other Contract, the deposit thereunder is payable to the Other Seller, then the Deposit (and all interest accrued thereon) shall be paid to Owner, (iii) if, as a result of such termination of the Other Contract, the deposit thereunder is payable to the Other Purchaser, then the Deposit (and all interest accrued thereon) shall be paid to the Company and (iv) thereafter neither Owner nor the Company shall any further rights or obligations hereunder, other than those which expressly survive the termination of this Agreement.

Section 14.2 Coordination of Closing Dates for the Sale of the Property and the Other Property. Owner and the Company acknowledge that the intent of the parties is that the Closing under this Agreement, and the closing under the Other Contract, are all to occur simultaneously. If, as of any date, the then current scheduled closing date under the Other Contract is, for any reason, later than the then current scheduled Closing Date under this Agreement, then and in such event, the scheduled Closing Date under this Agreement shall automatically be adjourned to (and shall be) the then current scheduled closing date under the Other Contract. In furtherance of the foregoing, if the Other Seller or the Other Purchaser has any right to adjourn the closing date under the Other Contract and exercises such right, then the scheduled Closing Date under this Agreement shall automatically be extended to the scheduled closing date under the Other Contract.

ARTICLE XV DAMAGE, DESTRUCTION OR CONDEMNATION

Section 15.1 Casualty. (a) If, between the date hereof and the Closing, there shall occur a fire or other casualty affecting the Improvements which is not a Major Casualty, then the Company shall have no right to terminate this Agreement and shall purchase the Property in its damaged condition without reduction of or offset against the Purchase Price or any other claim against Owner. Owner shall assign to the Company the right to receive any insurance proceeds

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payable to Owner as a result of such fire or other casualty (inclusive of any rental interruption proceeds payable with respect to any period from and after the Closing); provided, however, that Owner shall be entitled to retain (to the extent theretofore paid to Owner), and shall not be obligated to assign the right to receive (to the extent not theretofore paid to Owner), an amount of such insurance proceeds equal to Owner's reasonable expenses, if any, incurred in collecting such proceeds and repairing the damage caused by fire or other casualty. For purposes hereof, a "MAJOR CASUALTY" means a fire in or other casualty to the Improvements which causes damage or injury that the repair or replacement cost of which would exceed Five Hundred Thousand and No/100 Dollars (\$500,000.00), as determined by the professional retained by the Company to perform a structural and/or physical inspection of the Property in connection with the Company's acquisition of the Property pursuant to this Agreement.

(b) If, between the date hereof and the Closing, there shall occur a fire or other casualty affecting the Improvements which is a Major Casualty, then the Company shall have the option, to be exercised by notice given to Owner within ten (10) days after the Company has notice of such fire or other casualty, to terminate this Agreement. If the Company shall so elect to terminate this Agreement, then (i) the Company shall be entitled to the return of the Deposit (and any interest thereon) and (ii) neither party hereto shall have any further obligations or liabilities to the other with respect to the Property (or under this Agreement), except for those which expressly survive the termination of this Agreement. If the Company shall not elect to terminate this Agreement as provided in this subsection (b), then this Agreement shall remain in full force and effect with respect and the provisions of Section 15.1(a) above shall apply to such damage and any insurance proceeds payable in connection therewith.

(c) Subject to the provisions of Section 15.1(a) and the applicable provisions of the Lease, Owner shall not have any obligation to repair any damage or destruction to the Improvements

Section 15.2 Condemnation or Taking. If, prior to the Closing, the Property or any part thereof shall be condemned or taken and such condemnation or taking materially interferes with the existing business use of the Property, the Company may (a) terminate this Agreement, or (b) complete the transactions contemplated by this Agreement notwithstanding such condemnation. If the Company elects to complete the transactions contemplated hereby, the Company shall be entitled to receive the condemnation proceeds and Owner shall, at the Closing and thereafter, execute and deliver to the Company all required assignments of claims and other similar items. If the Company elects to terminate this Agreement, then upon written notice to Owner and without further action of the parties, this Agreement shall become null and void and no party shall have any rights or obligations under this Agreement.

ARTICLE XVI
BROKERS

Section 16.1 Brokers. Owner, on the one hand, and the Company, on the other, hereby represent and warrant each to the other that it has not authorized any broker, agent or finder to act on its behalf in connection with the transaction contemplated by this Agreement except CB Richard Ellis and Transwestern Commercial Services (the "BROKERS"), who have been engaged

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by Owner pursuant to separate written agreements, and shall be paid by Owner, it being agreed that the Company shall have no liability for any commissions, fees payments or other sums payable to the Brokers or either of them. Each party agrees that it shall indemnify, defend and save the other harmless from and against any cost, expense, claim, loss, liability or damages, including reasonable attorneys' fees and court costs, resulting from a breach of the foregoing representation and warranty. The terms and provisions of this Section 16.1 shall survive the Closing or any earlier termination of this Agreement.

ARTICLE XVII
MISCELLANEOUS

Section 17.1 Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given/received: (a) on the date delivered if delivered personally; (b) on the date sent if sent by facsimile, with a copy sent by one of the other methods of delivery described in this Section; (c) the next Business Day after deposit with a recognized overnight courier service when marked for delivery on the next Business Day; or (d) five (5) days after mailing if sent by registered or certified United States mail, properly addressed and postage pre-paid, and addressed to the party for whom it is intended at the address hereinafter set forth:

If to Owner :	Stonewater UIS Funding LLC c/o Drawbridge Special Opportunities Fund LLP 1251 Avenue of the Americas LLC 16th Floor
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New York, New York 10020
Attn: Dean Dakolias
Fax: (212) 202-3685

with a copy to each of : Stonewater Partners
237 Mamaroneck Avenue
Suite 406
White Plains, New York 10605
Attn: Jeff Toporek
Fax: (914)-470-4011

and

Bryan Cave LLP
1290 Avenue of the Americas
New York, New York 10104
Attn: Sandor A. Green
Fax: (212) 541-1449

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If to the Company: Gladstone Commercial Limited Partnership
c/o Gladstone Commercial Corporation
1521 Westbranch Drive
Second Floor
McLean, VA 22102
Attn: Mr. Christopher Massey
Fax: (703) 287-5801

with a copy to: Dickstein Shapiro Morin & Oshinsky LLP
2101 L Street, N.W.
Washington, D.C. 20037
Attn: James D. Kelly, Esq.
Fax: 202-887-0689

Either party may designate a change of address by written notice to the other in accordance with the provisions set forth above, which notice shall be given at least ten (10) days before such change of address is to become effective. The attorney for either party may send notices on that party's behalf.

Section 17.2 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the respective personal representatives, heirs, successors and assigns of the parties. Owner shall not have any right to assign its rights or obligations under this Agreement without the prior written consent of the Company. The Company shall have no right to assign its rights or obligations under this Agreement without the prior written consent of Owner. Notwithstanding the foregoing; Company may assign its rights and obligations under this Agreement to any person or entity that is an affiliate of the Company, without the consent of Owner, provided that (i) the Company is not released from its liability hereunder, (ii) such assignee assumes all of the obligations of the Company under this Agreement, (iii) the Company delivers a copy of the assignment and assumption agreement to the Owner at or prior to Closing, (iv) the assignee is a single purpose bankruptcy remote entity that meets the requirements set forth in the Existing Loan Documents for the borrower thereunder, and (v) such assignee has been approved by the holder of the Existing Loan as the new borrower under the Existing Loan. As used herein, an affiliate is a person or entity controlled by, under common with, or controlling, another person or entity. Any assignment or attempted assignment of this Agreement or the rights and obligations hereunder other than strictly in accordance with the provisions of this Section 17.2 shall be null and void and of no force or effect.

Section 17.3 1031 Exchange. Owner hereby advises the Company that the sale of the Property may be part of a tax-free exchange under Section 1031 of the Internal Revenue Code for Owner. The Company hereby agrees to take all reasonable steps on or before the Closing Date to facilitate such exchange if requested by Owner, provided that (a) the Company shall not be required to acquire any substitute property, (b) such exchange shall not affect the representations, warranties, liabilities and obligations of the parties to each other under this Agreement, (c) the Company shall not incur any additional cost, expense or liability in connection with such exchange, and (d) no dates in this Agreement will be extended as a result thereof. Notwithstanding anything to the contrary contained in the foregoing, if Owner so elects

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to close the transfer of the Property as an exchange, then (i) Owner, at its sole option, may delegate its obligations to transfer the Property under this Agreement, and may assign its rights to receive the Purchase Price from the Company, to a deferred exchange intermediary (an "INTERMEDIARY") or to an exchange accommodation titleholder, as the case may be; (ii) such delegation and assignment shall in no way reduce, modify or otherwise affect the obligations of Owner pursuant to this Agreement; (iii) Owner shall remain fully liable for its obligations under this Agreement as if such delegation and assignment shall not have taken place; (iv) Intermediary or exchange accommodation titleholder, as

the case may be, shall have no liability to the Company; and (v) the closing of the transfer of the Property to the Company shall be undertaken by direct deed from Owner to the Company or to exchange accommodation titleholder, as the case may be.

