

B10 (Official Form 10) (12/08) - Page 1

UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA		PROOF OF CLAIM
Name of Debtor: David Schwartzman		Case Number: 09-16565
NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.		
Name of Creditor (the person or other entity to whom the debtor owes money or property): Wells Fargo Bank, N.A., as Trustee for ML-CFC Commercial Mortgage Trust 2006-3		<input type="checkbox"/> Check this box to indicate that this claim amends a previously filed claim.
Name and address where notices should be sent: William J. Bernfeld Michael J. Heyman K&L GATES LLP 10100 Santa Monica Blvd., 7th Floor, Los Angeles, CA 90067 Telephone number: (310) 552-5000		Court Claim Number: _____ (if known) Filed on: _____
Name and address where payment should be sent (if different from above): Same as above Telephone number:		<input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars. <input type="checkbox"/> Check this box if you are the debtor or trustee in this case.
1. Amount of Claim as of Date Case Filed: \$ <u>To Be Determined</u> If all or part of your claim is secured, complete item 4 below; however, if all of your claim is unsecured, do not complete item 4. If all or part of your claim is entitled to priority, complete item 5. <input type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.		5. Amount of Claim Entitled to Priority under 11 U.S.C. §507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount. Specify the priority of the claim. <input type="checkbox"/> Domestic support obligations under 11 U.S.C. §507(a)(1)(A) or (a)(1)(B). <input type="checkbox"/> Wages, salaries, or commissions (up to \$10,950*) earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business whichever is earlier - 11 U.S.C. §507 (a)(4). <input type="checkbox"/> Contributions to an employee benefit plan - 11 U.S.C. §507 (a)(5) <input type="checkbox"/> Up to \$2,425* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. §507 (a)(7). <input type="checkbox"/> Taxes or penalties owed to governmental units - 11 U.S.C. §507 (a)(8). <input type="checkbox"/> Other - Specify applicable paragraph of 11 U.S.C. §507 (a) (_____). Amount entitled to priority: \$ _____ <i>*Amounts are subject to adjustment on 4/1/10 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.</i>
2. Basis for Claim: <u>See Attachment</u> (See instruction #2 on reverse side.)		
3. Last four digits of any number by which creditor identifies debtor: _____ 3a. Debtor may have scheduled account as: _____ (See instruction #3a on reverse side.)		
4. Secured Claim (See instruction #4 on reverse side.) Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information. Nature of property or right of setoff: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other Describe: Value of Property: \$ _____ Annual Interest Rate _____ % Amount of arrearage and other charges as of time case filed included in secured claim, if any: \$ _____ Basis for perfection: _____ Amount of Secured Claim: \$ _____ Amount Unsecured: \$ _____		
6. Credits: The amount of all payments on this claim has been credited for the purpose of making this proof of claim. 7. Documents: Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements or running accounts, contracts, judgments, mortgages, and security agreements. You may also attach a summary. Attach redacted copies of documents providing evidence of perfection of a security interest. You may also attach a summary. (See Instruction 7 and definition of "redacted" on reverse side.)		
DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING. If the documents are not available, please explain:		
Date: <u>12/30/09</u>	Signature: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any. <i>Wells Fargo Bank, N.A., as Trustee for ML-CFC Commercial Mortgage Trust 2006-3 By: ING Clarion Capital Loan Services LLC as Special Servicer pursuant to the Pooling and Servicing Agreement dated September 1, 2006</i>	FOR COURT USE ONLY

Attachment to Proof of Claim

Wells Fargo Bank, N.A., as Trustee for the registered holders of ML-CFC Commercial Mortgage Trust 2006-3, Commercial Mortgage Pass-Through Certificates, Series 2006-3 and NBS-CW Subdebt Holdco, LLC, a Delaware limited liability company, by and through Wells Fargo Bank, N.A., as Trustee for ML-CFC Commercial Mortgage Trust 2006-3 under the Pooling and Servicing Agreement (as defined below), hereby submits this proof of claim based on the following:

A. Countrywide Commercial Real Estate Finance, Inc., a California corporation ("Original Lender") made a loan to (i) Sepulveda Eagle Center, L.P., a California limited partnership, and (ii) HSB Venture, LLC, a California limited liability company (each an "Original Borrower" and collectively "Original Borrower," as the context may require) in the combined original principal amount of \$19,010,000.00 pursuant to that certain Loan Agreement dated as of June 6, 2006 between Original Borrower and Original Lender (as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time, the "Loan Agreement"). The loan is evidenced by that certain Promissory Note (Note A) in favor of Original Lender dated June 6, 2006, which evidenced a loan from Original Lender to Original Borrower in the original principal amount of \$18,000,000.00, and that certain Promissory Note (Note B) in favor of Original Lender dated June 6, 2006, which evidenced a loan from Original Lender to Original Borrower in the original principal amount of \$1,010,000.00 (such notes are referred to collectively as the "Notes," and the loans evidenced thereby are referred to collectively as the "Loan"). Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Loan Agreement.

