

PROMISSORY NOTE

\$5,000,000

New York, New York
As of February 24, 2015

FOR VALUE RECEIVED, the undersigned MICHAEL STERN REVOCABLE TRUST, a United States domiciled trust, having an address c/o JDS Development Group, 104 Fifth Avenue, 9th Floor, New York, New York 10011 (the "Maker"), hereby promises to pay to KVAL, LLC, a New York limited liability company (the "Holder"), the sum of FIVE MILLION DOLLARS (\$5,000,000) (the "Principal Amount"), together with interest on the unpaid principal amount from time to time outstanding prior to maturity calculated in the manner hereinafter set forth, payable on the terms specified below (the "Loan"). The parties acknowledge that the Holder is not a banking or financing business and that this Promissory Note (this "Promissory Note") is provided as a one-time agreement between the parties, and does not constitute or imply any reoccurring financing arrangement.

1. Defined Terms. Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to such terms on Schedule 1.
2. Interest Payments. The Principal Amount shall bear interest at the rate of the Citibank base rate as of the date hereof (the "Base Interest") until JDS 111 (as defined below) has received Available Repayment Funds, then the interest shall be the amounts Maker is obligated to pay to Holder in accordance with Section 4(a) below (the "Alternate Interest"), in each case subject to the provisions of this Section 2. All interest hereunder shall accrue and be payable on the Maturity Date (defined below). To the extent the Holder receives payments pursuant to Section 4 of this Promissory Note, the Holder hereby acknowledges that it shall waive its right to receive any further payments of Base Interest.
3. Maturity Date. Subject to Maker's obligation to prepay the Loan as set forth in Section 4, Maker shall pay the outstanding principal balance of the Loan and all other amounts due under this Promissory Note, together with all accrued and unpaid interest on the eighth (8th) anniversary of the date hereof (the "Maturity Date"). In the event Maker does not make such payment in full on the Maturity Date, then the Loan shall automatically convert into equity in JDS 111 and Holder shall receive a limited liability company interest in JDS 111 in a percentage equal to Holder's Pro Rata Share, and Maker shall take such actions or cause such actions to be taken to so convert the Loan into equity. Holder acknowledges and agrees that Maker is not making any representation or guaranty that JDS 111 or Maker will receive Available Repayment Funds in an amount sufficient to repay the Principal Amount and any interest thereon owing in full and, in such event, any unpaid portion of the Principal Amount as of the Maturity Date shall be converted to equity in JDS 111 as set forth in the prior sentence. Maker and Holder hereby acknowledge to use commercially reasonable efforts, and with respect to Maker to cause its wholly owned subsidiary (the "Intermediary Trust Holding Co.") and JDS 111

to use commercially reasonable efforts to negotiate and execute the documentation necessary to reflect the equity interest in JDS 111. In the event Maker breaches the provisions of the penultimate sentence of this Section 3, this Promissory Note shall remain in full force and effect and Maker shall pay default interest at the rate of the Base Interest, plus five percent (5%).

4. Prepayments.

(a) Mandatory Prepayment.

(i) Maker shall pay to Holder as repayment of the Principal Amount and as the payment of the Alternate Interest, as and when, and only to the extent, JDS 111 receives Available Repayment Funds in an amount equal to Holder's Pro Rata Share of such Available Repayment Funds. All payments by Maker to Holder shall be applied first to the repayment of the Principal Amount and second to the payment of the Alternate Interest. Holder hereby acknowledges that JDS 111 and Maker shall be permitted, in each of its sole and absolute discretion, to distribute the portion of the Available Repayment Funds that do not constitute Holder's Pro Rata Share of the Available Repayment Funds to its respective member(s) or beneficiary(ies), as applicable.