Section 17.4 Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the state in which the Property is located, excluding conflicts of laws principles.

Section 17.5 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument; provided, however, in no event shall this Agreement be effective unless and until signed by all parties hereto.

Section 17.6 Further Assurances. In addition to the obligations required to be performed hereunder by Owner and the Company at or prior to the Closing, each party, from and after the Closing, shall execute, acknowledge and/or deliver such other instruments, as may reasonably be requested in order to effectuate the purposes of this Agreement; provided, however, that the foregoing provisions of this Section 17.6 shall not obligate either party to execute, acknowledge or deliver any instrument which would or might impose upon such party any additional liability or obligations (beyond that imposed upon on it under the documents delivered by such party at the Closing and the other provisions of this Agreement which survive the Closing).

Section 17.7 Recitals; Exhibits. Each and all of the recitals set forth above and the exhibits attached hereto are hereby incorporated into this Agreement by reference.

Section 17.8 Rules of Construction. Section captions used in this Agreement are for convenience only and shall not affect the construction of the Agreement. All references to "Articles" and "Sections," without reference to a document other than this Agreement are intended to designate articles and sections of this Agreement, and the words "herein," "hereof," "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Section, unless specifically designated otherwise. The use of the term "including" shall mean in all cases "including but not limited to," unless specifically designated otherwise. No rules of construction against the drafter of this Agreement shall apply in any interpretation or enforcement of this Agreement, any documents or certificates executed pursuant hereto, or any provisions of any of the foregoing.

Section 17.9 Time of Essence; Force Majeure. Time is important to all parties in the performance of this Agreement, and the parties have agreed that strict compliance is required as

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to any date set out in this Agreement. Notwithstanding the foregoing, in the event that Owner or the Company shall be delayed, hindered in or prevented from the performance of any act or obligation required under this Agreement by reason of acts of God, strikes, lockouts, labor troubles or disputes, inability to procure or shortage of materials or labor, failure of power or utilities (that are not due to the negligence or willful misconduct of Owner, the Company or their respective agents), delay in transportation, fire, vandalism, accident, flood, severe weather, other casualty, requirements imposed by Governmental Authorities, riot, insurrection, civil commotion, sabotage, explosion, war, natural or local emergency, acts or omissions of others, including the other party, or other reasons of a similar or dissimilar nature not solely the fault of, or under the exclusive control of such party, then performance of such act or obligation shall be excused for the period of the delay and the period for the performance of any such act or obligation shall be extended for the period equivalent to the period of such delay. Provided, however, none of the Company's monetary obligations under this Agreement shall be so excused or abated as a result of the provisions of this Section 17.9.

Section 17.10 Entire Agreement. This Agreement and the exhibits attached hereto and thereto contain the entire agreement between the parties relating to the Property, all prior negotiations between the parties, including, without limitation, any letter of intent, access agreement and confidentiality agreement (including all amendments or modifications thereof), are merged in this Agreement, and there are no promises, agreements, conditions, undertakings, warranties or representations, oral or written, express or implied, between them other than as herein set forth. No change or modification of this Agreement shall be valid unless the same is in writing and signed by the parties hereto. No waiver of any of the provisions of this Agreement and other agreements referred to herein shall be valid unless in writing and signed by the party against whom it is sought to be enforced.

Section 17.11 No Third Party Beneficiary. This Agreement and each of the provisions hereof are solely for the benefit of Owner and the Company and their permitted assigns. No provisions of this Agreement, or of any of the documents and instruments executed in connection herewith shall be construed as creating in any person or entity other than Owner and the Company and their permitted

assigns any rights of any nature whatsoever

Section 17.12 Severability. If any provision in this Agreement is found by a court of competent jurisdiction to be in violation of any applicable law, and if such court should declare such provision of this Agreement to be unlawful, void, illegal or unenforceable in any respect, the remainder of this Agreement shall be construed as if such unlawful, void, illegal or unenforceable provision were not contained therein, and the rights, obligations and interests of the parties hereto under the remainder of this Agreement shall continue in full force and effect undisturbed and unmodified in any way.

Section 17.13 Waiver of Trial by Jury. EACH PARTY HEREBY WAIVES, IRREVOCABLY AND UNCONDITIONALLY, TRIAL BY JURY IN ANY ACTION BROUGHT ON, UNDER OR BY VIRTUE OF OR RELATING IN ANY WAY TO THIS AGREEMENT OR ANY OF THE DOCUMENTS OR CERTIFICATES EXECUTED IN CONNECTION HEREWITH, THE PROPERTIES, OR ANY CLAIMS, DEFENSES, RIGHTS OF SET-OFF OR OTHER ACTIONS PERTAINING HERETO OR TO ANY OF THE FOREGOING.

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Section 17.14 Attorneys' Fees. In the event that there shall be a dispute under this Agreement resulting in the institution of any action or proceeding by Owner or the Company against the other, the prevailing party shall be entitled to receive from the other party reasonable attorneys' fees and disbursements and all court costs and expenses incurred in connection with such action or proceeding.

Section 17.15 No Recording. Neither this Agreement nor any memorandum hereof shall be recorded. Each party hereby agrees to indemnify and hold harmless the others for all liabilities, losses, damages, liens, suits, claims, costs and expenses (including reasonable attorneys' fees) incurred by the others by reason of a breach of the foregoing covenant.

Section 17.16 Survival. All representations, warranties, covenants, agreements and indemnities set forth in or made pursuant to this Agreement and any indemnification related thereto shall remain operative, and shall survive the Closing under this Agreement, only with respect to claims made in writing not later than twelve (12) months after the Closing.

ARTICLE XVIII
CONFIDENTIALITY

Section 18.1 Public Announcements. Except as provided otherwise in this Section 18.1, Owner and the Company hereby agree that they will not, and shall direct their respective employees, officers, agents and representatives not to, directly or indirectly, release or cause or permit to be released to the public prior to the Closing any press notices, publicity (oral or written) or advertising promotion relating to, or otherwise publicly announce or disclose or cause or permit to be publicly announced or disclosed, in any manner whatsoever, the terms, conditions or substance of this Agreement or the transactions contemplated herein, without first obtaining the consent of the Company and the Owner, which consent shall not be unreasonably withheld. It is understood that the foregoing shall not (i) preclude any party from discussing the substance or any relevant details of the transactions contemplated in this Agreement on a confidential basis with any of its partners, attorneys, officers, directors, employees, accountants, professional consultants, financial advisors, rating agencies, or potential lenders, as the case may be (the "REPRESENTATIVES") provided that such Representatives have been informed of the parties' obligations hereunder and the obligations of the parties under securities laws with respect to disclosure of information and trading in the stock of Company or its Affiliates or (ii) prevent it from complying with applicable laws, including, without limitation, governmental regulatory, disclosure, tax and reporting requirements. Owner and the Company shall each have the right to seek and obtain equitable relief to enforce the provisions of this Article XVIII.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the day and year first above written.

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WITNESS: OWNER:

STONEWATER UIS FUNDING LLC, a Delaware limited liability company

By: _____ By: _____
Name: _____ Name: _____
Title: _____ Title: Authorized Signatory

THE COMPANY:

GLADSTONE COMMERCIAL LIMITED PARTNERSHIP, a Delaware limited partnership

By: Gladstone Commercial Partners, LLC

By: Gladstone Commercial Corporation

By: _____
Name: _____
Title: _____

By: _____
Name: Christopher Massey
Title: Principal and Managing Director

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EXHIBIT A

LEGAL DESCRIPTION OF THE LAND

The land referred to is situated in the County of Ramsey, State of Minnesota, and is described as follows:

PARCEL 1:

The South 1024 feet of the West 700 feet of the Northwest Quarter of Section 8, Township 29, Range 23, Ramsey County, Minnesota.

(Torrens property, Certificate No. 541911)

PARCEL 2:

Non-exclusive easement for pedestrian and vehicular access, ingress and egress, as contained in Declaration of Road Easement dated May 7, 2004, recorded July 6, 2004, as Document No. 1824998.