B. Note A was transferred by Original Lender to La Salle National Association ("Original Trustee"), as Trustee for the registered holders of ML-CFC Commercial Mortgage Trust 2006-3, Commercial Pass-Through Certificates, Series 2006-C3. Note B was transferred by Original Lender to NBS-CW Subdebt Holdco, LLC, a Delaware limited liability company. Servicing of Note A and Note B is presently governed by a certain Pooling and Servicing Agreement, made applicable by the terms of that certain Amended and Restated A/B Co-Lender Agreement, dated as of September 22, 2006, by and between Original Lender, in its capacity as the holder of Note A and Note B. As used herein, the "Pooling and Servicing Agreement" shall mean that certain Pooling and Servicing Agreement by and among Merrill Lynch Mortgage Investors, Inc., as Depositor, Midland Loan Services, Inc., as Master Servicer No. 1, Capmark Finance Inc., as Master Servicer No. 2, ING Clarion Partners, LLC, as Special Servicer, and LaSalle Bank National Association, as Trustee, dated as of September 1, 2006.

C. On or about June 30, 2008, Original Trustee resigned as Trustee for the registered holders of ML-CFC Commercial Mortgage Trust 2006-3, Commercial Pass-Through Certificates, Series 2006-C3, and Wells Fargo Bank, N.A. was appointed as Successor Trustee pursuant to that Instrument of Appointment and Acceptance of Successor Trustee and Notice of Appointment of Successor Trustee.

D. On October 5, 2007, Sepulveda WLA Ventures, LLC, a Delaware limited liability company ("Borrower") assumed the Loan from Original Borrower, and thereby assumed the obligations of the Original Borrower under the Loan Documents.

E. On or about October 5, 2007, as additional security for Borrower's obligations under the Notes and other obligations of any kind of Borrower to the Lender, David L. Schwartzman ("Guarantor") executed and delivered that certain Guaranty of Recourse Obligations dated October 5, 2007 (the "Guaranty"), pursuant to which Guarantor guaranteed various obligations, as set forth therein. A true and correct copy of the Guaranty is attached as Exhibit 1.

F. Given that the obligations of Borrower have not been fully satisfied, the Guaranty remains in full force and effect and Guarantor, therefore, remains liable for the obligations in an unknown amount to be determined.

Capmark Loan #99-1077704 & 99-1077808
Sportmart & Westwood Self Storage

GUARANTY OF RECOURSE OBLIGATIONS

THIS GUARANTY OF RECOURSE OBLIGATIONS (this "Guaranty"), dated as of October 5, 2007, is made by DAVID L. SCHWARTZMAN, an individual (whether one or more collectively referred to as "Guarantor"), for the benefit of LaSalle Bank National Association, as Trustee for the registered holders of ML-CFC Commercial Mortgage Trust 2006-3, Commercial Mortgage Pass-Through Certificates, Series 2006-C3, as holder of the A Note, and as collateral agent for the benefit of the holder of the B Note in accordance with the Intercreditor Agreement (as such capitalized terms are hereinafter defined) (together with its successors and assigns, "Lender").

RECITALS

A. Countrywide Commercial Real Estate Finance, Inc., a California corporation ("Original Lender") made a loan to (i) Sepulveda Eagle Center, L.P., a California limited partnership, and (ii) HSB Venture, LLC, a California limited liability company (each an "Original Borrower" and collectively "Original Borrower," as the context may require) in the combined original principal amount of \$19,010,000.00 pursuant to that certain Loan Agreement dated as of June 6, 2006 between Original Borrower and Original Lender (as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time, the "Loan Agreement"). The loan is evidenced by that certain Promissory Note (Note A) in favor of Original Lender dated June 6, 2006 ("A Note"), which evidenced a loan from Original Lender to Original Borrower in the original principal amount of \$18,000,000.00 (the "Note A Loan"), and that certain Promissory Note (Note B) in favor of Original Lender dated June 6, 2006 ("B Note"); the A Note and the B Note are collectively hereinafter referred to as the "Notes" which evidenced a loan from Original Lender to Original Borrower in the original principal amount of \$1,010,000.00 (the "Note B Loan"); the Note A Loan and the Note B Loan are collectively hereinafter referred to as the "Loan". The Loan is further evidenced by that certain Loan Agreement (the "Loan Agreement") dated June 6, 2006, between Original Borrower and Original Lender. Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Loan Agreement.