(ii) Maker acknowledges that the Loan is being made for the purpose of funding the Additional Capital Contribution that Investor and Atlantic (collectively, the "Defaulting Investors") failed to fund (the "Failed Capital Contribution") pursuant to that certain capital call notice dated October 21, 2014 attached hereto as Exhibit A which capital call notices was made pursuant to Section 3.2(a)(ii) of the Partners LLC Agreement. In the event a court of a competent jurisdiction, pursuant to a final, nonappealable judgment (or if there is a settlement) (collectively, the "Final Judgment") finds that the Defaulting Investors were not in default under the Partners LLC Agreement or otherwise permits the Defaulting Investors to contribute their respective portion of the Failed Capital Contribution, and each of the Defaulting Investors funds such amounts, Maker shall repay the entire Loan (or a lesser portion to the extent the Defaulting Investors contribute less than all of their respective portion of the Failed Capital Contribution), together with a prepayment premium equal to an annualized rate of 17.5%.

(b) Optional Prepayment. Maker shall not have the right to prepay all or any portion of the Loan, except as set forth in Section 4(a).

(c) Repayment Cap. For the avoidance of doubt, in no event shall Maker be obligated to make any further payments under this Promissory Note to the extent that such payments would result in Holder receiving an amount in excess of the amount of distributions Holder would have received if Holder had contributed the Principal Amount to Partners LLC in exchange for a limited liability company interest in a percentage equal to the Repayment Cap Percentage and Holder receives liquidating distributions pro rata pari passu based on each member's percentage interest.

By way of example only, if the Repayment Cap Percentage is 3.51%, and the liquidating distributions are an amount equal to \$200,000,000, then Maker shall not be obligated to pay Holder amounts in excess of \$7,020,000.

(d) All amounts due under this Promissory Note shall be paid in immediately available funds and in such coin or currency of the United States of America as at the time of payment shall be legal tender for payment of public or private debts.

5. Collection Costs. In the event that (i) the indebtedness evidenced by this Promissory Note, or any part thereof, is collected in any proceeding at law, or (ii) this Promissory Note is submitted to attorneys for collection after the failure of Maker to make payment of principal and interest when due and payable, Maker shall pay all costs of collecting this Promissory Note, including, without limitation, reasonable attorneys' fees and expenses and court costs, if any.

6. Waivers. Maker and all endorsers hereby waive diligence presentment, demand, notice, protest, and all other demands and notices in connection with the delivery, acceptance, performance and enforcement of this Promissory Note, and assents to extensions of the time of payment or forbearance or other indulgence without notice, and waive the right to assert any and all defenses, counterclaims, setoffs or reductions for any reason whatsoever. All rights and remedies provided in this Promissory Note or by law shall be available to Holder and shall be cumulative, and no delay or omission of Holder in exercising any right or remedy hereunder shall constitute a waiver of any such right or remedy. Acceptance by Holder of any payment after demand shall not be deemed a waiver of such demand. A waiver on one occasion shall not operate as a bar to or waiver of any such right or remedy on any future occasion. This Promissory Note may be changed, amended, or modified only by an agreement in writing signed by Maker and Holder.

7. Representations. Maker hereby represents and warrants to Holder that:

(a) Maker is a validly existing trust duly formed under the laws of the State of New York and Maker owns one hundred percent (100%) of the beneficial interest in 111 WEST 57TH JDS LLC, a Delaware limited liability company ("JDS 111");

(b) this Promissory Note, when executed and delivered, will be, a legal, valid and binding obligation of Maker, enforceable against Maker in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforceability of creditor's rights generally and by general principles of equity;

(c) no consent or approval of any governmental or regulatory authority or of any securities exchange or the like, nor any consent or approval of any other third party, is necessary to the validity and enforceability of this Promissory Note;

(d) Exhibit B attached hereto sets forth the amount of capital contributed by Sponsor, Investor and Atlantic (and their respective direct and indirect members) as of the date hereof;

(e) Other than the failure to fund the Failed Capital Contribution, neither Atlantic nor Investor is in default under the Partners LLC Agreement;