EXHIBIT 1.4

EXISTING LOAN DOCUMENTS

1. Acknowledgement of Rent Bank Account
2. Assignment and Assumption of Lease
3. Assignment of Leases and Rents
4. Cash Management Agreement
5. Certificate of Borrower
6. Conditional Assignment of Management Agreement
7. Environmental Indemnity Agreement
8. Exceptions to Non-Recourse Guaranty
9. Mortgage, Assignment of Leases and Rents, and Security Agreement
10. Notice to Tenant
11. Operations and Maintenance Agreement
12. Post-closing Letter Agreement re Operations and Maintenance Agreement
13. Promissory Note
14. Replacement Reserve and Security Agreement
15. Subordination, Non-disturbance, and Attornment Agreement
16. Tenant Estoppel Certificate
17. TI and LC Reserve and Security Agreement
18. Letter Agreement re Operations and Maintenance Agreement

EXHIBIT 1.8

DESCRIPTION OF LEASE

Lease dated August 14, 1998 between Space Center Enterprises, Inc., as landlord, and Unisys Corporation, as tenant for space located at 2505 Walnut Street, Roseville, Minnesota; as amended by that certain First Amendment of Lease executed effective as of November 30, 1999 between Meritex Enterprises, Inc. (f/k/a Space Center Enterprises, Inc.), as landlord, and Unisys Corporation, as tenant; as further amended by that certain Second Amendment to Lease executed effective as of March 26, 2003 between Meritex Enterprises, Inc. (f/k/a Space Center Enterprises, Inc.), as landlord, and Unisys Corporation, as tenant; as further amended by that certain Third Amendment to Lease executed effective as of May 7, 2004 between Meritex Enterprises, Inc. (f/k/a Space Center Enterprises, Inc.), as landlord, and Unisys Corporation, as tenant; as further amended by that certain Fourth Amendment to Lease executed effective as of August 10, 2004 between Stonewater UIS Funding LLC (successor in interest to Space Center Enterprises, Inc.), as landlord, and Unisys Corporation, as tenant.

EXHIBIT 2.2

FORM OF ESCROW AGREEMENT

This Escrow Agreement (this "AGREEMENT") is made and entered into this ____ day of November, 2005, among STONEWATER UIS FUNDING LLC, a Delaware limited liability company ("OWNER"), and GLADSTONE COMMERCIAL LIMITED PARTNERSHIP, a Delaware limited partnership (the "COMPANY"), and FIRST AMERICAN TITLE INSURANCE COMPANY ("ESCROW AGENT"). Reference is made to that certain Purchase Agreement dated as of November __, 2005 (the "CONTRACT"), between Owner and the Company. The defined terms used in this Agreement shall have the meanings set forth in the Contract.

The Company and Owner have agreed to select Escrow Agent to serve as escrow agent with respect to the Deposit to be made by the Company pursuant to the Contract. The purpose of this Agreement is to prescribe instructions governing the services of Escrow Agent with respect to the Deposit and the Closing.

1. Owner and the Company hereby engage Escrow Agent to serve as escrow agent with respect to the Deposit made by the Company pursuant to the terms of the Contract, a copy of which has been delivered to and received by Escrow Agent. Escrow Agent hereby accepts such engagement.

2. Escrow Agent acknowledges receipt of the Deposit and agrees to place the Deposit into an interest-bearing escrow account and to notify the Company and Owner of the location and number of such interest-bearing account. Interest shall be maintained in the escrow account as a part of the Deposit and credited to the Company for tax purposes. The Company's Federal Taxpayer Identification Number is 91-2198700.

3. Escrow Agent shall disburse the Deposit and any interest earned thereon in accordance with the terms and conditions of the Contract, provided that Escrow Agent shall first give each party ten (10) days written notice in accordance with Section 17.1 of the Contract of Escrow Agent's intent to disburse, and upon receipt of written objection to such disbursement by either party, Escrow Agent shall act in accordance with Section 4 herein. At the time of the Closing, if any, if the Deposit has not been disbursed previously in accordance with the Contract, then Escrow Agent shall disburse the Deposit and interest thereon to Owner to be credited against the Purchase Price.

4. In the event that there is a dispute regarding the disbursement or disposition of the Deposit or the interest earned thereon, or in the event Escrow Agent shall receive conflicting written demands or instructions with respect thereto, then Escrow Agent shall withhold such disbursement or disposition until notified by both parties that such dispute is resolved or Escrow Agent may file a suit of interpleader at the cost and expense of Owner and the Company.

5. Escrow Agent shall not be liable for any damage, liability or loss arising out of or in connection with the services rendered by Escrow Agent pursuant to this Agreement unless the same results from the negligence, gross negligence, or willful misconduct of Escrow Agent.

6. Copies of all notices given by any party hereunder shall be delivered in person or mailed, postage prepaid, to all other parties hereto, to the following addresses:

(1) If to the Company Gladstone Commercial Limited Partnership
c/o Gladstone Commercial Corporation
1521 Westbranch Drive
Second Floor
McLean, VA 22102
Attn: Mr. Christopher Massey
Fax: (703) (703) 287-5801

with a copy to: Dickstein Shapiro Morin & Oshinsky LLP
2101 L Street, N.W.
Washington, D.C. 20037
Attn: James D. Kelly, Esq.
Fax: (202) 887-0689

(2) If to the Owner: Stonewater UIS Funding LLC
1251 Avenue of the Americas
16th Floor
New York, New York 10020
Attn: Mr. Dean Dakolias
Fax: 212-202-3685

with a copy to each of: Stonewater Partners
237 Mamaroneck Avenue
Suite 406
White Plains, New York 10605
Attn: Jeff Toporek
Fax: (914)-470-4011

and

Bryan Cave LLP
1290 Avenue of the Americas
New York, New York 10104
Attn: Sandor A. Green
Fax: 212-541-1449

7. The instructions contained herein may not be modified, amended or altered in any way except by a writing (which may be in counterpart copies)

signed by Owner, the Company and Escrow Agent. Notices for Owner and the Company may be given by the respective attorneys for each such party.

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8. The Company and Owner reserve the right, at any time and from time to time, to jointly substitute a new escrow agent in place of Escrow Agent.

9. This Agreement is intended solely to supplement and implement the provisions of the Contract and is not intended to modify, amend or vary any of the rights or obligations of the Company or Owner under the Contract.

10. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument; provided, however, in no event shall this Agreement be effective unless and until signed by all parties hereto.

[BALANCE OF PAGE INTENTIONALLY LEFT BLANK]
[SIGNATURES FOLLOW ON THE NEXT PAGE]

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

WITNESS: OWNER:

STONEWATER UIS FUNDING LLC,
a Delaware limited liability company

By: _____ By: _____
Name: _____ Name: _____
Title: _____ Title: Authorized Signatory

THE COMPANY:

GLADSTONE COMMERCIAL LIMITED
PARTNERSHIP, a Delaware limited
partnership

By: Gladstone Commercial Partners, LLC

By: Gladstone Commercial Corporation

By: _____ By: _____
Name: _____ Name: Christopher Massey
Title: _____ Title: Principal and Managing Director

ESCROW AGENT:

FIRST AMERICAN TITLE INSURANCE COMPANY

By: _____
Name: Michael Hillman
Title: Vice President

EXHIBIT 3.2.1

DOCUMENTS PREVIOUSLY DELIVERED BY OWNER

<Table>
<Caption>

	Date Sent	Format
	-----	-----
<S>	<C>	<C>
Loan Documents:		
Acknowledgement of Rent Bank Account	10/17	PDF
Assignment and Assumption of Lease	10/17	PDF
Assignment of Leases and Rents	10/17	PDF
Cash Management Agreement	10/17	PDF
Certificate of Borrower	10/17	PDF
Conditional Assignment of Management Agreement	10/17	PDF
Environmental Indemnity Agreement	10/17	PDF
Exceptions Guaranty by Stonewater Funding	10/17	PDF
Mortgage, Assignment of Leases and Rents, and Security Agreement	10/17	PDF
Notice to Tenant	10/17	PDF
Operations and Maintenance Agreement	10/17	PDF
Post-closing Letter Agreement re Operations and Maintenance Agreement	10/17	PDF
Promissory Note	10/17	PDF
Replacement Reserve and Security Agreement	10/17	PDF
Subordination, Non-disturbance, and Attornment Agreement	10/17	PDF
Tenant Estoppel	10/17	PDF
TI and LC Reserve and Security Agreement	10/17	PDF

Letter Agreement re Operations and Maintenance Agreement	10/17	PDF
Leases:		
Unisys Lease (includes four amendments)	10/17	PDF
Unisys Lease (page one of first amendment)	10/17	PDF
Unisys Lease (third amendment)	10/17	PDF
Title:		
Title Policy	10/17	PDF
Receipt and Release - McGough Construction	10/17	PDF
Zoning Certificate	10/17	PDF
Property:		
Insurance Certificates	10/17	PDF
Survey	10/17	PDF
Third Party Reports:		
Property Condition Report	10/17	PDF
Environmental Report -	10/19	PDF
</Table>		

EXHIBIT 3.2.2

SCHEDULE OF DOCUMENTS TO BE DELIVERED TO THE COMPANY

(1) The Lease, including without limitation, amendments, side letters, option exercise letters and other documents, certificates or instruments applicable to the Lease, subleases or similar instruments pursuant to which a person occupies the Property; and copies of all pending lease proposals.