B. The A Note was transferred by Original Lender to LaSalle Bank National Association, as Trustee for the registered holders of ML-CFC Commercial Mortgage Trust 2006-3, Commercial Mortgage Pass-Through Certificates, Series 2006-C3. The B Note is held by Original Lender (in such capacity as the holder of the B Note, the "B Note Holder"). Pursuant to the terms of that certain Amended and Restated A/B Co-Lender Agreement, dated as of September 22, 2006, by and between Original Lender, in its capacity as the holder of Note A holder and Original Lender, in its capacity as the holder of Note B holder (the "Intercreditor Agreement"), Lender is authorized to administer the Loan in accordance with the terms of the Intercreditor Agreement.

C. On the date hereof, Original Borrower has transferred the Property to Sepulveda WLA Ventures, LLC, a Delaware limited liability company ("Borrower"), who has assumed the obligations of the Original Borrower under the Loan Documents.

D. Lender is unwilling to consent to the assumption of the Loan by Borrower unless Guarantor executes this Guaranty for the benefit of Lender.

NOW, THEREFORE, as an inducement to Lender to consent to the assumption of the Loan by Borrower, and for other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

ARTICLE I - NATURE AND SCOPE OF GUARANTY

Section 1.1 Guaranty of Obligations. Guarantor hereby irrevocably and unconditionally guarantees to Lender the payment and performance of the Guaranteed Obligations as and when the same shall be due and payable. Guarantor hereby irrevocably and unconditionally covenants and agrees that it is liable for the Guaranteed Obligations as a primary obligor. Each Person constituting Guarantor hereunder shall have joint and several liability for the Guaranteed Obligations.

Section 1.2 Definition of Guaranteed Obligations. As used herein, the term "Guaranteed Obligations" means (i) the Recourse Liabilities (as defined in the Notes) and (ii) upon the occurrence of a Full Recourse Event (as defined in the Notes), the full amount of the Indebtedness.

Section 1.3 Nature of Guaranty. This Guaranty is an irrevocable, absolute, continuing guaranty of payment and performance and not a guaranty of collection. This Guaranty may not be revoked by Guarantor and shall continue to be effective with respect to any Guaranteed Obligations arising or created after any attempted revocation by Guarantor and after (if Guarantor is a natural person) Guarantor's death (in which event this Guaranty shall be binding upon Guarantor's estate, legal representatives and heirs).

Section 1.4 Payment by Guarantor. Guarantor shall, immediately upon demand by Lender, pay the amount due on the Guaranteed Obligations to Lender at Lender's address as set forth herein or as otherwise instructed by Lender. Such demand(s) may be made at any time coincident with or after the time for payment of all or any part of the Guaranteed Obligations with respect to the same or different Guaranteed Obligations.

Section 1.5 No Duty to Pursue Others. Lender shall not be required (and Guarantor hereby waives any rights to require Lender), in order to enforce the obligations of Guarantor hereunder, first (i) to institute suit or otherwise exhaust its remedies against Borrower or any other Persons liable on the Loan or the Guaranteed Obligations, or against any other Person, (ii) to enforce Lender's rights against any collateral given to secure the Loan, (iii) to enforce Lender's rights against any other guarantors of the Guaranteed Obligations, (iv) to join Borrower or any other Persons liable on the Guaranteed Obligations in any action seeking to enforce this Guaranty, (v) to exhaust any available remedies against any collateral given to secure the Loan, or (vi) to resort to any other means of obtaining payment of the Guaranteed Obligations.