(f) Each of the JDS Entities has funded its respective capital contributions in accordance with the LLC Agreement, the Manager LLC Agreement, the Sponsor LLC Agreement and the Partners LLC Agreement, as applicable;

(g) None of the JDS Entities is in default, or has received a written notice of default that remains uncured, under the LLC Agreement, the Manager LLC Agreement, the Sponsor LLC Agreement and the Partners LLC Agreement, as applicable;

(h) Attached hereto as Exhibit C is a true, correct and complete copy of the current Budget;

(i) Attached hereto as Exhibit D is a true, correct and complete copy of the current structure chart;

(j) Maker has provided Holder with true, correct and complete copies of the organizational documents of Maker, JDS 111, Company, Manager, Sponsor or Partners;

(k) Neither Maker, the Intermediary Trust Holding Co. nor JDS 111, nor any entity controlled by JDS 111, has pledged its interest in any of its assets to any other Person other than in connection with acquisition or construction financings;

(l) The organizational documents of Intermediary Trust Holdings Co. require the distribution of all cash flow received from JDS 111 to Maker at least quarterly; and

(m) Neither Maker nor any of the JDS Entities has received a written notice of default with respect to that certain loan agreement by and between 111 West 57th LH LLC and 111 West 57th FE LLC and Annaly CRE LLC, dated as of June 28, 2013, which default remains uncured as of the date hereof.

8. Covenants. Until the prompt and full payment of all of the present and future liabilities and obligations of Maker evidenced by or arising under or in connection with this Promissory Note (the "Obligations") have been paid and satisfied in full, Maker hereby covenants as follows:

(a) Maker shall at all times cause JDS 111 to remain in its current capacity with the Company and will not, without the prior written consent of Holder, except as otherwise permitted pursuant to the LLC Agreement, amend or allow to be amended any organizational or other documents of Maker, the Intermediary Trust Holding Co., the

Company, Manager, Sponsor or Partners in a manner that disproportionately, as compared to JDS 111, affects Holder;

(b) Maker shall not cause nor permit JDS 111 to directly or indirectly transfer or pledge any of its interest in 111 West 57th Partners LLC or any portion thereof to any other Person;

(c) Maker shall always own 100% of Intermediary Trust Holding Co which shall always own 100% of 111 JDS, and neither Intermediary Trust Holding Co or 111 JDS shall pledge their interests in any of their direct assets or permit a pledge of interests in them;

(d) Maker shall not cause nor allow any person other than Michael Stern to be the trustee of Maker without Holder's prior consent;

(e) Maker shall not, and shall not permit, any amendment or modification to the organizational documents of Maker, Intermediary Trust Holding Co. or JDS 111 in a manner that adversely affects Holder without Holder's prior consent; and

(f) Maker will furnish Holder copies of financial statements and such other reports and information JDS 111 receives from, or provides to, Partners LLC, and will permit Holder or any designee of Holder, from time to time, to inspect, audit and make copies of and extracts from all records and other papers relating to Partners LLC, but only to the extent Maker has the right to do so, pursuant to, and in strict accordance with, the Partners LLC Agreement. Notwithstanding the foregoing, Holder shall be permitted from time to time, to review and audit all records and papers reasonably necessary to ascertain the accuracy of the Available Repayment Funds, the Repayment Cap Percentage, and the Holder's Pro Rata Share computed by Maker.

9. Maker Waivers. Maker waives: (i) all rights to require Holder to proceed against any other person, entity or collateral or to exercise any remedy, (ii) the defense of the statute of limitations in any action upon any of the Obligations, (iii) any right of subrogation or interest in the Obligations until all the Obligations have been paid in full, and (iv) any rights to notice of any kind or nature whatsoever, unless specifically required in this Promissory Note or is non-waivable under any applicable law.

10. Event of Default. The following shall be an "Event of Default" hereunder: Maker fails to pay Holder's Pro Rata Share of the Available Repayment Funds (and to the extent the Available Repayment Funds are paid in installments, the payment of any installment thereof) in accordance with Section 4 above and such breach is not cured within five (5) days of written notice of such breach.