(2) A current rent roll, certified as accurate by Owner's chief financial officer or an equivalent officer or official, together with all correspondence between Owner and Tenant with regard to the Lease and Tenant's occupancy of the Property.

(3) Existing studies, reports and appraisals, if any, relating to the Property and in the possession and/or control of Owner.

(4) Financial information for Tenant.

(5) Full year 2004-2006 operating budget for and with respect to the Property, together with financial information and records for the Property (including, without limitation, financial statements, containing, at a minimum, statements of profit and losses and balance sheets) for the last three (3) calendar years, together with the books and records for the Property, including historical property and operating statements, tax bills, capital expenditure records, renovation budget(s) and maintenance records of the Property. Such statements shall properly reflect the profit and loss from the management, leasing, maintenance, repair and operation of the Property for three (3) years.

(6) Zoning reports.

(7) As-built plans and specifications for the Improvements on the Property, to the extent reasonably available.

(8) Copies of all contracts, agreements, equipment leases, service and maintenance agreements, and vendor contracts related to the Property.

(9) Copies of Owner's existing title policy for the Property, together with a complete legal description and legible copies of all documents referred to in the title reports or policies.

(10) Copies of existing "as-built" surveys of the Property, any readily available topographical information and traffic studies in Owner's or its property manager's possession.

(11) All environmental reports and studies in Owner's possession (including, without limitation, all analytical data, remediation design, modeling, boring logs, correspondence, directives, submissions and responses to or from Governmental Authorities and environmental consultants) and notices and asbestos reports and all reports, proposals and/or notices relating to the physical condition of the Property, including, without limitation, any soils reports, engineering, architectural or other structural reports or studies and similar data relating to the Property in Owner's possession.

(12) Existing fire and casualty insurance policies (or summaries thereof) and current certificates evidencing such coverage.

(13) All information concerning any pending real estate tax assessment appeals, protests and proceedings.

(14) All agreements relating to leasing commissions affecting the Property, and a list of leasing commissions to be discharged by Owner.

- (15) Copies of all of the Existing Loan Documents.
- (16) Copies of all construction contracts or other agreements to which Owner or its agent is a party relating to ongoing construction work, repairs or renovations being done to any Improvements at the Property.
- (17) Copies of all agreements, proffers, if any, and other non-public documents relating to land use restrictions or other conditions limiting or otherwise affecting development of the Property.
- (18) Copies of all unexpired warranties and guaranties covering the personal property and the roof, elevators, heating and air conditioning systems and any other components of the Improvements, and a list and description of any material third party bonds, warranties and guaranties which will be in effect after the Closing with respect to the Property, including, without limitation, the Improvements.
- (19) Copies of all certificates of occupancy, approvals, licenses and permits.
- (20) Copies of any and all written claims, demands or notices from any third party which concern or otherwise affect the Property received by Owner during the prior three (3) years, or earlier if unresolved, including, without limitation, written notice of potential litigation, written notices from any Governmental Authority, copies of any reports issued by the local Fire Marshal regarding inspection of the Improvements during Owner's ownership of the Property and a list of major repairs (excluding tenant improvements) and major casualties occurring during Owner's ownership of the Property, together with any internal lists of claims or anticipated litigation related to the Property prepared by or on behalf of Owner.
- (21) True and complete copies of Owner's organizational documents, as well as any fictitious name or similar filings, including all amendments to the foregoing, certified as true and complete.
- (22) All of the records of the architects, engineers and consultants related to the Property in Owner's possession or in the possession of such architects, engineers and consultants.

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EXHIBIT 4.1

PERMITTED EXCEPTIONS

1. Building and zoning codes, ordinances and laws.
2. Utility and drainage easements of record which do not interfere with the current use of the real estate.
3. Any reservation of minerals or mineral rights to the State of Minnesota.
4. The lien of real estate taxes and installments of special assessments not yet due and payable.
5. The Declaration of Road Easement dated May 7, 2004, recorded July 6, 2004 as Document No. 1824998.
6. Lease to Unisys Corporation dated June 1, 1998, as amended by First Amendment to Lease dated November 30, 1999, Second Amendment to Lease dated March 26, 2003, Third Amendment to Lease dated May 7, 2004 and Fourth Amendment to Lease dated August 10, 2004.
7. The reference in the Certificate of Title for the Real Property to the rights of the public in County Road B-2.
8. Possible fence encroachment along the western boundary of the Real Property, as shown on the survey dated May 6, 2004 by Egan, Field & Nowak (the "Survey").
9. Possible encroachment of concrete steps on the north boundary line, as shown on the Survey.
10. Mortgage, Assignment of Rents and Security Agreement dated May 12, 2004, recorded July 6, 2004, as Ramsey County Registrar of Titles Document No. 1825000, executed by Stonewater UIS Funding LLC, a Delaware limited liability company, as mortgagor, to Greenwich Capital Financial Products, Inc., a Delaware corporation, as mortgagee, to secure the original principal amount of \$20,680,000.00
11. Assignment of Leases and Rents dated May 12, 2004, recorded July 6, 2004, as Document No. 1825001, by Stonewater UIS Funding LLC, a Delaware limited liability company, as assignor, to Greenwich Capital Financial Products, Inc., a Delaware corporation, as assignee.

[TITLE INSURANCE REQUIREMENTS AND ENDORSEMENTS]

This Memorandum will provide you with a checklist of standard title insurance requirements for projects being acquired by Gladstone Commercial Corporation, or an affiliated company ("GCC"). Additional or different requirements may be specified for your particular transaction.

1. GENERAL:

(a) The maximum single risk assumed by any single title insurer may not exceed 25% of that company's capital, surplus and statutory reserves. Excess amounts may be covered by appropriate reinsurance arrangements with other acceptable title insurance companies.

(b) The title insurance policy must be written by an insurer that has an acceptable rating from at least one of the following independent rating agencies:

- a "Financial Stability Rating" of "S" (Substantial) or better or a "Statutory Accounting Rating" of "C" (Average) or better from Demotech, Inc.;
- a "BBB" or better rating from Duff and Phelps Credit Rating Company;
- a "C" or better rating from LACE Financial Corporation;
- a "Baa" or better rating from Moody's Investors Service; or
- a "BBB" or better rating from Standard and Poor's, Inc.

(c) Each title insurance policy must be written by an insurer authorized to do business in the jurisdiction where the property is located.

(d) Subject to the satisfaction of other requirements set forth herein, GCC will accept the standard 1992 ALTA form of loan title insurance policy or the 1990, 1987 or 1970 (amended October 17, 1970, and October 17, 1984) form of owner's policies. GCC must receive and approve a commitment and a pro forma owner's title insurance policy. Copies of all documents and/or surveys referred to in the legal description or in the exceptions in Schedule B-I must be submitted with the commitment. The title insurance company must remove (by endorsement or written waiver) any creditors' rights exception or exclusion.

(e) If the 1990 or 1987 ALTA form of policy or a policy containing similar arbitration provisions is used, the title insurance company must agree that the compulsory arbitration provisions of the policy do not apply for any claims by or on behalf of the insured.

(f) The policy must include an Environmental Protection Lien Endorsement (ALTA Form 8.1). Subparagraph (b) of ALTA Form 8.1 may take exception for an entire state statute that provides for environmental protection liens that could take priority, only if specific sections or subsections are referenced. A reference solely to a general statute is acceptable only if approved in writing by GCC prior to closing. If no such statutes exist, "None" should be entered in the space below subparagraph (b).

(g) The policy must include a Comprehensive Endorsement (ALTA Form 9).

2. SCHEDULE A - DESCRIPTION:

(a) The amount of the title insurance policy must equal at least the original purchase price of the property.

(b) The effective date of the title policy must be as of the date (and time, where available) of the recordation of the Deed.

(c) The policy must name as the insured the entity designated by GCC as the owner.

(d) Schedule A must include a description of the Deed, with the complete name of the instrument, the date of execution, recordation date and recordation information.

(e) The legal description of the property in the title insurance policy must precisely conform to that shown on the survey of the property. Alternatively, the title insurance policy may be endorsed to provide that the legal description is the same as shown on the survey.