Section 1.6 Waivers. Guarantor agrees to the provisions of the Loan Documents and hereby waives notice of (i) any loans or advances made by Lender to Borrower, (ii) acceptance of this Guaranty, (iii) any amendment, modification, replacement or extension of any Loan Document, (iv) the execution and delivery by Borrower and/or Lender of any other agreements, promissory notes or other documents arising under the Loan Documents or in connection with the Property, (v) any Event of Default, (vi) Lender's transfer, participation, componentization or other disposition of the Guaranteed Obligations, or any part thereof, (vii) sale or foreclosure (or posting or advertising therefor) of any collateral for the Guaranteed Obligations, (viii) protest, presentment, intention to accelerate the maturity, acceleration of the maturity, or proof of non-payment or default by Borrower, or (ix) any other action taken or omitted by Lender and any and all demands and notices of every kind in connection with this Guaranty, the Loan Documents, and any documents or agreements evidencing, securing or relating to any of the Guaranteed Obligations and any other obligations hereby guaranteed.

Section 1.7 Payment of Expenses. If Guarantor fails to timely perform any provisions of this Guaranty, Guarantor shall, immediately upon demand by Lender, pay Lender any and all reasonable costs and expenses (including court costs and reasonable attorneys' fees and expenses) incurred by Lender in the enforcement hereof or the preservation of Lender's rights hereunder. The covenant contained in this Section 1.7 shall survive the payment and performance of the Guaranteed Obligations.

Section 1.8 Effect of Bankruptcy. If pursuant to any Insolvency Action concerning Borrower or Guarantor, Lender must rescind, restore or return any payment or any part thereof received by Lender in satisfaction (in full or in part) of the Guaranteed Obligations, as set forth herein, any prior release or discharge from the terms of this Guaranty given to Guarantor by Lender shall be without effect, and this Guaranty shall remain in full force and effect. Guarantor acknowledges that Guarantor's obligations hereunder shall not be discharged except by Guarantor's performance of same and then only to the extent of such performance. In addition, if at any time any payment of principal, interest or any other amount payable by Borrower under any Loan Document, is rescinded or must be restored or returned pursuant to an Insolvency Action concerning Borrower or otherwise, Guarantor's obligations hereunder with respect to such payment shall be fully reinstated as though such payment has been due but not made.

Section 1.9 Waiver of Subrogation, Reimbursement and Contribution. Notwithstanding anything to the contrary contained in this Guaranty, Guarantor hereby unconditionally and irrevocably waives, releases and abrogates any and all rights it may now or hereafter have under any agreement, at law or in equity (including, without limitation, any law subrogating Guarantor to the rights of Lender), to assert any claim against or seek contribution, indemnification or any other form of reimbursement from Borrower or any other party liable for payment of any or all of the Guaranteed Obligations for any payment made by Guarantor under or in connection with this Guaranty or otherwise until the Indebtedness is paid in full. Specifically, and without in any way limiting the foregoing, pursuant to Section 2856 of the California Civil Code, Guarantor hereby waives (a) any rights of subrogation, indemnification, contribution or reimbursement arising under, and any other rights and defenses that are or may become available to Guarantor by reason of, Sections 2787 to 2855, inclusive, and 2899 of the California Civil Code, and (b) all rights and defenses arising out of an election of remedies, even though that election of remedies (such as non-judicial foreclosure upon any real property

constituting security for Borrower's obligations under the Loan Documents) has destroyed Guarantor's rights of subrogation and reimbursement against Borrower by the operation of Section 580d of the California Code of Civil Procedure. Without limiting the foregoing, Guarantor waives all rights and defenses that Guarantor may have because the Borrower's debt is secured by real property. This means, among other things, Lender may collect from Guarantor without first foreclosing on any real or personal property collateral pledged by Borrower; and if Lender forecloses on any real property collateral pledged by Borrower, the amount of the debt may be reduced only by the price for which that collateral is sold at the foreclosure sale, even if the collateral is worth more than the sale price, and Lender may collect from Guarantor even if Lender, by foreclosing on the real property collateral, has destroyed any right Guarantor may have to collect from Borrower. This is an unconditional and irrevocable waiver of any rights and defenses Guarantor may have because the Borrower's debt evidenced by the Notes is secured by real property. These rights and defenses include, but are not limited to, any rights or defenses based upon Section 580a, 580b, 580d, or 726 of the California Code of Civil Procedure. The provisions of this paragraph shall survive the termination of this Guaranty, and any satisfaction and discharge of Borrower by virtue of any payment, court order or any applicable law.

Section 1.10 Borrower. The term "Borrower" as used herein shall include any new or successor corporation, association, partnership (general or limited), limited liability company, joint venture, trust or other individual or organization formed as a result of any merger, reorganization, sale, transfer, assignment, devise, gift or bequest of or by Borrower or any interest in Borrower or the Loan.