11. Remedies. Upon the occurrence of the Event of Default, then, or at any time thereafter, the entire principal balance of this Promissory Note, together with the then accrued and unpaid interest thereon and other charges due hereunder (the "Default Amount"), at the election of Holder and without notice of such election, shall become due

and payable immediately and Holder may proceed to collect the Default Amount which shall include the costs and expenses (including reasonable attorney's fees) incurred by Holder in collecting the amounts due to it under this Promissory Note as a result of such Event of Default.

12. Limitation on Liability. Notwithstanding anything to the contrary contained in this Promissory Note, the liability and obligation of Maker to perform and observe and make good the obligations contained in this Promissory Note and to pay Holder's Pro Rata Share of the Available Repayment Funds and Additional Interest in accordance with the provisions of this Promissory Note shall not be enforced by any action or proceeding wherein damages or any money judgment or any deficiency judgment or any judgment establishing any personal obligation or liability shall be sought, collected or otherwise obtained against any past, present or future member, partner, officer, director, manager, or shareholder of Maker (or any of its direct or indirect beneficial owners), and Holder for itself and its successors and assigns irrevocably waives any and all right to sue for, seek or demand any such damages, money judgment, deficiency judgment or personal judgment against any past, present or future member, partner, officer, director, manager or shareholder of Maker (or any of its direct or indirect beneficial owners) under or by reason of or in connection with this Promissory Note and agrees to look solely to the assets of Maker received or held directly from the sources included in the definition of "Available Repayment Funds" and from no other sources for the enforcement of such liability and obligation of Maker. Holder hereby expressly acknowledges and agrees that the liability and obligation of Maker to perform and observe and make good the obligations contained in this Promissory Note and to pay Holder's Pro Rata Share of the Available Repayment Funds and Additional Interest in accordance with the provisions of this Promissory Note shall be limited only to the extent that JDS 111 receives Available Repayment Funds from those sources expressly included in the definition of "Available Repayment Funds." In no event shall Maker be obligated to use funds received or held from any other sources to make any payments hereunder and Holder hereby expressly waives any and all right to sue for, seek or demand any damages, money judgment, deficiency judgment or personal judgment against any past, present or future member, partner, officer, director, manager or shareholder of Maker (or any of its direct or indirect beneficial owners) against the assets of Maker received from or held in connection with any source other than those expressly listed in the definition of "Available Repayment Funds."

13. Indemnity. Maker shall indemnify, defend and hold Holder harmless from out-of-pocket costs and expenses incurred by Holder in connection with defending any claim brought or raised by Atlantic, Investor or any other Person, or any claim made against any principal or member of Holder, with respect to the transactions contemplated by this Promissory Note or with respect to payment by Sponsor LLC of the Failed Capital Contribution or breach by Sponsor LLC, Manager LLC, the Company under the Partners LLC Agreement, the Sponsor LLC Agreement or the Manager LLC Agreement, as applicable; provided, however, Holder shall not be entitled to be indemnified pursuant to this Section 13 to the extent such claim is the result of Holder's or an affiliate of Holder's gross negligence, criminal acts or willful misconduct.

14. No Waiver. Neither the failure of the Holder to exercise any of the rights, powers or privileges expressly or repeatedly created or existing hereunder, or otherwise, nor any assent, express or implied, to the nonperformance or nonpayment of any obligation or liability of the Maker created or existing hereunder or otherwise, shall at any time or under any circumstances constitute or be construed to be a waiver of the same or other right, power or privilege to the Holder nor as an assent by the Holder to the nonperformance or nonpayment of the same or any other obligation or liability of the Maker, nor shall any estoppel be affected thereby against the Holder.