(f) Any appurtenant easements (such as access or utility easements) must be set forth in the legal description and affirmatively insured under Schedule A as a separate insured interest in land.

(g) The title insurance policy must include, as an informational note, in Schedule A (i) the recorded plat number (and recording information), if any, and (ii) the property parcel number(s) or tax identifying number(s), as applicable, for the property, if such numbers are available in the jurisdiction in which the property is located.

3. SCHEDULE B-I - TITLE EXCEPTIONIONS:

(a) Standard exceptions (such as for parties in possession, other matters not shown on public records and for filed and unfiled mechanics' and materialmen's liens) must be deleted.

(b) The title insurance company must remove (by endorsement or written waiver) any creditor's rights exception to or exclusion from the title insurance policy.

(c) If the title insurance policy includes any exception for taxes, assessments or other lienable items, it must expressly insure that such taxes, assessments or items are not yet due and payable.

(d) The title insurance policy must contain no exception for any filed or unfiled mechanics' or materialmen's liens.

(e) The standard survey exception to the title policy, if any, must be deleted. Exceptions to specific matters shown in a recorded plat must be specifically described and affirmative coverage must be obtained for any matters listed.

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(f) Any lien, encumbrance, condition, restriction or easement must be included in the policy and must be described in sufficient detail so that its nature, width and location, as applicable is readily discernible in the written description. All exceptions which regard easement rights of others to the property must be listed as an "Easement ...". The policy must affirmatively insure that improvements do not encroach upon the listed easements or affirmatively insure against loss or damage due to such encroachment.

(g) All easements listed in Schedule B-I must appear on the survey noted by deed book and page number. If Schedule B-I indicates the presence of any easements that are not specifically located, the title policy must provide affirmative insurance against any loss resulting from the exercise by the holder of such easement of its right to use or maintain that easement.

4. SCHEDULE B-II - SUBORDINATE MATTERS:

Tenants in possession under unrecorded leases must be listed as such on Schedule B, Part II or included as an exception in Schedule B, Part I as "rights of tenants in possession as of the date hereof, as tenant's only, under unrecorded leases."

5. REQUIRED ENDORSEMENTS:

(a) ALTA 9 Comprehensive Endorsement

(b) Survey Endorsement

(c) ALTA 3.1 Zoning Endorsement (with additional coverage for number and type of parking spaces)

(d) Doing Business Endorsement (as applicable)

(e) Access Endorsement

(f) Separate Tax Lot Endorsement

(g) Environmental Protection Lien Endorsement

(h) Subdivision Endorsement

(i) Contiguity Endorsement

(j) Creditor's Rights Endorsement (as applicable)

(k) Tax Deed Endorsement (as applicable)

(l) Mechanics' Lien Endorsements (as applicable)

(m) Non-Imputation Endorsement (as applicable)

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(n) Fairways Endorsement (as applicable)

EXHIBIT 4.2.2

[FORM OF SURVEYOR CERTIFICATION]

[NAME], a registered land surveyor, License No. [NUMBER], in and for the State of _____ and legally doing business in _____ County, does hereby certify to Gladstone Commercial Corporation, a Delaware corporation, its successors and assigns] and [TITLE COMPANY] and [LENDER]:

1. The accompanying survey ("SURVEY") represents a true and correct survey made by me on _____, 200_ of the land therein particularly described.
2. The Survey and the information, courses and distances shown thereon are correct.
3. The title lines and lines of actual possession are the same.
4. The land described in the Survey is the same as described in the title insurance commitment described below.
5. The area of the subject property and the size, location and type of buildings and improvements and any other matters situated on the subject property are as shown and all buildings and improvements are within the boundary lines and applicable set-back lines of the property.
6. There are no violations of zoning ordinances, restrictions or other rules and regulations with reference to the location of said buildings and improvements.
7. There are no easements or uses affecting this property appearing from a careful physical inspection of the same, other than those shown and depicted on the Survey.
8. There are no encroachments on the adjoining properties, streets, or alleys by any of said buildings, structures and improvements, other than as shown on the Survey.
9. There are no party walls or visible encroachments on said described property by streets, alleys or buildings, structures or other improvements situated on adjoining property, except as shown on the Survey.
10. All utility services required for the operation of the premises either enter the premises through adjoining public streets, or the Survey shows the point of entry and location of any utilities that pass through or are located on adjoining land.
11. The Survey shows the location and direction of all visible storm drainage systems for the collection and disposal of all roof and surface drainage.
12. Any discharge into streams, rivers or other conveyance system is shown on the Survey.
13. The subject property [INSERT "DOES" OR "DOES NOT"] lie within a Special Flood Hazard Area ("SFHA") as defined by the Federal Emergency Management Agency; the property lies within Zone(s) _____ [ONLY ZONES WITH PREFIXES OF "A" OR "V" ARE IN SFHAS] of the Flood Insurance Rate Map identified as Community Panel No. _____, bearing an effective date of _____
14. The subject property has access to and from a duly dedicated and accepted public street or highway [IF NOT, SO STATE].
15. [EXCEPT AS SHOWN ON THE SURVEY,] the subject property does not serve any adjoining property for drainage, utilities or ingress or egress.
16. The record description of the subject property forms a mathematically closed figure [IF NOT, SO STATE].
17. The undersigned has received and examined a copy of [COMPANY] Title Company's Commitment No. [NUMBER]; and the location of any matter shown thereon, to the extent it can be located, has been shown on this Survey with the appropriate recording reference.
18. The parties listed above are entitled to rely on the survey and this certificate as being true and accurate.
19. This Survey is made in accordance with the 1999 "Minimum Standard Detail Requirements for Land Title Surveys" jointly established and adopted by American Land Title Association ("ALTA") and American Congress on Surveying and Mapping ("ACSM") and meets the requirements of an Urban Survey, as defined in the current accuracy standards jointly adopted by ALTA and ACSM and includes items 1, 2, 3, 4, 6, 7(a,b,&c), 8, 9, 10, 11(a), 13 (including uses), 14, 15, and 16

of Table A thereof.

20. [IF THE CERTIFICATE IS ATTACHED TO RATHER THAN TYPED OR OTHERWISE REPRODUCED ON THE FACE OF THE SURVEY, ADD A PARAGRAPH SPECIFICALLY IDENTIFYING THE SURVEY (SUCH AS BY DATE, PROPERTY DESCRIPTION AND SURVEY NUMBER) TO WHICH THE CERTIFICATE RELATES.]

[SIGNATURE]

[TYPE NAME OF SURVEYOR BELOW SIGNATURE LINE]

Registration No. _____

Date: _____
[SEAL]

2

EXHIBIT 5.1 (IV)

[EXISTING LOAN BALANCES]

<Table>	
<S>	<C>
LOAN BALANCE:	\$20,459,571.03
TAX RESERVE:	59,182.14
CAPITAL RESERVE:	51,078.19
INSURANCE RESERVE:	868.20
</Table>	

EXHIBIT 11.1(b)

Form of Deed

WARRANTY DEED FORM 9-M Minnesota Conveyancing Blanks (6/17/97)

Corporation or Partnership
or Limited Liability Company
to Corporation, Partnership
or Limited Liability Company

No delinquent taxes and transfer
entered; Certificate of Real Estate
Value () filed () not required
Certificate of Real Estate Value No.
_____, 20__

County Auditor

by _____
Deputy

DEED TAX DUE HEREON: \$ _____

Date: _____,
2005

(reserved for recording data)

FOR VALUABLE CONSIDERATION, _____, a
_____ under the laws of _____, Grantor,
hereby conveys and warrants to _____, Grantee, a
_____ under the laws of _____, real property
in _____ County, Minnesota, described as follows:

together with all hereditaments and appurtenances belonging thereto, subject to
the following exceptions:

[BALANCE OF PAGE INTENTIONALLY LEFT BLANK]
[SIGNATURES FOLLOW ON NEXT PAGE]

Check box if applicable:

- [] The Seller certifies that the Seller does not know of any wells on the described real property.
- [] A well disclosure certificate accompanies this document.
- [] I am familiar with the property described in this instrument and I certify that the status and number of wells on the described real property have not changed since the last previously filed well disclosure certificate.

Affix Deed Tax Stamp Here

By _____
 Its _____

 By _____
 Its _____

STATE OF MINNESOTA)
) ss.
 COUNTY OF _____)

This instrument was acknowledged before me on _____,
 by _____ and _____, the
 _____ and _____ of _____, a
 _____ under the laws of _____, on behalf of
 the _____.