ARTICLE II - EVENTS AND CIRCUMSTANCES NOT REDUCING OR DISCHARGING GUARANTOR'S OBLIGATIONS

Section 2.1 Events and Circumstances Not Reducing or Discharging Guarantor's Obligations. Guarantor hereby consents and agrees to each of the following and agrees that Guarantor's obligations hereunder shall not be released, diminished, impaired, reduced or adversely affected in any way by any of the following, and waives any common law, equitable, statutory or other rights (including, without limitation, rights to notice) which Guarantor might have in connection with any of the following:

(a) Modifications, Releases, Etc. Any (i) renewal, extension, increase, reduction, modification, alteration or rearrangement of all or any part of the Guaranteed Obligations, any Loan Document, or any other document or agreement between Borrower and Lender or any other parties pertaining to the Guaranteed Obligations (including, without limitation, any sale, assignment, or negotiation of the Notes); (ii) adjustment, indulgence, forbearance or compromise that might be extended, granted or given by Lender to Borrower or Guarantor; (iii) full or partial release of the liability of Borrower, any other guarantor, or any other Person, with respect to the Guaranteed Obligations; (iv) taking or accepting of any other security, collateral or guaranty of payment for all or any part of the Guaranteed Obligations; or (v) release, surrender, exchange, subordination, deterioration, waste, loss or impairment (including, without limitation, negligent, willful, unreasonable or unjustifiable impairment) of any collateral, property or security at any time existing in connection with, or assuring or securing payment of, all or any part of the Guaranteed Obligations.

(b) Condition of Borrower or Guarantor. The existence of an Insolvency Action concerning Borrower, Guarantor or any other party liable for the payment of all or part of the Guaranteed Obligations, or any dissolution of Borrower or Guarantor or any sale, lease or transfer of any or all of the assets of Borrower or Guarantor, or any changes in the shareholders, partners or members of Borrower or Guarantor, or any merger, consolidation, or reorganization of Borrower or Guarantor into or with any other Person.

(c) Invalidity, Unenforceability, Offset, Etc. The invalidity, illegality or unenforceability of all or any part of the Guaranteed Obligations or any Loan Document, or of any other document or agreement executed in connection with the Guaranteed Obligations for any reason whatsoever, including, without limitation, the fact that (i) the Guaranteed Obligations or any part thereof exceeds the amount permitted by law, (ii) the act of creating the Guaranteed Obligations or any part thereof is ultra vires, (iii) the officers or representatives executing the Loan Documents or otherwise creating the Guaranteed Obligations acted in excess of their authority, (iv) the Guaranteed Obligations violate applicable usury laws, (v) Borrower has valid defenses, claims or offsets (whether at law, in equity or by agreement) which render the Guaranteed Obligations wholly or partially uncollectible from Borrower, and whether such defense, claim, or right of offset arises in connection with the Guaranteed Obligations, the transactions creating same, or otherwise (including any defense based upon any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in other respects more burdensome than that of the principal and any defense of the statute of limitations in any action hereunder or in any action for the collection or performance of any obligations hereby guaranteed), (vi) the creation, performance or repayment of the Guaranteed Obligations (or the execution, delivery and performance of any document or instrument representing part of the Guaranteed Obligations, or executed in connection with the Guaranteed Obligations, or given to secure the repayment of the Guaranteed Obligations) is illegal, uncollectible or unenforceable, (vii) any Loan Document has been forged, or is not genuine or authentic, it being agreed that Guarantor shall remain liable hereunder regardless of whether Borrower or any other person be found not liable on the Guaranteed Obligations or any part thereof for any reason, or (viii) any collateral, security, security interest or lien contemplated or intended to be given, created or granted as security for the repayment of the Guaranteed Obligations, or any part thereof, shall not be properly perfected or created, or shall prove to be unenforceable or subordinate to any other security interest or lien, it being acknowledged and agreed by Guarantor that Guarantor is not entering into this Guaranty in reliance on, or in contemplation of the benefits of, the validity, enforceability, collectibility or value of any of the collateral for the Guaranteed Obligations.

(d) Care and Diligence. The failure of Lender or any other party to exercise diligence or reasonable care in the preservation, protection, enforcement, sale or other handling or treatment of all or any part of any collateral, property or security, including, without limitation, any neglect, delay, omission, failure or refusal of Lender (i) to take or prosecute any action for the collection of any of the Guaranteed Obligations, (ii) to foreclose, or initiate any action to foreclose, or, once commenced, prosecute to completion any action to foreclose upon any security therefor, or (iii) to take or prosecute any action in connection with any instrument or agreement evidencing or securing all or any part of the Guaranteed Obligations. The foregoing shall not apply to the gross negligence or willful misconduct of Lender or its agents.