15. Governing Law; Exclusion Jurisdiction; Waiver of Jury Trial. THIS INSTRUMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO THE CONFLICTS OF LAWS PRINCIPLES THEREOF. FOR PURPOSES OF ANY ACTION OR PROCEEDING INVOLVING THIS PROMISSORY NOTE, EACH OF HOLDER AND MAKER HEREBY EXPRESSLY SUBMITS TO THE JURISDICTION OF ALL FEDERAL AND STATE COURTS LOCATED IN NEW YORK COUNTY, THE STATE OF NEW YORK AND CONSENT THAT ANY ORDER, PROCESS, NOTICE OF MOTION OR OTHER APPLICATION TO OR BY ANY OF SAID COURTS OR A JUDGE THEREOF MAY BE SERVED WITHIN OR OUTSIDE SUCH COURT'S JURISDICTION BY REGISTERED MAIL OR BY PERSONAL SERVICE, PROVIDED A REASONABLE TIME FOR APPEARANCE IS ALLOWED (BUT NOT LESS THAN THE TIME OTHERWISE AFFORDED BY ANY LAW OR RULE), AND WAIVES ANY RIGHT TO CONTEST THE APPROPRIATENESS OF ANY ACTION BROUGHT IN ANY SUCH COURT BASED UPON LACK OF PERSONAL JURISDICTION, IMPROPER VENUE OR FORUM NON CONVENIENS.

MAKER AND HOLDER EACH HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES (TO THE EXTENT PERMITTED BY APPLICABLE LAW) ANY AND ALL RIGHTS TO A TRIAL BY JURY OF ANY DISPUTE ARISING UNDER OR RELATING TO THIS PROMISSORY NOTE AND AGREES THAT ANY SUCH DISPUTE SHALL BE TRIED BEFORE A JUDGE SITTING WITHOUT A JURY.

16. Notices. Any notice or other communication required or permitted to be given hereunder will be in writing and will be sent by electronic mail or mailed by prepaid registered or certified mail, timely deposited with an overnight courier such as Federal Express, or delivered against receipt (including by confirmed facsimile transmission), at the addresses set forth in this Promissory Note or to such other address as the party may have furnished in writing in accordance with the provisions of this Section. Any notice or other communication shall be deemed to have been given, made and received upon receipt; provided, that any notice or communication that is received other than during regular business hours of the recipient shall be deemed to have been given at the opening of business on the next business day of the recipient.

To Guarantor	c/o JDS Development Group 104 Fifth Avenue, 9 th Floor New York, New York Attention: Michael Stern Email: mstern@jdsjdevelopment.com
With a Copy to	Kasowitz, Benson, Torres & Friedman LLP 1633 Broadway New York, New York Attention: Douglas B. Heitner, Esq. Email: DHeitner@kasowitz.com
To Holder	Gusrae Kaplan Nusbaum PLLC 120 Wall Street New York, NY 10005 Attention: Marlen Kruzhkov Email: mkruzhkov@gusraekaplan.com
With a Copy to:	Gusrae Kaplan Nusbaum PLLC 120 Wall Street New York, NY 10005 Attention: Marlen Kruzhkov Email: mkruzhkov@gusraekaplan.com

17. Confidentiality. Maker and Holder hereby agree to consider as proprietary, keep confidential, and not disclose to any third party, any and all information relating to this Promissory Note; provided, however, that either Maker or Holder may disclose such information to any Person if such Person is party to a confidentiality agreement which adequately protects the other party against disclosures which could adversely affect its business; and provided, further, that either Maker or Holder may disclose such information, on an "as needed" basis (i) to such the lawyers, accountants or agents of such party, or such party's affiliates or investment manager(s), in connection with the ordinary conduct of the business affairs of such affiliate (or, if applicable, such affiliate's affiliates or investment manager(s)), or (ii) as required by law or pursuant to regulatory or supervisory requests or requirements; provided, however, that to the extent legally permissible and reasonably practicable, upon complying with any such request the disclosing party shall request that the Person or regulatory or supervisory authority requesting or requiring disclosure shall treat such information confidentially. Nothing in this Section 17 shall be construed as prohibiting either party from communicating general financial information concerning this Promissory Note to the direct or indirect beneficial owners of interests in such party.