NOTARIAL STAMP OR SEAL (OR
 OTHER TITLE OR RANK)

 SIGNATURE OF PERSON TAKING ACKNOWLEDGMENT

Check here if part or all of the land is
 Registered (Torrens) []

THIS INSTRUMENT WAS DRAFTED BY
 (NAME AND ADDRESS):

Tax Statements for the real property
 described in this instrument should be
 sent to (include name and address of
 Grantee):

2

EXHIBIT A TO EXHIBIT 11.1(b)

Legal Description

The land referred to is situated in the County of Ramsey, State of Minnesota,
 and is described as follows:

PARCEL 1:

The South 1024 feet of the West 700 feet of the Northwest Quarter of Section 8,
 Township 29, Range 23, Ramsey County, Minnesota.

(Torrens property, Certificate No. 541911)

PARCEL 2:

Non-exclusive easement for pedestrian and vehicular access, ingress and egress,
 as contained in Declaration of Road Easement dated May 7, 2004, recorded July 6,
 2004, as Document No. 1824998.

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EXHIBIT B TO EXHIBIT 11.1(b)

Permitted Exceptions

1. Building and zoning codes, ordinances and laws.
2. Utility and drainage easements of record which do not interfere with the current use of the real estate.
3. Any reservation of minerals or mineral rights to the State of Minnesota.
4. The lien of real estate taxes and installments of special assessments not yet due and payable.
5. The Declaration of Road Easement dated May 7, 2004, recorded July 6, 2004 as Document No. 1824998.

6. Lease to Unisys Corporation dated June 1, 1998, as amended by First Amendment to Lease dated November 30, 1999, Second Amendment to Lease dated March 26, 2003, Third Amendment to Lease dated May 7, 2004 and Fourth Amendment to Lease dated August 10, 2004.

7. The reference in the Certificate of Title for the Real Property to the rights of the public in County Road B-2.

8. Possible fence encroachment along the western boundary of the Real Property, as shown on the survey dated May 6, 2004 by Egan, Field & Nowak (the "Survey").

9. Possible encroachment of concrete steps on the north boundary line, as shown on the Survey.

10. Mortgage, Assignment of Rents and Security Agreement dated May 12, 2004, recorded July 6, 2004, as Ramsey County Registrar of Titles Document No. 1825000, executed by Stonewater UIS Funding LLC, a Delaware limited liability company, as mortgagor, to Greenwich Capital Financial Products, Inc., a Delaware corporation, as mortgagee, to secure the original principal amount of \$20,680,000.00

11. Assignment of Leases and Rents dated May 12, 2004, recorded July 6, 2004, as Document No. 1825001, by Stonewater UIS Funding LLC, a Delaware limited liability company, as assignor, to Greenwich Capital Financial Products, Inc., a Delaware corporation, as assignee.

EXHIBIT 11.1(c)

[FIRPTA CERTIFICATE]

Section 1445 of the Internal Revenue Code of 1986, as amended (the "CODE"), provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person or entity. To inform the transferee that withholding of tax is not required upon the disposition of a U.S. real property interest by _____, _____ (the "COMPANY"), the undersigned hereby certifies the following on behalf of the Company:

1. The Company is not a foreign person, foreign corporation, foreign partnership, foreign trust, or foreign estate (as those terms are defined in the Code and the Income Tax Regulations promulgated thereunder);

2. Transferor is not a disregarded entity as defined in Section 1.1445 - 2(b) (2) (iii);

3. The Company's U.S. Employer identification number is _____; and

4. The Company's office address is:

The undersigned, as _____ of the Company, understands that this certification may be disclosed to the Internal Revenue Service by the transferee and that any false statement contained herein could be punished by fine, imprisonment or both.

Under penalties of perjury, the undersigned, as _____ of the Company, declares that the undersigned has examined this certification and that, to the best of the undersigned's knowledge and belief, it is true, correct and complete, and the undersigned further declares that the undersigned has authority to sign this document on behalf of the Company.

a _____

By: _____
Name: _____
Title: _____

EXHIBIT 11.1(f)

Form of Assignment and Assumption Agreement

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (the "ASSIGNMENT") is made as of the ___ day of _____, 200_ by STONEWATER UIS FUNDING LLC, a Delaware limited liability company, having an address at c/o Drawbridge Special Opportunities Fund, LLC, 1251 Avenue of the Americas, New York, New York 10021 ("ASSIGNOR"), in consideration of Ten (\$10.00) Dollars and for other good and valuable consideration paid by _____, a _____, having an office at _____ ("ASSIGNEE").

Assignor hereby assigns to Assignee all of Assignor's right, title and interest in and to the following documents (the "LEASE"):

Lease dated August 14, 1998 between Space Center Enterprises, Inc., as landlord, and Unisys Corporation, as tenant for space located at 2505 Walnut Street, Roseville, Minnesota; as amended by First Amendment of Lease dated effective as of November 30, 1999 between Meritex Enterprises, Inc. (f/k/a Space Center Enterprises, Inc.), as landlord, and Unisys Corporation, as tenant; as further amended by that certain Second Amendment to Lease dated effective as of March 26, 2003; as further amended by that certain Third Amendment to Lease executed effective as of May 7, 2004; as further amended by that certain Fourth Amendment to Lease executed effective as of August 10, 2004 between Stonewater UIS Funding LLC (successor in interest to Space Center Enterprises, Inc, as landlord, and Unisys Corporation, as tenant.

TO HAVE AND TO HOLD, unto Assignee and its successors and/or assigns. This assignment is made without any recourse and without representation or warranty of any kind, express or implied.

And Assignee hereby assumes all of the obligations of Assignor under the Lease and assumes due performance of all of the terms and provisions of the Lease on Assignor's part to be performed and observed thereunder.

This Assignment may be signed in multiple counterparts which, when taken together and signed by all parties and delivered to any other party hereto, shall constitute a binding instrument between the parties.

This instrument shall be governed by and construed in accordance with the laws of the State of Minnesota.

IN WITNESS WHEREOF, Assignor and Assignee have duly executed this agreement as of the date above written.

WITNESS:

ASSIGNOR:

STONEWATER UIS FUNDING LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: Authorized Signatory

ASSIGNEE:

GLADSTONE COMMERCIAL LIMITED PARTNERSHIP, a Delaware limited partnership

By: Gladstone Commercial Partners, LLC
By: Gladstone Commercial Corporation

By: _____
Name: _____
Title: _____

By: _____
Name: Christopher Massey
Title: Principal and Managing Director

AMENDMENT TO PURCHASE AGREEMENT

THIS AMENDMENT TO PURCHASE AGREEMENT (this "Amendment") is made as of December 22, 2005, and is by and between Stonewater UIS Funding LLC, a Delaware limited liability company ("Seller") and Gladstone Commercial Limited Partnership, a Delaware limited partnership ("Purchaser").

RECITAL

Seller and Purchaser are parties to that certain Purchase Agreement dated November 23, 2005 (the "Agreement"). Seller and Purchaser desire to amend the Agreement upon and subject to the terms and conditions of this Amendment. Therefore, in consideration of the premises and of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Seller and Purchaser, intending to be legally bound, agree to amend the Agreement as follows:

THE FIRST SENTENCE OF SECTION 3.1 IS HEREBY DELETED AND THE FOLLOWING IS INSERTED IN LIEU THEREOF: "THE TERM "Study Period" SHALL MEAN THE PERIOD COMMENCING ON THE EFFECTIVE DATE AND ENDING AT 5:00 P.M. (EASTERN STANDARD TIME) ON DECEMBER 30, 2005 ("STUDY PERIOD EXPIRATION DATE)." NOTWITHSTANDING ANYTHING CONTAINED IN THE AGREEMENT TO THE CONTRARY, PURCHASER SHALL NOT HAVE ANY RIGHT TO EXTEND THE STUDY PERIOD EXPIRATION DATE.

EXCEPT AS EXPRESSLY MODIFIED BY THIS AMENDMENT, THE AGREEMENT SHALL BE AND REMAIN UNCHANGED AND IN FULL FORCE AND EFFECT, AND AS MODIFIED BY THIS

AMENDMENT, THE AGREEMENT IS HEREBY RATIFIED AND CONFIRMED BY SELLER AND PURCHASER. THIS AMENDMENT MAY BE ENTERED INTO IN COUNTERPARTS, AND ALL SUCH COUNTERPARTS WHEN TAKEN TOGETHER SHALL CONSTITUTE A SINGLE INSTRUMENT.

