

PLEDGE AND SECURITY AGREEMENT

PLEDGE AND SECURITY AGREEMENT (this "**Agreement**") dated as of August 25, 2014 by [REDACTED] RNE BRF LLC, a Delaware limited liability company ("**Pledgor**"), for the benefit of [REDACTED] 677 BWAY LLC, a Delaware limited liability company (together with its successors and assigns, the "**Lender**").

RECITALS

A. Whereas The Royal Bank of Scotland plc (the "**Senior Lender**"), as senior lender, has made a loan (the "**Senior Loan**") to Shelbourne Broadway LLC, a Delaware limited liability company ("**Owner**") and Shelbourne Albany LLC, a Delaware limited liability company ("**Albany Owner**"), pursuant to a Loan Agreement of even date herewith between Senior Lender and Owner (as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time, the "**Senior Loan Agreement**"), which loan is evidenced by a Promissory Note of even date herewith made by Owner and Albany Owner in favor of Senior Lender in the principal amount of \$28,875,000.00 (as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time, the "**Senior Note**"), and secured by that certain Amended, Restated and Consolidated Fee and Leasehold Mortgage, Assignment of Lease and Rents and Security Agreement, of even date herewith, each made by an Owner and Albany Owner for the benefit of Senior Lender (as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time, collectively, the "**Security Instrument**") which encumbers, among other things, the real property more particularly described therein (the "**Property**");

B. Whereas Pledgor owns one hundred percent (100%) of the issued and outstanding limited liability company interests of Owner, pursuant to that certain Limited Liability Company Agreement of Owner, each dated as of the date hereof, 2014 and each executed by Pledgor, as sole equity member, and Jennifer A. Schwartz and Steven P. Zimmer as independent managers (individually and collectively, as the context requires, and as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time, the "**Owner Operating Agreement**"), as evidenced by that certain Certificate of Owner (the "**Certificate**"), the form of which is attached hereto and made a part hereof as Exhibit A;

C. Pursuant to that certain Mezzanine Loan Agreement (as same may be amended, restated, replaced, supplemented, consolidated or otherwise modified, the "**Loan Agreement**") dated as of the date hereof among the Lender, the Pledgor and Shelbourne 677 LLC, a Delaware limited liability company (together with the Pledgor, collectively "**Borrower**"), the Lender has agreed to make a loan to the Borrower in the principal amount of \$3,350,000.00 (the "**Loan**"), which Loan is evidenced by a Mezzanine Promissory Note of even date herewith made by Borrower in favor of Lender (as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time, the "**Note**");

B. To induce the Lender to make the Loan to Borrower, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Pledgor has agreed to pledge and grant to Lender a first priority security interest in the Collateral (as defined below) as security for the Obligations (as defined below).