18. Amendment. This Promissory Note may not be modified, changed, waived, discharged or terminated orally but only by agreement or discharge in writing and signed by Holder and Maker. No amendment, modification, or waiver of any provision of this

Promissory Note nor consent to any departure by any Maker therefrom shall be effective unless the same shall be in writing and signed by Holder and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. The acceptance by Holder of payment of any sum payable hereunder after the due date of such payment shall not be a waiver of Holder's right to either require prompt payment when due of all other sums payable hereunder or to declare a default for failure to make prompt payment.

19. Costs and Expenses. Maker shall reimburse Holder for all costs and expenses incurred by Holder and shall pay the reasonable fees and disbursements of counsel to Holder in connection with administration and enforcement of Holder's rights hereunder.

20. Successors and Assigns. The terms and conditions of this Promissory Note shall be binding upon and inure to the benefit of Maker and Holder and their permitted assigns; provided, however, that no assignment of this Promissory Note or of any rights hereunder (in whole or in part) may be made by Holder (by operation of law, by way of transfer or participation, or otherwise) unless (i) the Holder first obtains the written consent of Maker to such an assignment and (ii) if such consent is otherwise obtained, (x) the Holder assigns its entire interest in this Promissory Note to a single holder in a single transaction, (y) the Holder and Maker terminate this Promissory Note and the Maker and new holder enter into a new promissory note (or other instrument) in the name of the new holder for the portion of the term of this Promissory Note remaining on the date of such assignment and otherwise containing terms and conditions similar to those set forth herein, and (z) the new holder submits to Maker on or before the date of such assignment an IRS Form W-8BEN (or any successor form) certifying as to such holder's status for purposes of determining exemption from United States withholding tax, information reporting and backup withholding with respect to all payments to be made to such new holder under the new note (or other instrument). Any attempted assignment in violation of this Section 20 shall be void and of no force and effect. Until there has been a valid assignment of this Promissory Note and of all of the rights hereunder by Holder in accordance with this paragraph, the Maker shall deem and treat the Holder as the absolute beneficial owner and holder of this Promissory Note and of all of the rights hereunder for all purposes (including, without limitation, for the purpose of receiving all payments to be made under this Promissory Note).

21. Captions. Captions and section titles contained herein are inserted as a matter of convenience and for reference only and are not intended to define, limit, extend or describe the scope of this Promissory Note or the intent of any provision thereof.

22. Severability. In the event that any provision of this Promissory Note shall be declared invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of the other provisions of this Promissory Note, it being hereby agreed that such provisions are severable and that this Promissory Note shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

23. Entire Agreement. This Promissory Note sets forth the entire agreement of Maker and Holder with respect to this Promissory Note and may be modified only by a written instrument executed by Maker and Holder.