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GLADSTONE COMMERCIAL LIMITED PARTNERSHIP

BY: GLADSTONE COMMERCIAL PARTNERS, LLC

BY: GLADSTONE COMMERCIAL CORPORATION

BY: _____

NAME: ROBERT J. CORRY

TITLE: PRINCIPAL AND MANAGING
DIRECTOR

Stonewater UIS Funding LLC

By: _____

Name: _____

Title: Authorized Signatory

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AMENDMENT TO PURCHASE AGREEMENT

THIS AMENDMENT TO PURCHASE AGREEMENT (this "Amendment") is made as of December 30, 2005, and is by and between Stonewater UIS Funding LLC, a Delaware limited liability company ("Seller") and Gladstone Commercial Limited Partnership, a Delaware limited partnership ("Purchaser").

RECITAL

Seller and Purchaser are parties to that certain Purchase Agreement dated November 23, 2005, as the same has been modified by that certain Amendment to Purchase Agreement dated December 22, 2005 (as so modified, the "Agreement"). Seller and Purchaser desire to further amend the Agreement upon and subject to the terms and conditions of this Amendment. Therefore, in consideration of the premises and of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Seller and Purchaser, intending to be legally bound, agree to amend the Agreement as follows:

THE FIRST SENTENCE OF SECTION 3.1 IS HEREBY DELETED AND THE FOLLOWING IS INSERTED IN LIEU THEREOF: "THE TERM "Study Period" SHALL MEAN THE PERIOD COMMENCING ON THE EFFECTIVE DATE AND ENDING AT 5:00 P.M. (EASTERN STANDARD TIME) ON JANUARY 6, 2006 ("STUDY PERIOD EXPIRATION DATE")." NOTWITHSTANDING ANYTHING CONTAINED IN THE AGREEMENT TO THE CONTRARY, PURCHASER SHALL NOT HAVE ANY RIGHT TO EXTEND THE STUDY PERIOD EXPIRATION DATE.

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EXCEPT AS EXPRESSLY MODIFIED BY THIS AMENDMENT, THE AGREEMENT SHALL BE AND REMAIN UNCHANGED AND IN FULL FORCE AND EFFECT, AND AS MODIFIED BY THIS AMENDMENT, THE AGREEMENT IS HEREBY RATIFIED AND CONFIRMED BY SELLER AND PURCHASER. THIS AMENDMENT MAY BE ENTERED INTO IN COUNTERPARTS, AND ALL SUCH COUNTERPARTS WHEN TAKEN TOGETHER SHALL CONSTITUTE A SINGLE INSTRUMENT.

Gladstone Commercial Limited Partnership

By: Gladstone Commercial Partners, LLC

By: Gladstone Commercial Corporation

By: _____

Name: Robert J. Corry

Title: Principal and Managing Director

Stonewater UIS Funding LLC

By: _____

Name: _____

Title: Authorized Signatory

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AMENDMENT TO PURCHASE AGREEMENT

THIS AMENDMENT TO PURCHASE AGREEMENT (this "Amendment") is made as of January 6, 2006, and is by and between Stonewater UIS Funding LLC, a Delaware limited liability company ("Seller") and Gladstone Commercial Limited Partnership, a Delaware limited partnership ("Purchaser").

RECITAL

Seller and Purchaser are parties to that certain Purchase Agreement dated November 23, 2005 (as the same has been modified by that certain Amendment to Purchase Agreement dated December 22, 2005 and that certain Amendment to Purchase Agreement dated December 30, 2005, the "Agreement"). Seller and Purchaser desire to further amend the Agreement upon and subject to the terms and conditions of this Amendment. Therefore, in consideration of the premises and of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Seller and Purchaser, intending to be legally bound, agree to amend the Agreement as follows:

THE FIRST SENTENCE OF SECTION 3.1 IS HEREBY DELETED AND THE FOLLOWING IS INSERTED IN LIEU THEREOF: "THE TERM "Study Period" SHALL MEAN THE PERIOD COMMENCING ON THE EFFECTIVE DATE AND ENDING AT 5:00 P.M. (EASTERN STANDARD TIME) ON JANUARY 13, 2006 ("STUDY PERIOD EXPIRATION DATE")." NOTWITHSTANDING ANYTHING CONTAINED IN THE AGREEMENT TO THE CONTRARY, PURCHASER SHALL NOT HAVE ANY RIGHT TO EXTEND THE STUDY PERIOD EXPIRATION DATE.

ARTICLE I NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN SECTION 3.1 OF THE AGREEMENT, PURCHASER HEREBY WAIVES ANY RIGHT TO TERMINATE THE AGREEMENT BASED ON THE INFORMATION DISCLOSED BY (I) THE STRUCTURAL/ENGINEERING/PROPERTY CONDITION REPORT, ENVIRONMENTAL REPORT, APPRAISAL REPORT, TITLE REPORT/COMMITMENT AND SURVEY RECEIVED WITH RESPECT TO THE PROPERTY (AS SUCH TERM IS DEFINED IN THE AGREEMENT); AND (II) CREDIT UNDERWRITING OF UNISYS CORPORATION. PURCHASER HEREBY ACCEPTS THE LEASE MORE PARTICULARLY DESCRIBED IN EXHIBIT A.

EXCEPT AS EXPRESSLY MODIFIED BY THIS AMENDMENT, THE AGREEMENT SHALL BE AND REMAIN UNCHANGED AND IN FULL FORCE AND EFFECT, AND AS MODIFIED BY THIS AMENDMENT, THE AGREEMENT IS HEREBY RATIFIED AND CONFIRMED BY SELLER AND PURCHASER. THIS AMENDMENT MAY BE ENTERED INTO IN COUNTERPARTS, AND ALL SUCH COUNTERPARTS WHEN TAKEN TOGETHER SHALL CONSTITUTE A SINGLE INSTRUMENT.

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GLADSTONE COMMERCIAL LIMITED PARTNERSHIP

Stonewater UIS Funding LLC

BY: GLADSTONE COMMERCIAL PARTNERS, LLC

BY: _____

NAME: _____ BY: GLADSTONE COMMERCIAL CORPORATION

TITLE: AUTHORIZED SIGNATORY

BY: _____

NAME: ROBERT J. CORRY

TITLE: PRINCIPAL/MANAGING DIRECTOR

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EXHIBIT A

[Description of Lease]

Lease - Building 3 dated August 14, 1998 and effective as of June 1, 1998 between Stonewater UIS Funding, LLC (as successor to Meritex Enterprises, Inc., the successor-in-interest to Space Center Enterprises, Inc.) and Unisys Corporation, as amended by (i) that certain First Amendment to Lease effective as of November 30, 1999, (ii) that certain Second Amendment to Lease effective as of March 26, 2003, (iii) that certain Third Amendment to Lease effective as of May 7, 2004, and (iv) that certain Fourth Amendment to Lease effective as of August 10, 2004

AMENDMENT TO PURCHASE AGREEMENT

THIS AMENDMENT TO PURCHASE AGREEMENT (this "Amendment") is made as of January 13, 2006, and is by and between Stonewater UIS Funding LLC, a Delaware limited liability company ("Seller") and Gladstone Commercial Limited Partnership, a

Delaware limited partnership ("Purchaser").

RECITAL

Seller and Purchaser are parties to that certain Purchase Agreement dated November 23, 2005 (as the same has been modified by that certain Amendment to Purchase Agreement dated December 22, 2005, that certain Amendment to Purchase Agreement dated December 30, 2005 and that certain Amendment to Purchase Agreement dated January 6, 2006, the "Agreement"). Seller and Purchaser desire to further amend the Agreement upon and subject to the terms and conditions of this Amendment. Therefore, in consideration of the premises and of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Seller and Purchaser, intending to be legally bound, agree to amend the Agreement as follows:

THE FIRST SENTENCE OF SECTION 3.1 IS HEREBY DELETED AND THE FOLLOWING IS INSERTED IN LIEU THEREOF: "THE TERM "Study Period" SHALL MEAN THE PERIOD COMMENCING ON THE EFFECTIVE DATE AND ENDING AT 7:00 P.M. (EASTERN STANDARD TIME) ON JANUARY 17, 2006 ("STUDY PERIOD EXPIRATION DATE")." NOTWITHSTANDING ANYTHING CONTAINED IN THE AGREEMENT TO THE CONTRARY, PURCHASER SHALL NOT HAVE ANY RIGHT TO EXTEND THE STUDY PERIOD EXPIRATION DATE.

EXCEPT AS EXPRESSLY MODIFIED BY THIS AMENDMENT, THE AGREEMENT SHALL BE AND REMAIN UNCHANGED AND IN FULL FORCE AND EFFECT, AND AS MODIFIED BY THIS AMENDMENT, THE AGREEMENT IS HEREBY RATIFIED AND CONFIRMED BY SELLER AND PURCHASER. THIS AMENDMENT MAY BE ENTERED INTO IN COUNTERPARTS, AND ALL SUCH COUNTERPARTS WHEN TAKEN TOGETHER SHALL CONSTITUTE A SINGLE INSTRUMENT.