(e) Preference. Any payment by Borrower to Lender is held to constitute a preference under bankruptcy laws or for any reason Lender is required to refund or remit any such payment or amount to Borrower or any other Person.

(f) Other Actions Taken or Not Taken. Any other action taken or not taken with respect to the Loan Documents, the Guaranteed Obligations, or the security and collateral therefor, whether or not such action or inaction prejudices Guarantor or increases the likelihood that Guarantor will be required to pay the Guaranteed Obligations pursuant to the terms hereof.

ARTICLE III - REPRESENTATIONS AND WARRANTIES

Section 3.1 Representations and Warranties. To induce Lender to consent to the assumption of the Loan by Borrower, Guarantor represents and warrants to Lender that: (a) Guarantor will receive a direct or indirect benefit from the making of the Loan to Borrower; (b) Guarantor is familiar with, and has independently reviewed books and records regarding, the financial condition of Borrower and any and all collateral intended to be given as security for the payment of the Indebtedness; (c) after giving effect to this Guaranty, Guarantor is and will remain solvent; (d) to Guarantor's knowledge, the execution, delivery and performance by Guarantor of this Guaranty and the consummation of the transactions contemplated hereunder do not and will not contravene or conflict with any law, statute or regulation to which Guarantor is subject, or constitute a default (or which with notice, or lapse of time, or both, would constitute a default) under, or result in the breach of, any indenture, mortgage, charge, lien, or any contract or agreement to which Guarantor is a party or which may be applicable to Guarantor; (e) to Guarantor's knowledge, no approval, authorization, order, license or consent of, or registration or filing with, any Governmental Authority or other person, and no approval, authorization or consent of any other Person is required in connection with this Agreement; (f) to Guarantor's knowledge, there are no actions, suits or proceedings at law or in equity by or before any Governmental Authority or other agency now pending and served or, to Guarantor's knowledge, threatened, involving or concerning Guarantor, and (g) this Guaranty is a legal, valid and binding obligation of Guarantor, and is enforceable in accordance with its terms, except as may be limited by principles of equity, bankruptcy, insolvency or other laws of general application relating to the enforcement of creditors' rights.

Section 3.2 Additional Provisions. Without limiting anything set forth in Section 3.1 above, Guarantor hereby represents, warrants, covenants and agrees as follows:

(a) The execution and delivery by Guarantor of this Guaranty and any other Loan Document to which it is a party, and Guarantor's performance of its obligations thereunder (i) will not violate any provision of any applicable Legal Requirements, and (ii) will not be in conflict with, result in a breach of, or constitute (with due notice or lapse of time or both) a default under, or result in the creation or imposition of any Lien of any nature whatsoever upon any of the property or assets of Guarantor pursuant to, any indenture or agreement or instrument. This Guaranty and the other Loan Documents to which Guarantor is a party have been duly executed and delivered by Guarantor.

ARTICLE IV - SUBORDINATION OF CERTAIN INDEBTEDNESS

Section 4.1 Subordination of All Guarantor Claims. As used herein, the term "Guarantor Claims" shall mean any and all debts and liabilities of Borrower owed to Guarantor, whether now existing or hereafter incurred, including, without limitation, all rights and claims of Guarantor against Borrower (arising as a result of subrogation or otherwise) as a result of Guarantor's payment of all or any portion of the Guaranteed Obligations. Without limiting the provisions of Section 1.9, Guarantor hereby subordinates its rights to receive any payment from Borrower on account of any Guarantor Claims to the full and indefeasible payment of the Indebtedness payable to Lender. Following the occurrence of an Event of Default, Guarantor shall not demand, receive or collect, directly or indirectly, from Borrower or any other party, and shall not claim any offset or other reduction of Guarantor's obligations hereunder because of, any amount pursuant to or in satisfaction of the Guarantor Claims until the Indebtedness is paid in full.

Section 4.2 Claims in Bankruptcy. In the event of an Insolvency Action involving Guarantor as debtor, Lender shall have the right to prove its claim in any such proceeding so as to establish its rights hereunder and receive directly from the receiver, trustee or other court custodian dividends and payments which would otherwise be payable pursuant to or in satisfaction of Guarantor Claims. Guarantor hereby assigns any and all such dividends and payments to Lender.