24. Intention of Parties. It is the intention of the parties hereto that (x) all interest accrued and paid on this Promissory Note will qualify for exemption from United States withholding tax as “portfolio interest,” because this Promissory Note will be an obligation which is in “registered form,” within the meaning of Sections 871(h)(2)(B) and 881(c)(2)(B) of the Internal Revenue Code of 1986, as amended (the “Code”), and the applicable Treasury Regulations promulgated thereunder, and (y) as such, all interest accrued and paid on this Promissory Note will be exempt from United States information reporting under Sections 6041 and 6049 of the Code and United States backup withholding under Section 3406 of the Code. The parties hereto agree to cooperate with one another and to execute and file such forms or other documents, or to do or refrain from doing such other acts, as may be required, to secure such exemptions from United States withholding tax, information reporting, and backup withholding, all of which shall be at Holder’s sole cost and expense. In furtherance of the foregoing, the Holder hereby represents, warrants and covenants to the Maker that (i) the Holder is not, and will not be as long as any amounts due under this Promissory Note have not been paid in full, a “United States person,” within the meaning of Section 7701(a)(30) of the Code; (ii) the Holder is not, and will not be as long as any amounts due under this Promissory Note have not been paid in full, a person described in Section 881(c) (3) of the Code; (iii) on or prior to the date hereof and on or prior to the date all amounts due under this Promissory Note have been paid in full, the Holder shall provide the Maker with a properly executed U.S. Internal Revenue Service (“IRS”) Form W-8BEN, Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding (or any successor form prescribed by the IRS), certifying as to the Holder’s status for purposes of determining exemption from United States withholding tax, information reporting and backup withholding with respect to all payments to be made to the Holder hereunder; (iv) if an event occurs that would require a change in the exempt status of the Holder or any of the other information provided on the most recent IRS Form W-8BEN (or successor form) previously submitted by the Holder to the Maker hereunder, the Holder will so inform the Maker in writing (or by submitting to Maker a new IRS Form W-8BEN or successor form) within 30 days after the occurrence of such event; and (v) the Holder will not assign or otherwise transfer this Promissory Note or any of its rights hereunder except in accordance with the provisions of Section 20 above.

25. Acknowledgement. Maker and Holder acknowledge that Maker has executed various promissory notes in favor of other lenders to fund failed capital contributions that are the subject of other promissory notes (the “Prior Notes”). Maker intends on making the payments due to all of the holders of those promissory notes, including the Holder on a pari passu basis; provided, however, Holder acknowledges that the “Holder’s Pro Rata Share of Available Repayment Funds” to the other holders may differ from that of the Holder, depending upon the principal amount reflected in their respective promissory notes.

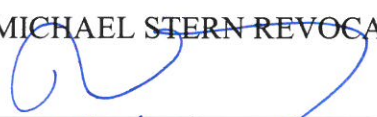
26. No Third Party Beneficiaries. Nothing in this Promissory Note, express or implied, is intended to confer any rights or remedies upon any person or entity, other than the parties hereto and their respective successors and assigns.

[Signature Page Follows]

IN WITNESS WHEREOF, the Maker has caused this Promissory Note to be executed as of the date first above written.

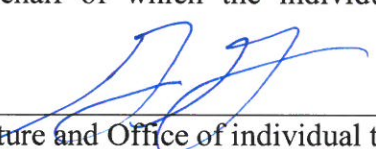
MAKER:

THE MICHAEL STERN REVOCABLE TRUST

By: 
Name: Michael Stern
Title: Trustee

STATE OF NEW YORK)
) s.s.:
COUNTY OF NEW YORK)

On the 22 day of APRIL in the year 2015 before me, the undersigned, a Notary Public in and for said State, personally appeared Michael Stern, 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 (s)he 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.



Signature and Office of individual taking acknowledgment

[Additional Signature Page Follows]

Notary Public State of New York
County of New York
Greg D Gleicher
Reg. 01GL6300101
Commission Expires 03/31/2018

HOLDER:

VKAL, LLC,
a New York limited liability company

By: _____

Name:

Title:

Schedule 1

Defined Terms

As used in this Agreement, the following terms have the meanings set forth below:

1. "Additional Capital Contribution" shall mean additional funds that may be called by Investor or Sponsor pursuant to the terms of Section 3.2(a)(i) of the Partners LLC Agreement.
2. "Atlantic" shall mean Atlantic 57 LLC, a Delaware limited liability company.
3. "Available Repayment Funds" shall mean collectively and without duplication, (w)(i) fees paid to Sponsor LLC pursuant to the Partners LLC Agreement and (ii) distributions received by Sponsor LLC pursuant to Section 6.1 of the Partners LLC Agreement, excluding distributions made pursuant to Section 6.1(a)(iii) of the Partners LLC Agreement and interest earned on a Member Loan (as defined in the Partners LLC Agreement) pursuant to Section 3.3(b) of the Partners LLC Agreement, (x) distributions received by Manager LLC pursuant to Section 6.1 of the Sponsor LLC Agreement, (y) distributions received by the Company pursuant to Section 6.1 of the Manager LLC Agreement and (z)(i) fees paid to JDS 111 pursuant to the LLC Agreement and (ii) distributions received by JDS 111 pursuant to Section 6.1 of the LLC Agreement, excluding distributions made pursuant to Section 6.1(c) of the LLC Agreement and interest earned on a Member Loan (as defined in the LLC Agreement) pursuant to Section 3.3(b) of the LLC Agreement. For the purpose of clarity, in no event shall "Available Repayment Funds" include any funds received by Maker from any source other than those explicitly set forth in the definition of "Available Repayment Funds."
4. "Company" shall mean 111 West 57th Control LLC, a Delaware limited liability company.
5. "Holder's Pro Rata Share" shall mean an amount equal to a fraction, (i) the numerator of which is the Principal Amount (ii) the denominator of which shall equal the sum of (x) the Principal Amount plus (y) all Capital Contributions (including, without limitation, Shortfall Contributions) made by JDS 111 as of the date of such distribution.
6. "Investor" shall mean 111 West 57th Investment LLC, a Delaware limited liability company.
7. "JDS Entities" shall mean, collectively, JDS 111, the Company, Manager LLC and Sponsor LLC.

8. "LLC Agreement" shall mean that certain Limited Liability Company Agreement of the Company dated as of June 28, 2013, as amended by that certain First Amendment to Limited Liability Company Agreement, dated as of the date hereof.
9. "Manager LLC" shall mean 111 West 57th Manager LLC, a Delaware limited liability company.
10. "Manager LLC Agreement" shall mean that certain Limited Liability Company Agreement of Manager LLC dated as of June 28, 2013, as the same may be amended, supplemented or modified from time to time.
11. "Partners LLC" shall mean 111 West 57th Partners LLC, a Delaware limited liability company.
12. "Partners LLC Agreement" shall mean that certain Amended and Restated Limited Liability Company Agreement of Partners LLC dated as of December 17, 2013 by and among Sponsor, Investor and Atlantic.
13. "Repayment Cap Percentage" shall mean, as of the date hereof, 3.51%, which Repayment Cap Percentage is subject to reduction to the extent Investor, Atlantic or Sponsor fund future capital calls pursuant to the Partners LLC Agreement.

The parties hereto acknowledge that the Repayment Cap Percentage is an amount equal to the number of percentage points equal to the product of (i) 100 multiplied by (ii) a fraction, (x) the numerator of which shall be an amount equal to the Principal Amount and (y) the denominator of which is all of the capital contributed to Partners LLC by Sponsor (which amount includes the Principal Amount under this Promissory Note and the portion of the principal amounts under the Prior Notes that was contributed to Partners LLC), Investor and Atlantic. As of the date hereof, (a) Sponsor has funded an amount equal to \$40,979,303.66, (b) Investor has funded an amount equal to \$71,049,264.53 and (c) Atlantic has funded an amount equal to \$30,460,577.74; as such, the Repayment Cap Percentage is 3.51% ($100 \times (5,000,000 / (40,979,303.66 + 71,049,264.53 + 30,460,577.74))$)).

14. "Sponsor" shall mean 111 West 57th Sponsor LLC, a Delaware limited liability company.
15. "Sponsor LLC Agreement" shall mean that certain shall mean that certain Limited Liability Company Agreement of Sponsor dated as of June 28, 2013, as the same may be amended, supplemented or modified from time to time.

EXHIBIT A

October 21, 2014 Capital Call Notice

[Attached]

EXHIBIT B

Total Funded Capital Contributions

EXHIBIT C

Current Budget

[Attached]

EXHIBIT D

Structure Chart