GLADSTONE COMMERCIAL LIMITED PARTNERSHIP

Stonewater UIS Funding LLC

BY: GLADSTONE COMMERCIAL PARTNERS, LLC

BY: _____

NAME: _____ BY: GLADSTONE COMMERCIAL CORPORATION

TITLE: AUTHORIZED SIGNATORY

BY: _____

NAME: ROBERT J. CORRY

TITLE: PRINCIPAL/MANAGING DIRECTOR

AMENDMENT TO PURCHASE AGREEMENT

THIS AMENDMENT TO PURCHASE AGREEMENT (this "Amendment") is made as of January 17, 2006, and is by and between Stonewater UIS Funding LLC, a Delaware limited liability company ("Seller") and Gladstone Commercial Limited Partnership, a Delaware limited partnership ("Purchaser").

RECITAL

Seller and Purchaser are parties to that certain Purchase Agreement dated November 23, 2005 (as the same has been modified by that certain Amendment to Purchase Agreement dated December 22, 2005, that certain Amendment to Purchase Agreement dated December 30, 2005, that certain Amendment to Purchase Agreement dated January 6, 2006 and that certain Amendment to Purchase Agreement dated January 13, 2006, the "Agreement"). Seller and Purchaser desire to further amend the Agreement upon and subject to the terms and conditions of this Amendment. Therefore, in consideration of the premises and of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Seller and Purchaser, intending to be legally bound, agree to amend the Agreement as follows:

THE FIRST SENTENCE OF SECTION 3.1 IS HEREBY DELETED AND THE FOLLOWING IS INSERTED IN LIEU THEREOF: "THE TERM "Study Period" SHALL MEAN THE PERIOD COMMENCING ON THE EFFECTIVE DATE AND ENDING AT 7:00 P.M. (EASTERN STANDARD TIME) ON JANUARY 20, 2006 ("STUDY PERIOD EXPIRATION DATE")." NOTWITHSTANDING ANYTHING CONTAINED IN THE AGREEMENT TO THE CONTRARY, PURCHASER SHALL NOT HAVE ANY RIGHT TO EXTEND THE STUDY PERIOD EXPIRATION DATE.

EXCEPT AS EXPRESSLY MODIFIED BY THIS AMENDMENT, THE AGREEMENT SHALL BE AND REMAIN UNCHANGED AND IN FULL FORCE AND EFFECT, AND AS MODIFIED BY THIS AMENDMENT, THE AGREEMENT IS HEREBY RATIFIED AND CONFIRMED BY SELLER AND PURCHASER. THIS AMENDMENT MAY BE ENTERED INTO IN COUNTERPARTS, AND ALL SUCH COUNTERPARTS WHEN TAKEN TOGETHER SHALL CONSTITUTE A SINGLE INSTRUMENT.

GLADSTONE COMMERCIAL LIMITED PARTNERSHIP

BY: GLADSTONE COMMERCIAL PARTNERS, LLC

BY: _____

NAME: _____

BY: GLADSTONE COMMERCIAL CORPORATION

TITLE: AUTHORIZED SIGNATORY

BY: _____

NAME: CHRISTOPHER MASSEY

TITLE: PRINCIPAL/MANAGING DIRECTOR

3

AMENDMENT TO PURCHASE AGREEMENT

THIS AMENDMENT TO PURCHASE AGREEMENT (this "Amendment") is made as of January 20, 2006 by and between Stonewater UIS Funding LLC, a Delaware limited liability company ("Seller") and Gladstone Commercial Limited Partnership, a Delaware limited partnership ("Purchaser").

RECITAL

Seller and Purchaser are parties to that certain Purchase Agreement dated November 23, 2005 (as the same has been modified by that certain Amendment to Purchase Agreement dated December 22, 2005, that certain Amendment to Purchase Agreement dated December 30, 2005, that certain Amendment to Purchase Agreement dated January 6, 2006, that certain Amendment to Purchase Agreement dated January 13, 2006 and that certain Amendment to Purchase Agreement dated January 17, 2006 (collectively the "Agreement"). Seller and Purchaser desire to further amend the Agreement upon and subject to the terms and conditions of this Amendment. All capitalized terms used herein and not otherwise defined herein shall have the meaning ascribed thereto in the Agreement.

Now, therefore, in consideration of the premises and of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficient of which is hereby acknowledged, Seller and Purchaser intending to be legally bound, agree to further amend the Agreement as follows:

1. Purchaser hereby acknowledges and agrees that the Study Period has expired and that Purchaser has no further right to terminate the Agreement pursuant to Section 3.1 thereof.

2. The following is hereby added to Article II of the Agreement:

Section 2.4 Amendment to Lease. Notwithstanding anything contained herein to the contrary, unless on or prior to the Closing Date the Seller, as landlord, and the Tenant, shall have executed and delivered an amendment to the Lease which has been approved by the Existing Lender and (i) modifies section 12.5 of the Lease to provide that the Landlord shall provide all of the insurance (including, without limitation the specified coverage limits and specified deductibles) required by Section 5 of the Existing Mortgage, (ii) provides that Tenant shall reimburse Landlord, as additional rent, for all of the insurance premiums payable by Landlord from time to time to obtain such insurance, (iii) modifies section 10.1 of the Lease to reinstate in its entirety the provisions of section 10.1 of the original lease dated August 14, 1998 (effective as of June 1, 1998) between Space Center Enterprises, Inc., as Landlord, and Tenant, with respect to the Property (without giving any further effect to Section 2 and Section 3 of the Forth Amendment to Lease dated as of August 10, 2004 between Seller, as landlord, and Tenant), (iv) reduces the annual minimum rent by \$10,000, and (v) otherwise is in a form reasonably satisfactory to Purchaser, then at the Closing the Purchase Price shall be reduced by two hundred thirty-five thousand (\$235,000) dollars

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(and accordingly, the Cash Balance payable by the Company shall be reduced by \$235,000).

3. Subsection 9.1(e) of the Agreement is hereby deleted and the following is hereby substituted in lieu thereof:

(e) Tenant Estoppel Certificate. The Company shall have received an executed estoppel certificate from the Tenant in substantially the form annexed hereto as Exhibit 9.1(e), with no material changes.

4. Except as expressly modified by this Amendment, the Agreement shall be and remain unchanged and in full force and effect, and as modified by this Amendment, the Agreement is hereby ratified and confirmed by Seller and

Purchaser. This Amendment may be entered into in counterparts, and all such counterparts when taken together shall constitute a single instrument.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Amendment as of the day and year first above written.

SELLER: STONEWATER UIS FUNDING LLC

By: _____
Name:
Title

PURCHASER: GLADSTONE COMMERCIAL LIMITED PARTNERSHIP

By: Gladstone Commercial Partners, LLC

By: Gladstone Commercial Corporation

By: _____
Christopher Massey
Principal/Managing Director

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AMENDMENT TO PURCHASE AGREEMENT

THIS AMENDMENT TO PURCHASE AGREEMENT (this "Amendment") is made as of February __, 2006 by and between Stonewater UIS Funding LLC, a Delaware limited liability company ("Seller") and Gladstone Commercial Limited Partnership, a Delaware limited partnership ("Purchaser").

RECITAL

Seller and Purchaser are parties to that certain Purchase Agreement dated November 23, 2005, as the same has been modified by that certain Amendment to Purchase Agreement dated December 22, 2005, that certain Amendment to Purchase Agreement dated December 30, 2005, that certain Amendment to Purchase Agreement dated January 6, 2006, that certain Amendment to Purchase Agreement dated January 13, 2006, that certain Amendment to Purchase Agreement dated January 17, 2006 and that certain Amendment to Purchase Agreement dated January 20, 2006 (collectively the "Agreement"). Capitalized terms used herein and not defined shall have the meanings ascribed to them in the Agreement.

AGREEMENT

Now, therefore, in consideration of the promises and of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Seller and Purchaser agree that the Closing Date, as set forth in Section 10.1 of the Agreement, shall be February 17, 2006. Nothing contained herein shall be deemed to modify or limit the rights of Seller or Purchaser to extend the Closing Date pursuant to the express terms of the Agreement.

This Amendment may be executed in any number of counterparts, each of which shall constitute an original but all of which, taken together, shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Amendment as of the day and year first above written.

SELLER: STONEWATER UIS FUNDING LLC

By: _____
Name:
Title

PURCHASER: GLADSTONE COMMERCIAL LIMITED PARTNERSHIP

By: Gladstone Commercial Partners, LLC
By: Gladstone Commercial Corporation

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By: _____
Robert J. Corry
Principal/Managing Director

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