Section 4.3 Payments Held in Trust. If, notwithstanding anything to the contrary contained in this Guaranty, Guarantor should receive any funds, payment, claim or distribution which is prohibited hereunder, Guarantor covenants and agrees to hold in trust for Lender an amount equal to the amount of all funds, payments, claims or distributions so received, and Guarantor acknowledges and agrees that it shall have absolutely no dominion over the amount of such funds, payments, claims or distributions so received, except to pay them promptly to Lender, and Guarantor hereby covenants and agrees promptly to pay the same to Lender.

Section 4.4 Liens Subordinate; Standstill. Guarantor acknowledges and agrees that any liens, security interests, judgment liens, charges or other encumbrances upon Borrower's assets securing payment of the Guarantor Claims shall be and remain inferior and subordinate to any liens, security interests, judgment liens, charges or other encumbrances upon Borrower's assets securing payment of the Guaranteed Obligations, regardless of whether such encumbrances in favor of Guarantor or Lender presently exist or are hereafter created or attach. Guarantor shall not (i) exercise or enforce any creditor's right it may have against Borrower, or (ii) foreclose, repossess, sequester or otherwise take steps or institute any action or proceedings (judicial or otherwise, including, without limitation, the commencement of, or joinder in, any liquidation, bankruptcy, rearrangement, debtor's relief or insolvency proceeding) to enforce any liens, mortgages, deeds of trust, security interests, collateral rights, judgments or other encumbrances on assets of Borrower held by Guarantor.

ARTICLE V - MISCELLANEOUS

Section 5.1 Waiver. No failure to exercise, and no delay in exercising, on the part of Lender, any right hereunder shall operate as a waiver thereof, nor shall any single or partial

exercise thereof preclude any other or further exercise thereof or the exercise of any other right. The rights of Lender hereunder shall be in addition to all other rights provided by law. No notice or demand given in any case shall constitute a waiver of the right to take other action in the same, similar or other instances without such notice or demand.

Section 5.2 Notices. All notices, consents, approvals, demands and requests required or permitted hereunder shall be given in writing and shall be effective for all purposes if hand delivered or sent by (a) hand delivery, with proof of attempted delivery, (b) certified or registered United States mail, postage prepaid, or (c) expedited prepaid delivery service, either commercial or United States Postal Service, with proof of attempted delivery, addressed to the parties as follows:

If to Lender: LaSalle Bank National Association, as Trustee for the registered holders of ML-CFC Commercial Mortgage Trust 2006-3, Commercial Mortgage Pass-Through Certificates, Series 2006-C3
c/o Capmark Finance Inc.
116 Welsh Road
Horsham, PA 19044
Attention: Client Relations Manager
for Loan No. 99-1077704 & 99-1077808

If to Guarantor: David Schwartzman
8383 Wilshire Blvd., Suite 1000
Beverly Hills, CA 90211

A party receiving a notice which does not comply with the technical requirements for notice under this Section 5.2 may elect to waive any deficiencies and treat the notice as having been properly given. A notice shall be deemed to have been given: (a) in the case of hand delivery, at the time of delivery; (b) in the case of registered or certified mail, when delivered or the first attempted delivery on a Business Day; or (c) in the case of expedited prepaid delivery upon the first attempted delivery on a Business Day.

Section 5.3 Governing Law; Submission to Jurisdiction.

(a) This Guaranty shall be interpreted and enforced according to the laws of the state where the Property is located (without giving effect to rules regarding conflict of laws).

(b) Guarantor hereby consents and submits to the exclusive jurisdiction and venue of any state or federal court sitting in the county and state where the Property is located with respect to any legal action or proceeding arising with respect to this Guaranty and waives all objections which it may have to such jurisdiction and venue.

Section 5.4 Severability. Wherever possible, each provision of this Guaranty shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Guaranty shall be prohibited by or invalid under applicable law, such provision shall be

ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Guaranty.

Section 5.5 Modification; Waiver in Writing. No modification, amendment, extension, discharge, termination or waiver of any provision of this Guaranty, nor consent to any departure by Guarantor therefrom, shall in any event be effective unless the same shall be in a writing signed by the party against whom enforcement is sought, and then such waiver or consent shall be effective only in the specific instance, and for the purpose, for which given. Except as otherwise expressly provided herein, no notice to, or demand on Guarantor, shall entitle Guarantor to any other or future notice or demand in the same, similar or other circumstances.

Section 5.6 Number and Gender. All references to sections and exhibits are to sections and exhibits in or to this Guaranty unless otherwise specified. Unless otherwise specified, the words "hereof," "herein" and "hereunder" and words of similar import when used in this Guaranty shall refer to this Guaranty as a whole and not to any particular provision, article, section or other subdivision of this Guaranty. Unless otherwise specified, all meanings attributed to defined terms herein shall be equally applicable to both the singular and plural forms of the terms so defined. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice versa.

Section 5.7 Headings, Etc. The headings and captions of various paragraphs of this Guaranty are for the convenience of reference only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

Section 5.8 Counterparts This Guaranty may be executed in several counterparts, each of which counterparts shall be deemed an original instrument and all of which together shall constitute a single Guaranty. The failure of any party hereto to execute this Guaranty, or any counterpart hereof, shall not relieve the other signatories from their obligations hereunder.

Section 5.9 Rights and Remedies. If Guarantor becomes liable for any indebtedness owing by Borrower to Lender, by endorsement or otherwise, other than pursuant to this Guaranty, such liability shall not be in any manner impaired or affected hereby, and the rights of Lender hereunder shall be cumulative of any and all other rights that Lender may ever have against Guarantor. The exercise by Lender of any right or remedy hereunder or under any other instrument, or at law or in equity, shall not preclude the concurrent or subsequent exercise of any other right or remedy.

Section 5.10 Entire Agreement This Guaranty and the other Loan Documents embody the final, entire agreement of Guarantor and Lender with respect to the Guarantor's guaranty of the Guaranteed Obligations and supersedes any and all prior commitments, agreements, representations, and understandings, whether written or oral, relating to the subject matter hereof. This Guaranty is intended by Guarantor and Lender as a final and complete expression of the terms of the Guaranty, and no course of dealing between Guarantor and Lender, no course of performance, no trade practices, and no evidence of prior, contemporaneous or subsequent oral agreements or discussions or other extrinsic evidence of any nature shall be used to contradict,

vary, supplement or modify any term of this Guaranty. There are no oral agreements between Guarantor and Lender.

Section 5.11 Waiver of Right to Trial by Jury. GUARANTOR HEREBY AGREES NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY JURY, AND WAIVES ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST WITH REGARD TO THIS GUARANTY, OR ANY CLAIM, COUNTERCLAIM OR OTHER ACTION ARISING IN CONNECTION THEREWITH. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY GUARANTOR, AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE. LENDER IS HEREBY AUTHORIZED TO FILE A COPY OF THIS PARAGRAPH IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER BY GUARANTOR.

Section 5.12 Cooperation.

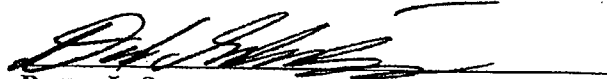
(a) Guarantor acknowledges that Lender may engage in one or more Secondary Market Transactions in accordance with the Loan Agreement. Guarantor shall cooperate with Lender in effecting all such Secondary Market Transactions and shall cooperate to implement the requirements imposed by any Rating Agency involved in any Secondary Market Transaction at no cost to Guarantor. Guarantor shall provide such information and documents Guarantor has in its possession relating to Guarantor, Borrower, the Property and any tenants of the Improvements as Lender may reasonably request in connection with such Secondary Market Transaction. In addition, Guarantor shall make available to Lender all information concerning its business and operations that Lender may reasonably request. Lender shall be permitted to share all such information with the investment banking firms, Rating Agencies, accounting firms, law firms and other third-party advisory firms and parties involved with the Loan and/or any Secondary Market Transaction at no cost to Guarantor. It is understood and acknowledged that the information provided by Guarantor to Lender may ultimately be incorporated into the offering documents for such Secondary Market Transaction, and thus, various investors may also have access to such information. Lender and all of the aforesaid third-party advisors and professional firms shall be entitled to rely on the information supplied by, or on behalf of, Guarantor in such form as provided. Lender may publicize the Loan in connection with any Secondary Market Transaction or its business development.

(b) Upon any transfer or proposed transfer contemplated above and by Article 10 of the Loan Agreement, at Lender's request, Guarantor shall provide an estoppel certificate to any investor or any prospective investor in a Secondary Market Transaction, in such form and substance as Lender, or such investor or prospective investor, may reasonably require.

[Signature on the following page]

IN WITNESS WHEREOF, the undersigned has executed this Guaranty all as of the day and year first above written.

GUARANTOR:



DAVID L. SCHWARTZMAN, an individual